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# TECHNICAL REPORT

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## Benchmarking of the use of personal advisers in Jobcentre Plus

Christian van Stolk, Jennifer Rubin, Jonathan Grant

Prepared for the National Audit Office

The research described in this report was prepared for the National Audit Office

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# Preface

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This report, which was commissioned by the National Audit Office (NAO), presents the results of a benchmarking study investigating the deployment and management of personal advisers in three employment advice providers: Tomorrow's People, a non-governmental organisation in the United Kingdom; WorkDirections, a private sector provider in the United Kingdom; and the *Centrum voor Werk en Inkomen* (Centre for Work and Income), an independent government agency (*Zelfstandig Bestuursorgaan*) in the Netherlands.

The main purpose of this study is to identify specific, transferable lessons that could lead to process improvements for Jobcentre Plus and identify the key priorities for enhancing performance. The structure of the case study reports follows benchmarking criteria agreed by RAND Europe and the NAO (see Appendix C). The case study reports describe the different organisational structures, outline the different ways in which advisers function and give employment advice and assess the varying costs and outcomes of these advice processes. In addition, an overarching analysis, which is presented in the 'Summary' section, draws out the principal themes of the comparison between the case studies and aims to identify transferable lessons for Jobcentre Plus. These main findings are:

- **Other employment advice providers focus more exclusively on employment advice than Jobcentre Plus.**
- **The advice process and the client base served vary among providers.**
- **The autonomy of advisers is central to the advice processes of the benchmarked employment advice providers.**
- **The employment advice providers in this study place an emphasis on outcome-based performance measures rather than process targets.**
- **The cost per successful outcome (i.e. unemployed clients placed in employment) of Jobcentre Plus programmes is higher than that of other employment advice providers.**
- **The initiatives of other providers to improve efficiency in the time use of advisers could offer valuable lessons for Jobcentre Plus.**

This report will be of particular interest to the NAO and its client department, the Department for Work and Pensions. It is also relevant for policy makers, as well as a wider audience concerned with the challenge of providing effective and efficient employment advice.

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# Acknowledgments

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The successful completion of this work depended on the availability of detailed information on the structure and workings of the benchmarked employment advice providers. In the course of this research, we benefited from the generous participation of the case study organisations, which allowed us open access to their staff and operations and provided useful feedback on the case study reports.

We are grateful for the assistance of all who contributed to this research. In particular we would like to thank staff at Tomorrow's People, WorkDirections, and the Dutch 'Centre for Work and Income'. We owe special gratitude to Abi Levitt and Charles Shaw of Tomorrow's People for their detailed feedback on the draft of the case study report. A full list of participants and contacts is provided in Appendix E.

We would like to thank the project team at the NAO for their continued support and valuable insights throughout the course of this research. Stijn Hoorens and Greg Hannah at RAND Europe provided useful and insightful comments during the Quality Assurance process.



# Summary

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1. The importance of the role of personal advisers in Europe's public employment services has been a focus of growing attention in recent years. In the United Kingdom, personal advisers have become increasingly important to the functioning of Jobcentre Plus. The personal advisers play a central role in providing high quality employment advice to Jobcentre Plus customers. They are therefore crucial to the organisation meeting its aims, objectives and targets. To evaluate the role of personal advisers the National Audit Office (NAO) is conducting a Value for Money (VFM) study of the management and deployment of personal advisers in Jobcentre Plus for the Department for Work and Pensions (DWP). In this study the NAO's central question is: are personal advisers effectively and efficiently managed in order to get people back into work?
2. To support this study, RAND Europe was asked to undertake a benchmarking study on the role of personal advisers in Jobcentre Plus by conducting three case studies. The three case studies were chosen based on an agreed list of criteria (see the methodology section in Appendix C for more detailed information). The three organisations selected are employment advice providers: Tomorrow's People, a non-governmental organisation in the United Kingdom; WorkDirections, a private sector provider in the United Kingdom; and the *Centrum voor Werk en Inkomen* ('Centre for Work and Income'), an independent government agency (*Zelfstandig Bestuursorgaan*) in the Netherlands (see Box 1). The structure of the case study reports follows benchmarking criteria agreed by RAND Europe and the NAO (see Appendix B). These were:
  - The context in which the organisation operates;
  - Performance measurement in terms of costs and outcomes;
  - The nature of the advice process;
  - The profile of the advisers;
  - The management and support available to advisers;
  - The time use of the advisers.

The analysis and comparison of the case studies produced the following findings:

**Other employment advice providers focus more exclusively on employment advice than Jobcentre Plus.**

3. The advice providers in this study are more singularly focused on giving employment advice than Jobcentre Plus. WorkDirections and Tomorrow's People focus exclusively on

the giving of employment advice. These organisations bid for government contracts. WorkDirections is a private provider with ‘Employment Zone’ and ‘Private Sector Led New Deal’ contracts.<sup>1</sup> Tomorrow’s People is a charity that bids for Jobcentre Plus and local government contracts amongst others. The Centre for Work and Income (CWI) in the Netherlands is a government agency similar to Jobcentre Plus. However, it primarily has a gate-keeping function in the Dutch system. The Implementation Institute for Employment Insurance (UWV) takes benefit decisions and administers benefits in the Netherlands. This separation of tasks allows personal advisers in the CWI to focus mostly on employment advice. A further difference between the systems in the United Kingdom and the Netherlands is that clients who are difficult to place are after six months referred by the CWI to the UWV. The UWV then places these clients with private providers. Thus, the CWI has a specific short-term advice role in the Dutch employment chain.

4. In contrast, Jobcentre Plus is a benefit office and an employment advice provider at the same time. Personal advisers, aside from performing an employment advice role, also have a role in administering benefits. These roles often overlap and this overlapping can make it harder for customers to distinguish between the different roles of the adviser, the administration of benefits and the giving of employment advice.

**The advice process and the client base served vary among providers.**

5. There are significant qualitative differences in the way advice is provided between the private and charitable employment providers and the public employment services. WorkDirections and Tomorrow’s People stand out for their client-focused advice processes and their emphasis on the sustainability of outcomes.<sup>2</sup> In WorkDirections and Tomorrow’s People, advisers prioritise building respectful relationships with the clients and gaining their trust. The underlying philosophy seems to be that closer interaction with the client (relationship management) and a deeper understanding of the customer’s needs are more likely to produce successful outcomes (i.e. unemployed clients placed into sustainable work). Advisers in WorkDirections and Tomorrow’s People on average seem to spend more time with customers than in Jobcentre Plus and the CWI. Tomorrow’s People, for instance, does not place a limit on the amount of time an adviser can spend with a client. WorkDirections gives its advisers some discretion in how they divide their time between clients. For instance, an adviser will have the freedom to work closely with a client who has particular barriers to employment. The CWI, on the other hand, limits the total amount of time the personal advisers can spend with a client to a restrictive three hours over six months, which does not allow much time for client-centred employment advice.

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<sup>1</sup> WorkDirections makes benefit payments to claimants under the ‘Employment Zone’ contracts and in the ‘New Deal’ and ‘Employment Zones’ also has the responsibility to inform the benefit authorities when clients are not following mandatory components of the programmes. Nonetheless, WorkDirections and its advisers do not make decisions on benefits nor administer benefits.

<sup>2</sup> WorkDirections indicated in the course of the study that it prefers the flexibility that it has to organise the advice process in the ‘Employment Zone’ programmes over ‘New Deal’ programmes, which have mandatory advice components.

6. WorkDirections and Tomorrow's People aim to maximise the amount of face-to-face time in the advice process and as a result try to limit the number of administrative tasks that advisers perform. WorkDirections for this reason employs a team of administrators in its offices and has a target that advisers should spend 80-90 percent of working time with clients. Management of advisers and support for the adviser function are structured around freeing up adviser time. Both organisations also use various modes of maintaining client contact, ranging from face-to-face meetings to e-mails and text messages. Given the CWI's restrictive time allocation, its advisers also actively employ various ways to maintain and further client contact.
7. Sustainability of employment is a key aspect of the advice process in Tomorrow's People and WorkDirections.<sup>3</sup> Though producing sustainable outcomes is in some cases a contractual stipulation, these organisations strongly embrace sustainability as a goal of the advice process and part of the business philosophy. For instance, it is not uncommon for personal advisers in Tomorrow's People to keep in contact with clients and offer them support long after the contract target has been met.
8. The benchmarked employment providers work with slightly different client groups. The CWI provides employment advice for up to six months to the general unemployed population in the Netherlands. In the case of WorkDirections, clients on the books of Jobcentre Plus are randomly assigned to its local offices under private provider contracts. WorkDirections describes its customers as 'hard-to-reach', but not necessarily or always the most difficult customer group. Tomorrow's People has an impressive track record of success in giving employment advice to the 'hardest to reach' and has creative approaches of providing outreach to these groups, such as for instance the placement of advisers in General Practitioner's offices. WorkDirections and Tomorrow's People indicated in the course of this research that they would like to see contractual incentives for the successful placement of the 'harder to reach' or the 'harder to help'. Given that Tomorrow's People and WorkDirections already have client-focused advice processes, they indicated that they do not particularly change their advice processes or the general advice approach for particular groups of customers.<sup>4</sup>

**The autonomy of advisers is central to the advice processes of the benchmarked employment advice providers.**

9. In the three benchmarked organisations, the autonomy of advisers is central to the advice process. Despite the limited time available for employment advice in the CWI, the adviser has autonomy to explore options to remove the barriers to employment. The CWI stresses that the limited time available often produces creative solutions to employment barriers. Still, because of the restrictive time allotment, the CWI has to place a lot of responsibility with the client to find gainful employment and leave the benefits system.

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<sup>3</sup> The focus in the CWI is foremost in helping people off benefits. Up to this point, the sustainability of outcomes has not been measured by the CWI.

<sup>4</sup> WorkDirections indicated that the advice process across all the contracts it works in is the same. Most advisers are generalists. However, advisers can fall back on specific help from advisers with particular experience or from Cognitive Behavioural Therapists. However, an advice approach that is similar across customer groups does not mean that advice costs the same for each customer group.

10. The personal advisers of WorkDirections have autonomy in the advice process to explore new options for the clients and to plan their days. However, it is also emphasised by managers that this is a constrained autonomy as the outcome targets of the organisation are non-negotiable. Similarly, Tomorrow's People's management and advisers first ensure that outcome targets are met. However, the case study report shows that Tomorrow's People's advisers have a great deal of autonomy in shaping the advice process to find solutions for customers and achieve this target. In order to do so, advisers often go the extra mile for their clients beyond the performance targets. It seems logical to conclude that though performance targets constrain advisers' autonomy in these benchmarked organisations, this autonomy is also seen by the organisations as a key factor in achieving successful outcomes.<sup>5</sup>

**The employment advice providers in this study place an emphasis on outcome-based performance measures rather than process targets.**

11. Direct comparison of how performance is measured across the case study organisations shows a prevalence of outcome-based performance measures. The CWI has an extensive array of outcome-based performance measures, as opposed to central process targets. These measures cover diverse areas such as the number of people taken off benefits, the number of vacancies posted online and the satisfaction of the client. They are agreed by the Ministry of Social Affairs and the CWI and form the basis for the annual performance evaluation of the CWI. The focus on outcomes within the CWI also has a direct effect on the management of personal advisers in the CWI. Importantly, local managers have autonomy within the constraints of the business framework (based on 'Balanced Scorecard' reporting, centrally set local budgets and the mandatory aspects of the administration of benefits<sup>6</sup>) to manage staff and organise advice processes. Thus, specific business processes can show variation at the district and local levels.
12. WorkDirections and Tomorrow's People often have contractual targets based on outcomes (i.e. contractual payments are linked to the number of clients placed in sustainable employment). Therefore, it seems obvious that their business models would strongly emphasise outcomes.<sup>7</sup> These organisations use some process targets.<sup>8</sup> However, these

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<sup>5</sup> Maximising the amount of time that an adviser spends giving employment advice to clients is part of this process.

<sup>6</sup> These components consist of the transfer of the benefit application from the CWI to the UWV, the intake meeting with the client and the possible reintegration referral after six months from the CWI to the UWV.

<sup>7</sup> The performance targets of WorkDirections are four successful placement per adviser per month and an 85 percent sustainability of outcomes. These targets are the same in Employment Zones and New deal contracts. Performance targets for Tomorrow's People vary by contract.

<sup>8</sup> The process targets of WorkDirections are:

- Aim to see 10-12 clients a day;
- Aim to carry an active caseload of 40-50 clients;
- See each client at least once in two weeks;
- Spend 80-90 percent of working time with clients;
- Only one 'overstayer' per caseload.

targets are seen as primarily aimed at ensuring that outcomes are achieved. Also, as stated earlier, these organisations give advisers autonomy in achieving outcomes. In this sense, performance management in WorkDirections and Tomorrow's People is focused on whether an adviser achieves a specific outcome target over a period of time, rather than whether, for instance, a specific client interaction takes a specific number of minutes or shows a specific outcome.

**The cost per successful outcome (i.e. unemployed clients placed in employment) of Jobcentre Plus programmes is higher than that of other employment advice providers.**

13. Where figures are available, the benchmarked organisations show lower costs per outcome than Jobcentre Plus programmes (New Deal). In some cases, the costs per outcome are substantially lower. However, a straight comparison of the numbers might not tell the whole story. The determination of costs is also dependent on the way outcomes are measured (e.g. what constitutes an outcome or a sustainable outcome) and the quality of the advice process (e.g. type of customer). In these areas, there are variations between the benchmarked organisations. In the CWI, the amount of money spent per client is fixed by the Dutch Government at €500 (about £350) per client. This amount has to cover the employment advice process over six months and is independent of outcome. CWI does not necessarily see an outcome as a job outcome, but rather it measures clients leaving the benefits system. Given that the CWI manages to get 60 percent of clients to leave the benefits system, its overall cost per outcome would be below €900 (about £625).<sup>9</sup>
14. Tomorrow's People has undertaken an extensive comparison of its costs per outcome compared to Jobcentre Plus. The gross cost of a job placement by Tomorrow's People is around £2,050 compared to £3,500 on the New Deal or £3,700 for Employment Zones. The sustainability rates of Tomorrow's People are consistently above 85 percent.<sup>10</sup> Tomorrow's People indicated that its costs per outcome were higher than most private sector competitors, because its advice process focuses on high quality advice, the 'hardest to reach' client group, and long-term sustainability of outcomes. Though figures on costs per outcome are not available for WorkDirections, it would appear that the cost per outcome of WorkDirections lies below that of Tomorrow's People and Jobcentre Plus.

**The initiatives of other providers to improve efficiency in the time use of advisers could offer valuable lessons for Jobcentre Plus.**

15. Despite the differences between the benchmarked organisations and Jobcentre Plus in the approach to employment advice, operational structures, and the roles of the organisations, the case studies may hold some valuable lessons for Jobcentre Plus. The three case studies to some extent show a different way of giving employment advice compared to Jobcentre Plus. These may hold general lessons for Jobcentre Plus on the structure and culture of the

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<sup>9</sup> The CWI does not measure the sustainability of outcomes.

<sup>10</sup> Tomorrow's People has measured sustainability rates of outcomes up to one year for some of its programmes (e.g. the 'Getting London Working' programme). These are higher than the equivalent rates of Jobcentre Plus.

organisation, the incentives of the organisation, the role and autonomy of the personal adviser, and the overall system of providing advice.<sup>11</sup>

16. Furthermore, all employment advice providers share basic concerns in the efficient deployment of their personal advisers and the outcomes employment advice produces. Here the case studies may directly inform processes in Jobcentre Plus. The main concern of the three benchmarked case studies is to free up adviser time to give client-centred employment advice. Examples of possible lessons are:

- Tomorrow's People maintains a great deal of flexibility in its administrative and operational processes in order to respond quickly to specific demands of contracts. Its administrative procedures are easily streamlined to fit the contract. This process reduces the potential administrative burden on personal advisers and also lessens the impact of change.
- Several WorkDirections offices now employ a team of dedicated administrators. These administrators set up initial client files and deal with all of the paper files. They also perform several tasks related to invoicing and compliance with contracts.
- WorkDirections has recently streamlined its IT system (RESMAN), which has led to an overall reduction in the amount of time advisers spend on paperwork. Advisers commented that the improvements of the RESMAN electronic filing and reporting system cut adviser administrative time by about 50 percent.
- The CWI has introduced an electronic primary processing system. Forty-four percent of intake registrations now occur online. Electronic registration can save one hour during the advice process or 33 percent of advice time available per client. The CWI indicates that through this electronic registration it was able to reduce costs by letting 300-400 full time equivalent (FTE) employees go. This is equivalent to 15 percent of the total workforce of the agency.
- Most CWI offices have administrative support at the front desk. These administrators check appointments and redirect clients. Administrators might also answer and direct incoming phone calls. There is also secretarial support available in most offices. Some offices have pooled administrators in order to provide more direct support to the adviser.
- The CWI is planning to open a call centre in the north of Holland to answer queries and possibly set up appointments in local offices. This will free up time for local offices.

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<sup>11</sup> This report did not look at differences in performance and practice between Jobcentre Plus offices. Comparison of these offices might also prove a fruitful ground for the exchange of best practice and lessons.



**Box 1: Description of case study organisations**

Tomorrow's People is a specialist employment charity whose mission is to help the long-term unemployed back into sustainable, long term jobs. Tomorrow's People has been an independent trust since 2005, but it was founded in 1984 when Grand Metropolitan Plc (now Diageo) became concerned about the UK's employment linked social issues. It operates throughout the UK - in the South West, Kent and Sussex, Merseyside, the North East, London and Glasgow. Tomorrow's People has a strong belief that its programmes deliver cost-effective and sustainable outcomes for those in our community who are furthest from employment. The Trust has a strong track record of success - 90% of clients are still in employment after three months, 76% are still there twelve months on; in addition, 86% of the individual actions plans submitted over the first 20 years delivered positive outcomes, with people either moving into training, education or into work.



WorkDirections UK is a private provider of employment services for the long-term unemployed, lone parents, and those out of work for health reasons. WorkDirections is part of the larger Ingeus Company. It was launched in the UK in 2002, having been successfully established first in Australia and since inception in the UK also subsequently in France. In the three years since its establishment WorkDirections has become one of the largest private employment service providers working with Jobcentre Plus. As such, WorkDirections runs from seven offices in the UK, operating in a mixture of business environments and organisational contexts. It is a commercial organisation with responsibility to its shareholders and has managed to increase its turnover from £4 million to £30 million. According to their annual report WorkDirections now has 200-250 advisers and the Nottingham operation is the highest-performing single-provider Employment Zone in the UK. Their initial three-year contracts have been extended until March 2007. Since arrival in the UK the group have worked with 12,000 clients and succeeded in returning 5,000 to work



The *Centrum voor Werk en Inkomen* (CWI), translated to the 'Centre for Work and Income' is an independent government agency in the Netherlands (*Zelfstandig Bestuursorgaan* [ZBO]) under the supervision of the Minister of Social Affairs and Employment (*Minister van Sociale Zaken en Werkgelegenheid* [SZW]). The CWI is part of the 'employment chain' called *Structuur Uitvoering Werk en Inkomen* (SUWI). SUWI aims to place the unemployed back into work. The chain was introduced in the beginning of 2002 and its purpose was to provide a framework for active labour market policies and benefit payments. The CWI has about 2,000 employment advisers in 130 offices nationwide.



# Introduction

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1. The UK National Audit Office (NAO) is conducting a Value for Money (VFM) study looking at whether the Department for Work and Pensions (DWP) deploys and manages its personal advisers efficiently and effectively to get people into work. The NAO often uses benchmarking studies to provide fresh insights into 'Value for Money' issues. As part of this VFM study RAND Europe has been commissioned to conduct a Benchmarking of Personal Advisers in Jobcentre Plus. Investigating how other organisations use their personal advisers and organise their advice processes makes it possible to put the performance of Jobcentre Plus in a comparative context, which is currently lacking. Moreover, it allows for the identification of transferable lessons and recommendations for Jobcentre Plus. In particular, the aim is to identify and draw out potential process improvements and ensuing key priorities for enhancing performance in Jobcentre Plus.
2. Jobcentre Plus is an executive agency of the DWP. It aims to provide a 'single integrated service for all benefit claimants of working age', helping 'people looking to move into work' and offering 'support for people who cannot'.<sup>12</sup> Jobcentre Plus employs around 10,000 personal advisers to deliver employment and benefit services to its clients. The personal advisers, aside from a role in the administration of benefits, play a key part in the provision of high quality and successful employment advice to their customers and are crucial to Jobcentre Plus meeting its aims, objectives and targets. A personal adviser can make a real difference in the lives of unemployed clients, through helping these clients move towards and into work.
3. The role of personal adviser has evolved since the late 1980s. According to scholars in the field, "[e]mployment advisers and career guidance staff are at the crucible of most of the transformations taking place in the public employment service (PES), and their training, competence levels and motivation have a great bearing on the quality and nature of services provided."<sup>13</sup> The creation of Jobcentre Plus in 2002 and the introduction of the 'Welfare to Work' programme changed the overall way employment advice is delivered, with a renewed focus on tackling welfare dependency and providing people with support and

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<sup>12</sup> Adapted from information on Jobcentre Plus on <http://www.dwp.gov.uk/aboutus/> (accessed April 2006). Additional aim of Jobcentre plus is to work with employers to fill their vacancies. I

<sup>13</sup> Sultana, R.G. and Watts, A.G. (2005), "Career Guidance in Europe's Public Employment Services: Trends and Challenges" Report Commissioned by DG Employment, Social Affairs and Equal Opportunities, October 2005, p.7.

incentives to move into employment. As part of this change, the Government has over recent years also strengthened and increased the role of personal advisers in the employment advice process. The Government has emphasised the 'face-to-face' aspect of advice services provided by Jobcentre Plus and increased the discretion personal advisers have. A 2003 Government report, *Full Employment in Every Region*, sets out the Government strategy to achieve full employment and states that Jobcentre Plus will evolve from 2005-2006 into a 'network of high quality integrated offices' and concentrate on 'face-to-face' services, delivered 'primarily through personal advisers'.<sup>14</sup>

4. The increased role of personal advisers means that more people come into contact with personal advisers. It is also a condition of most key benefits that clients attend regular sessions with a personal adviser. The DWP estimates that every day personal advisers carry out up to 36,000 work-focused interviews with Jobcentre Plus customers and that Jobcentre Plus helps 4,800 people back into work each day.<sup>15</sup>
5. At the same time, the complexity of the benefits system and the different needs of diverse customer groups mean that personal advisers in Jobcentre Plus are increasingly specialised, that the functioning of personal advisers can vary between Jobcentre Plus offices and specific Government employment support programmes, and that personal advisers are subject to frequent changes in the administration of benefits and in government programmes. Though the DWP is attempting to introduce new ways to promote standardisation in how personal advisers function and are deployed, the management of a large number of personal advisers working in different programmes and with distinct customer groups is challenging.
6. This management challenge and the emphasis on the use of personal advisers in the employment advice process of Jobcentre Plus raise an important question for external auditors: are personal advisers in Jobcentre Plus effectively and efficiently managed and deployed in order to get people into jobs? Improvements in the management and deployment of personal advisers could have positive implications for the performance of Jobcentre Plus and the difference it makes in the lives of its clients. Moreover, improvements could also lead to significant savings in Government spending on the advice process, for instance by making the time use of advisers more efficient.
7. The use of personal advisers in the provision of employment advice is not unique to Jobcentre Plus. Government agencies in other countries perform similar functions. In the United Kingdom, private employment advice providers are increasingly contracted for Government programmes.<sup>16</sup> Moreover, some charities have long and impressive track records in providing effective employment advice.
8. The benchmark study undertaken for this report considered three case study organisations, which give employment advice similar to the support provided by Jobcentre Plus. The organisations are: Tomorrow's People, a non-governmental organisation in the United

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<sup>14</sup> Taken from Her Majesty's Treasury's website, [http://www.hm-treasury.gov.uk/media/EAD48/employment\\_372.pdf](http://www.hm-treasury.gov.uk/media/EAD48/employment_372.pdf), accessed April 2006, p. 14.

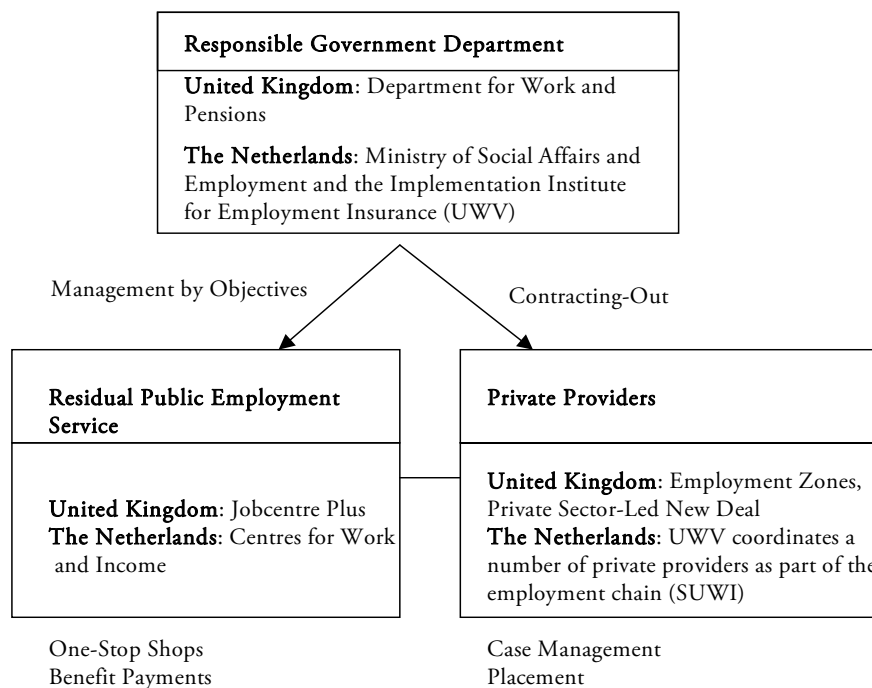
<sup>15</sup> House of Commons debate 19.01.05, 'Value for Taxpayers' Money' - response by Mr. Paul Boateng.

<sup>16</sup> The programmes in question are the 'Private Sector Led New Deal' and 'Employment Zones'.

Kingdom; WorkDirections, a private sector provider in the United Kingdom; and the *Centrum voor Werk en Inkomen* (Centre for Work and Income), an independent government agency (*Zelfstandig Bestuursorgaan*) in the Netherlands. The selection of these case studies also reflects how the employment advice service and the contracting regime for employment advice are developing in the United Kingdom and the Netherlands (see Figure 1).

9. The case study organisations represent the two constituent components of the employment advice service in these countries, the residual public employment service and the private contractors. CWI is a public employment service in the Netherlands, similar to Jobcentre Plus. WorkDirections and to a lesser extent Tomorrow’s People are private providers, which take on case management or specific support tasks on the basis of specific contracts with the Government. Similar to Jobcentre Plus, the organisations emphasise the central role of personal advisers in the service that they provide. However, the organisations also show considerable variation in the structure of the organisation, the approach to advice giving, and the measurement of performance among others. Thus, the benchmarking study could provide transferable lessons for Jobcentre Plus on how to produce cost savings in the advice process and on how to enhance performance, but also hold more general lessons in terms of the differences in organisational culture in which personal advisers operate, the progressive customer approach of other organisations, and the overall system of employment advice.

**Figure 1: Structure of employment advice in the United Kingdom and the Netherlands**



Source: Adapted from Bruttel (2005).

10. The benchmarking study focused on six benchmarking criteria identified by the NAO (see the Project Brief in Appendix C for more information on these criteria). These were:

- The context in which the organisation operates;
- Performance measurement in terms of costs and outcomes;
- The nature of the advice process;
- The profile of the advisers;
- The management and support available to advisers;
- The time use of the advisers.

The following chapters present the case study reports, which followed the six benchmarking criteria. Appendix A contains an overview of Jobcentre Plus following these criteria. Appendix B is the Methodology section. The Project Brief, an introductory project outline sent to the case study organisations, is provided in Appendix C. Appendix D contains the Interview Protocol. A list of contacts is given in Appendix E.

## CHAPTER 1 **Tomorrow's People**

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### 1.1 **Business context**

Tomorrow's People is a charitable trust that assists the long-term unemployed back into work. It was founded in 1984 when Grand Metropolitan PLC, which would later merge with Guinness to form Diageo, became concerned about the UK's social problems and the effect of these social issues on its business. Social problems at the time included long-term unemployment, the shortage of housing and the fractious relationship between the citizen and the state. These concerns led directly to the creation of Tomorrow's People (the Trust).

Over the years, the mission statement of Tomorrow's People has not changed. It still aims to 'help people out of long-term unemployment, welfare dependence and homelessness into jobs and self-sufficiency'.<sup>17</sup> The organisation focuses on the so-called 'hard to reach'. Its ethos is never to refuse assistance to anyone. Also, it sees itself as being able to support those who may have exhausted other available advice processes.<sup>18</sup> This ethos sets it apart in the employment advice field.

Tomorrow's People operates in Plymouth, Bristol, Brighton, Kent, Liverpool, Newcastle, Glasgow, London and Hastings. During the research for this case study offices in London and Hastings were visited. Thus, the findings reported here are based on discussions with advisers and managers in these areas and may not be generalisable across the organisation as a whole.

Tomorrow's People retains strong links with Diageo and the business community. However, the Trust does not depend on donations from the business sector to operate. The trust at present receives 85 percent of its revenue from contracts with central and local government and 15 percent<sup>19</sup> from other sources such as the private sector.<sup>20</sup> This means that Tomorrow's People competes with other employment advice providers for government contracts.

The dependence on government contracts for funding is not always easy to reconcile with the mission of Tomorrow's People and the way it prefers to give advice. There exists a strong belief within Tomorrow's People that many of the government contracts retain control of client referral, contain

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<sup>17</sup>Taken from the Tomorrow's people website, <http://www.tomorrows-people.co.uk/>, (accessed February 2006).

<sup>18</sup> These points were made in several of the interviews conducted with Tomorrow's People (TP) staff.

<sup>19</sup> As a charity, Tomorrow's People often cross-subsidises programmes. It often uses the 15% of private donations to support less lucrative programmes.

<sup>20</sup> Interview with the CEO of TP 22/2/2006.

restrictive contractual requirements, yet do not incorporate sharing of risk. Tomorrow's People would rather be paid for outcomes (i.e. placing and sustaining people in work) and the sustainability of these outcomes, than for the delivery of certain programme components (at specific times in the advice process). Tomorrow's People has a strong belief that given the opportunity its advisers can produce cost-effective and successful outcomes. The trust has a strong track record in achieving positive outcomes (86 percent of actions plans submitted over 20 years of existence saw positive outcomes, either people placed in training/education or helped into work).<sup>21</sup> However, many government contracts contain targets on successful placement that Tomorrow's People feel cannot be achieved in the incentive structure of the contract and over the duration of the contract.<sup>22</sup> The CEO of Tomorrow's People cited several reasons for finding certain contract specifications unrealistic. First, Tomorrow's People does not want to 'cherry pick' unemployed off the books of Jobcentre Plus or other government employment advisers.<sup>23</sup> Further, Tomorrow's People believes that the government is focusing too much on minimising the costs of advice in drawing up lists of preferred bidders and contracting employment advice, rather than focusing on the quality of advice and the sustainability of outcomes.<sup>24</sup> Partly for this reason, Tomorrow's People has been hesitant to bid for the Private Sector Led New Deal and Employment Zone programmes.<sup>25</sup> Finally, participation in these programmes also requires a substantial investment in facilities and buildings that Tomorrow's People find difficult to make.

The type of government contract determines to some extent the type of employment advice that Tomorrow's People can give. Given that the organisation operates under a variety of different contracts, this variety also places increased demands on IT systems, audit functions and overall management within the trust. Often, contracts have differential targets, reporting demands, and types of funding. Moreover, given that many employment advice contracts are renewed or negotiated annually and subject to frequent changes and cutbacks, long-term business planning for Tomorrow's People is difficult.

Examples of Tomorrow's People's programmes are<sup>26</sup>:

- **'Getting London Working' (GLW):** This flagship programme focuses on getting long-term unemployed back to work or into training in some of the most deprived wards of Islington, Camden, Southwark and Lambeth. A similar programme is run in Hastings ('Getting Hastings Working' [GHW]). Most of these programmes are funded through the Single Regeneration Budget (SRB) or the Neighbourhood Renewal Fund (NRF). These programmes contain targets on outcomes (i.e. number of people taken off benefits or placed into work). For Getting Hastings Working, the target is 20 referrals from any of several of the client sources a month. Of these, nine have to be placed into work. Contracts for GLW

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<sup>21</sup> Oxford Economic Forecasting (2004), "A Twenty Year Evaluation of Tomorrow's People Trust Limited", p. 1

<sup>22</sup> General points taken from interview with the CEO of TP 22/2/2006.

<sup>23</sup> Tomorrow's People feels that employment advice contracts without specific provisions for the 'hard to place' will leave a residual of 'hard to place' unemployed in the system.

<sup>24</sup> Interview with the CEO of TP, 22/2/2006.

<sup>25</sup> Tomorrow's People has put in a bid to become a New Deal provider in Sussex.

<sup>26</sup> In our research we only spoke to advisers involved in the 'Getting London Working' and 'Getting Hastings Working' programmes.



set local targets for the absolute number of people that Tomorrow's People needs to place into work.<sup>27</sup> Tomorrow's People can determine how it achieves the target within the specified payment of the contract. There are a variety of ways in which Tomorrow's People provides outreach in these programmes. For example in London, Tomorrow's People uses an innovative approach of placing advisers in General Practitioner (GP) surgeries (see Box 2). In Hastings, most of the outreach is done in libraries, community centres, and Jobcentre Plus offices. The type of advice also varies. This is often a function of the contract or specific programme. In Hastings, much of the advice work focuses on *Curriculum Vitae* (CV) writing (e.g. for outreach provided at Jobcentre Plus<sup>28</sup>). In London, CV writing is part of a more comprehensive advice process.

- **'Getting London Working' Health and Employment Project:** This project, which came under the umbrella of the GLW programme, was aimed at people who were economically inactive due to health issues. This programme combined referral and health advice with job search support, guidance and training. The European Social Fund (ESF) and the King's Fund provided funding.
- **Trainings and facilities for Jobcentre Plus:** This includes: IT training; ESOL (English for Speakers of Foreign Languages); basic skills training; and job search programme centres. Most of these contracts are outside of the 'New Deal' and have outcome targets (job outcomes after a number of weeks). For IT Training, the target is 40 percent job outcomes after 12 weeks. For ESOL, 25 percent after 12 weeks. Some of these targets are nationally mandated. Others are linked to local frameworks.
- **Joint Jobcentre Plus and European Social Fund co-financing programmes:** These programmes give employment advice and guidance to minorities.
- **'New Steps':** A community-based work experience programme for young unemployed (18-24 years old) who left school without any qualifications.
- **AstraZeneca sponsored employment advice:** In Devon, AstraZeneca has paid for Tomorrow's People to run employment advice services up to and including 2007.<sup>29</sup>

Jobcentre Plus accounts for about 30 percent of the contracted work that Tomorrow's People undertakes (ESF accounts for 10 percent of total financing). For example, these percentages can vary locally. In Hastings, this number is closer to 60 percent.<sup>30</sup> In general, Tomorrow's People has a very close relationship with Jobcentre Plus, with almost daily interactions in some localities.

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<sup>27</sup> In 2003-2004, the aim of the Islington Neighbourhood Renewal Fund Project (of the GLW) was to assist 168 unemployed and help 59 clients into employment. However, registration targets are unusual in these types of contracts.

<sup>28</sup> Though this programme is funded by 'Getting Hastings Working', it allows Jobcentre Plus to transfer clients to Tomorrow's People for help with CV writing.

<sup>29</sup> As a result, Jobcentre Plus pulled out of this locality. Much to the disappointment of Tomorrow's People, government funding for employment advice was redistributed, rather than staying in the area and being transferred to Tomorrow's People.

<sup>30</sup> Interview with Lead Operations Manager TP 22/2/2006.

**Box 2: Outreach of Tomorrow's People in GP surgeries**

Tomorrow's People has developed a significant innovation and ensuing specialism in the field of employment advice based in GP's practices. As part of its outreach function it has placed certain advisers in GP's surgeries to see clients referred to them by the GPs or other clients. This programme has become viewed as a highly successful route to helping clients on incapacity benefits get back to work. Many of these clients, according to one of the primary GP advisers, are depressed individuals, or those recovering from depression.

Due to the success of this project, there is some call for Jobcentre Plus to roll out the project into a system on a larger scale, across the country. It is felt within Tomorrow's People that doing so would not be as effective as Tomorrow's People's attempts have been. At Tomorrow's People the success of the system is believed to be at least in part due to the trust that exists between adviser and client, which develops in part because their advisers give employment advice without any confusion arising between the advice and benefits functions, and thus with no threat of the discussion resulting in loss of benefits.

**1.2 Performance of Tomorrow's People****1.2.1 Performance management**

Tomorrow's People first and foremost tries to ensure that the requirements of a specific contract are met (e.g. number of successful placements and number of referrals in the GHW programme). Reporting in the organisation and performance management are often structured accordingly. Advisers also indicated that their performance was monitored on the basis of whether they met the specific targets mentioned in the contract.<sup>31</sup> The usual key performance indicator for most of Tomorrow's People's programmes is placing a set number of people into work in a set period of time. Tomorrow's People places a lot of emphasis on the accuracy of reporting and filling out documents, as the appropriate documentary evidence is required to receive payments under most contracts.<sup>32</sup>

Other performance indicators are less well defined. There are no organisational targets on which outcomes/targets need to be achieved after a client interaction or a specific period of time. Tomorrow's People assumes that most of the adviser time will be spent with the client but does not directly mandate a target on face-to-face time with the client. Management intervention will occur when a given adviser falls short of the expected outcomes (i.e. contractual requirements) over a period of time. Guidelines on caseloads can vary between advisers and programmes. One adviser listed his caseload as 120. Another listed a caseload of 40 to 50.<sup>33</sup> In general, caseloads for Tomorrow's People's advisers tend to be high, as the Trust emphasises the sustainability of outcomes and therefore

<sup>31</sup> Interviews with TP Senior Adviser and Head of Project 22/2/2006.

<sup>32</sup> An example is the payment for job outcomes. As proof of a job outcome, Tomorrow's People in Hastings requires a letter from the client signed by the employer. The payment is worth £300. Tomorrow's People will offer a £30 Marks and Spencer voucher to the client as an incentive.

<sup>33</sup> Interviews with TP Senior Adviser and Head of Project 22/2/2006.

tracks clients for a relatively long period of time. The number of active clients is therefore often half of the overall caseload of an adviser. In general, a client stays active for about three months. When a contract sets a target for absolute outcomes, rather than a percentage of successful outcomes to the number of clients advised, the adviser can take on a higher caseload to meet the required outcome. However, Tomorrow's People always emphasises the percentage of successful outcomes. An ideal caseload is indicated to be around 25 active clients per adviser.<sup>34</sup>

### 1.2.2 Relationship management

The targets of the contracts that Tomorrow's People enters into obviously play a role in how the Trust gives employment advice. However, the advice that Tomorrow's People gives often exceeds the requirements of the contract and reflects the mission and ethos of the organisation. Tomorrow's People, in most cases, provides aftercare to clients who have entered employment, beyond the stipulations of the contract. Advisers, in some cases, maintain close contact with former clients over a long period of time, in certain instances well over a year. One senior manager remarked that in some circumstances there might be a case that the management of advisers could be tightened and that maybe managers should at times refocus advisers and "redirect advisers' empathy".<sup>35</sup> In all, this statement reflects the Advisers' commitment to clients and the general tendency in Tomorrow's People towards bespoke and client-specific advice.

Although client satisfaction rates can vary between different programmes, they tend to be high. An external evaluation of all Islington NRF-funded projects was undertaken early in the third year of operation on behalf of Islington Council and this indicated a client satisfaction rate of a noteworthy 100 percent. Since then, there has been a follow-up survey that found that users' views collected anonymously through a focus group were overwhelmingly positive.<sup>36</sup>

### 1.2.3 Costs and outcomes

Tomorrow's People determines its overall cost per outcome and success rates as well as success rates and cost per outcome of specific programmes. An evaluation of Tomorrow's People's programmes in 2004 showed that 87 percent of action plans submitted over a twenty-year period showed positive outcomes, either clients placed into work or into training. Of these positive outcomes, 77 percent of people were placed in work. Of these clients placed in work, another 77 percent were placed in full-time work.<sup>37</sup>

The gross cost of a job created by Tomorrow's People is around £2,050 compared to £3,500 on the New Deal or £3,700 for Employment Zones. Sustainability is a main feature of the service that Tomorrow's People offers. Some 90 percent of clients are still in work after three months compared to 79 percent on the New Deal.<sup>38</sup> The overall benchmark for the organisation is to provide the most sustainable outcomes within the budget of the programme.

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<sup>34</sup> Interview with the CEO of TP 22/2/2006.

<sup>35</sup> Interview with the Head of HR of TP 22/2/2006

<sup>36</sup> Case study submitted by Tomorrow's People to Renewal Net, <http://www.renewal.net/Documents/RNET/Case%20Study/Gettinglondonworking.doc>, accessed March 2006.

<sup>37</sup> Oxford Economic Forecasting (2004), p.1.

<sup>38</sup> Oxford Economic Forecasting (2004), p. 3.

Tomorrow's People also provided figures for the GLW programme.<sup>39</sup> Between January 2000 and March 2005, GLW provided support to more than 4,000 unemployed people. Of these, 65 percent were from black and minority ethnic backgrounds, 56 percent were long-term unemployed, with 16 percent unemployed for three years or more. Tomorrow's People overall helped 35 percent back into work and 24 percent into training. GLW achieved a positive outcome (job placement or training) for 87 percent of clients over the age of 50 and 80 percent of clients who had been unemployed for three years or more. A survey of clients<sup>40</sup> leaving between January 2002 and September 2004 showed that 87 percent of GLW clients are still in work after six months and 81 percent of clients are still in work after one year. In 2004-2005, the cost of GLW per client was £1,285. The cost per job outcome was £2,839. The cost per positive outcome was £1,664.<sup>41</sup>

The success rates of GLW compare favourably with Jobcentre Plus programmes. The percentage of New Deal (Young People and Long-term Unemployed) starters entering unsubsidised employment on leaving the advice cycle in Lambeth, Southwark, Wandsworth, and Central London Districts was 23 percent.<sup>42</sup> Between July 1999 and March 2004, the job retention rate after one year for claimants in unsubsidised employment was 46 percent in the new Deal for Young People programme and 56 percent in New Deal 25 Plus.

### 1.3 Adviser profile

#### 1.3.1 Profile and Pay

Tomorrow's People has a defined adviser profile although advisers may come from many walks of life (e.g. counselling, employment advisers, and marketing). Some are former clients. Applicants are assessed on written English, empathy with clients, qualifications (degrees and diplomas, such as National Vocational Qualification [NVQ] 3 or NVQ4), and their experience with people. However, previous experience with the client group is not necessarily required. One Tomorrow's People adviser listed enthusiasm, being self-motivated, experience of life as desirable characteristics in giving advice.<sup>43</sup> Some contracts for employment advice programmes will stipulate certain qualifications (such as NVQ3 or NVQ4, ESOL, tutor degrees) and advisers will either be hired or allocated on that basis. For instance, Information Advice and Guidance contracts require specific NVQ levels. Most Tomorrow's People's advisers would have at least the NVQ3 qualification. Tomorrow's People is considering the introduction of standards for the basic qualifications that its advisers need. Recruitment takes place at the local level and is organised by local managers. Human Resources at the head office checks references and issues contracts.

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<sup>39</sup> These figures are taken from an internal document, "Getting London Working Partnership: Key Facts", provided by Tomorrow's People to RAND Europe in February 2006.

<sup>40</sup> 518 clients were contacted. 28% responded.

<sup>41</sup> Costs were calculated as a ratio between outcome and the total cost of the programme (£763,800). Tomorrow's People does not really track internal costs in the advice cycle (such as interview and administration costs). It makes sure its operational budget fits the budget of the programme/contract.

<sup>42</sup> Tomorrow's People provided the numbers for this comparison. All numbers were taken from publications by the DWP or from Hansard transcripts.

<sup>43</sup> Interviews with TP Senior Adviser, 22/2/2006.

Tomorrow's People has specialist advisers. On some contracts there is a distinction between client and employer advisers with client advisers giving employment advice, while employer advisers maintain contacts with the employers. However, in most contracts advisers perform both tasks. Certain contracts might require specific qualifications and adviser skills. Also, advisers, who have worked on certain contracts for a while, might develop specialisms. For instance, one adviser interviewed for the study was an expert in providing outreach in GP surgeries (this is a specialist post; Senior GP Surgery Adviser). Another adviser had worked mostly in terms of assisting the unemployed in writing CVs. Some advisers are specialised in dealing with specific target groups such as asylum seekers and the disabled.

The salary structure has recently been changed. Tomorrow's People has abandoned the system of salary bands and now has a fixed salary for advisers. Advisers earn £18,300 with a possible additional £3,000 London weighting. Advisers' performance is measured on effort and achievement and advisers who perform above average can receive an annual performance award. If they perform very highly on either effort or achievement then they receive an extra day of annual leave, and if they score highly on both then they also receive a bonus of 1.5 percent of basic salary. All staff are on permanent employment contracts, even though many of the commercial contracts are short-term. The Human Resource Manager of Tomorrow's People indicated that using permanent contracts, rather than fixed-term contracts, promotes greater loyalty from its staff.<sup>44</sup>

The retention rate is described as controlled, in line with contractual requirements.<sup>45</sup> Given that some government contracts only run for a year or less or are renewed annually, often at the end of March Tomorrow's People needs to constantly review its headcount. This can lead to staffing fluctuations. At the moment, Tomorrow's People employs about 100 advisers. Due to the government contracting process it can be the case that Advisers are placed on notice of redundancy only to have this retracted when contracts materialise close to, or in some cases after the March deadline. At present, with the end of GLW and other contracts in sight, many advisers face an uncertain future.

### 1.3.2 Training

A Trust-wide training programme did not exist until recently, but this is now seen as one of the major areas of company investment. The annual wait on contracts and the subsequent determination of how many advisers the organisation needs for the next contractual cycle has made the introduction of a comprehensive training programme difficult. Training for advisers occurs mostly based on local needs. Some of the training that does occur is organised by advisers with specific skills. Other courses are organised by external providers. Some of the recent offerings include a course on how to advise asylum seekers and refugees and a course on how to advise disabled people. Tomorrow's People is planning a new course on how to give advice in GP practices. A personal adviser is expected to keep learning and learning on the job is an important element of developing as an adviser. However, much of this development is up to the adviser and to the team in which the adviser operates to allow specific contract and client relevant training to take place. Local managers might draw up an action plan for advisers. These plans outline specific strengths and weaknesses and combine the monitoring of an adviser's performance with specific support (advice from managers and other advisers in the team). More formal training is provided in the induction process. This process involves shadowing an

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<sup>44</sup> Interview with the Head of HR of TP, 22/2/2006.

<sup>45</sup> Ibid.

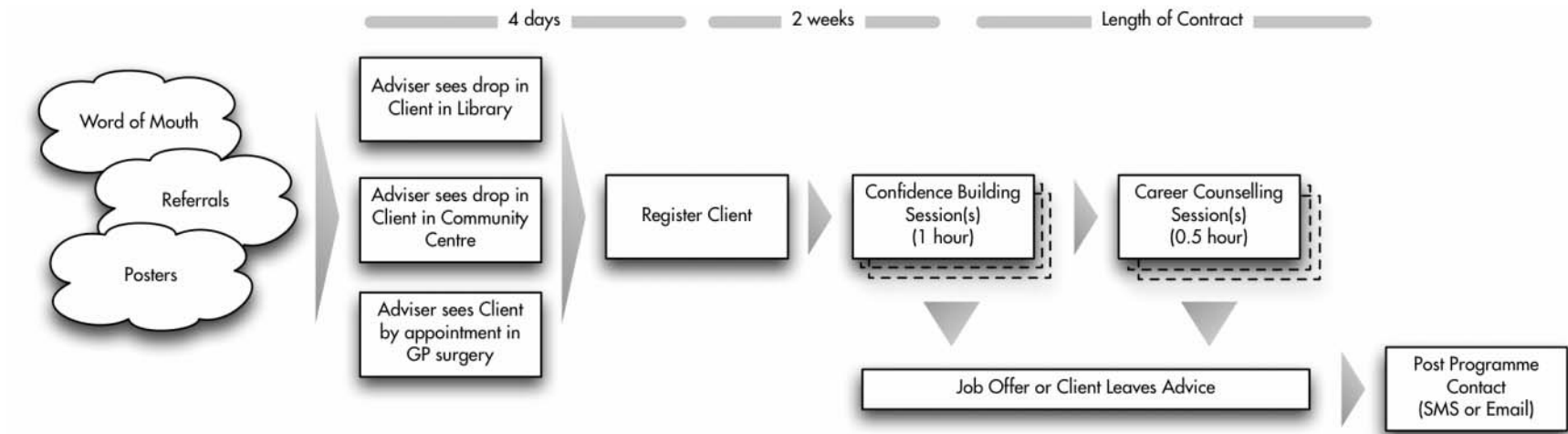
established adviser for a couple of months. Tomorrow's People expects a new adviser to be working with clients one on one after about one to two months. The induction course also deals with the specifics of the employment advice contracts and the location of the outreaches.

## 1.4 **Advice process and role of advisers**

### 1.4.1 **The role of advisers**

The adviser is central in the business process of Tomorrow's People. The adviser provides the initial outreach, gives employment advice to the client, maintains contacts with employers, fills out the required contractual paperwork, and provides aftercare to the client, often to support the client in employment. Most of the other upstream and downstream functions in the organisation support the adviser. Advisers have reasonable autonomy to plan their days and structure their diaries. However, the demands of the workload often dictate specific local patterns in how tasks are planned. Certain days will be set aside for outreach, client interaction, or paperwork. The advice process of Tomorrow's People is outlined in figure 2.

Figure 2: Overview of advice process in Tomorrow's People



Source: Rand Europe representation of advice process

#### 1.4.2 **Management structure**

Management structures can vary from programme to programme. Nonetheless, there is a hierarchy within the organisation. Mostly, the advisers work in teams consisting of two or three advisers. Most teams will have a senior experienced adviser who can give day-to-day guidance to the other advisers. Advisers report to a local manager. These reports consist of weekly or monthly (depending on the contract) account sheets. These sheets highlight how the programme is going and detail specific performance, such as how much time the advisers spend with clients and the number of outcomes. One day a week is set aside for paperwork. Contractual paperwork is collected and sent on to the head office where a team of administrators will check the documents for completeness.<sup>46</sup> There is also administrative support at the local level. Filling out paperwork (both internal and contractual) is the responsibility of the adviser. Contractual payments depend on this paperwork. Local area managers report to the area or programme manager. The area manager reports directly to head office and the directors. Local managers hold monthly meetings with the advisers in which they discuss performance. The purpose of these meetings is both to monitor the performance of an adviser and to offer support to the adviser. More formal performance reviews take place quarterly and annually. In these reviews, advisers are marked on results and effort as previously described. These reviews are linked to possible bonuses as discussed above. When advisers' performance drops below the average over a period of time, local area managers have a range of measures they can initiate such as more frequent performance reviews, re-defining key result areas, training, management supervision and ultimately capability procedures. Disciplinary procedures are only implemented where conduct is a problem.

#### 1.4.3 **Advice process**

The process of advice giving varies. Some advisers have unique styles. Some programmes require specific advice actions. GHW places a strong focus on the writing of CVs. Some contracts for Jobcentre Plus focus on specific activities, such as ESOL and basic skills training among others. GLW gives the adviser more freedom to achieve absolute outcomes (successful and sustainable placement into work).

The following paragraphs give a brief overview of how one senior adviser in the GLW programme structures the advice process (see Figure 2).<sup>47</sup> The advice process starts with the outreach. A sign-up sheet is left in a library, community centre, or GP practice. In GHW, sign-up sheets are also placed in Jobcentre Plus offices. Many of the clients are referrals. The service Tomorrow's People offers is also advertised. Posters are put up. Many of the clients at the moment are self-referrals or come through 'word-of-mouth'. One adviser commented that he will see anyone who is referred to him or wants to see him. He does not turn people away and makes himself readily available to those who need immediate help. Although the vast majority of clients are seen promptly, in a few isolated cases it the waiting time might be a few weeks. It is difficult to tell someone who is suicidal to wait for that period of time. There is a difference between the outreach provided in the library and at the GP practice, outreach in the library works more on a drop-in basis, while appointments are required in

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<sup>46</sup> To facilitate the collection of the required contractual paperwork, Head Office will draw up a short summary sheet of which information a specific contract requires for advisers (Interview with Lead Operations Manager TP, 22/2/2006)

<sup>47</sup> Based on an interview with a Senior Adviser in GLW, 22/2/2006.



the GP practice. This adviser mostly sees his clients on a Thursday and then registers them on Monday. The next meeting is two weeks later and is essentially a confidence-building session. The adviser draws up an action plan with the client during their first meeting. This action plan is often a contractual requirement. However, this particular adviser did not use it in the process of giving advice. According to this adviser, the main element of advice giving is rebuilding people's confidence. The underlying idea behind the advice is not necessarily to motivate clients, but to let clients motivate themselves. In the end, the clients have to find the motivation to go out and find a job. Tomorrow's People tries to ensure that the client sees the same adviser throughout the advice process.

The first session takes an hour. Subsequent confidence-building sessions also take an hour. However, there are no set organisational targets on how long meetings should last. Aside from the confidence-building sessions, GLW also has career counselling sessions, which focus on helping clients apply to jobs. These sessions normally take half an hour. This adviser reported that no-shows only occur occasionally. In these cases, the adviser will use his time to update paperwork or spend more time with other clients. There is no such thing as 'dead' time (i.e. time that is not spent either seeing clients or performing administrative tasks).

There is no rigid structure in giving advice. Every client is different. It is difficult to have a set pattern for advice giving or to determine which client interactions have to take place at a specific time in the advice process. This adviser mentioned that it is impossible to determine how much time he spends on average with a client. Some clients might need very little advice to become job ready. In other cases, the drafting of CVs and job coaching need to be tackled later, after some barriers to employment (e.g. lack of confidence) have been dealt with in confidence-building sessions. In many of the cases, according to this adviser who focuses on outreach in GP surgeries, the main barrier to employment is some form of depressive illness.

Tomorrow's People does not have a budget in most programmes to offer additional training or counselling. If a client requires help beyond the advice process, the adviser can give the client a list of relevant organisations that might be able to help. While it is up to the client to seek out this help, the adviser will support the client in their research and accessing of these services as a part of the confidence building process. There is no fixed referral service in case clients have specific training or counselling needs.

Tomorrow's People prides itself on tracking clients and producing sustainable outcomes. This particular adviser actively keeps in touch with many of his former clients, through Short Messaging Service (SMS) or e-mail. This post-programme contact often exceeds the sustainability requirements of the contract.

Programmes or contracts may require specific forms to be completed on the advice process. As stated earlier, Tomorrow's People places great emphasis on compliance with these contractual requirements in paperwork as in other areas. This particular adviser also uses his own forms to track meetings. He always carries the most up-to-date version of these with him when he sees a client. The only part of the process that is logged on a computer is the first session. Tomorrow's People relies quite heavily on paper files, both for its internal reporting and contractual reporting. This particular adviser sets Friday aside to do paperwork, as do most advisers in GLW.<sup>48</sup> However, he will update his own files during the week as well.

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<sup>48</sup> In GHW, advisers will also use this administrative day to draft CVs for the clients that they have seen during the week.

## 1.5 Time use

From the limited number of advisers and managers interviewed for this case study, it is difficult to generalise about the way Tomorrow's People advisers use their time. There are no set process targets that Tomorrow's People uses across its different programmes, or in any one programme for that matter. As indicated above, one day a week is set aside for administration. However, administration, such as the logging of meetings or filing update reports, is also done on other days of the week. In most cases, an adviser will provide the initial outreach on one day and then follow-up meetings the rest of the day. These outreaches are allocated to advisers per programme and locality (i.e. an adviser is told to be at an outreach location at a specific time). The Head of Human Resources of Tomorrow's People indicated that about 50 percent of adviser time is allocated or determined.<sup>49</sup> However, the distribution of time varies between programmes and among advisers. It is not possible to generalise about how much time an adviser spends setting up meetings, tracking clients, or maintaining contacts with employers. The focus in Tomorrow's People is very much on outcome, rather than meeting targets during the advice process.

## 1.6 Management and support

Tomorrow's People operates primarily out of outreach venues. Most of these venues do not have administrators. However, the majority of local Trust offices have administrators and although advisers are ultimately responsible for administration they have extensive support in administrative tasks. The head office provides human resources, financial, and other administrative support. One adviser in GHW reports that an administrator helps her to draft CVs. However, the main task of administrators is to ensure that the paperwork arriving from the various programmes is complete and correct.

Information technology (IT) support is not provided at the outreach location, although advisers often take a laptop with them and the Trust is about to trial the use of digital pens and paper. Advisers complete the files and log specific details once they get back to the office. Some files are kept on the computers of advisers. However, paper files are also maintained in the offices. There does not seem to be an organisation-wide intranet but the Trust has standardised all its IT systems so that information can be managed easily. In the absence of an intranet, data is processed by individual advisers. Relevant programme and performance information is then aggregated from the local offices and programmes and entered at the head office in a central database. This data or information is then used by the directors to monitor contract progress and undertake regular business reviews with managers. Tomorrow's People has an in-house auditor, independent from the finance and management team, who reports directly to the directors, checks the validity and solidity of financial reporting and general reporting processes.

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<sup>49</sup> Interview with Head of HR TP, 22/2/2006.

## CHAPTER 2 **WorkDirections**

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### 2.1 **Business context**

WorkDirections UK is a private provider of employment services for the long-term unemployed, lone parents, and those out of work for health reasons. WorkDirections is part of the larger Ingeus Company. It was launched in the UK in 2002, having been successfully established first in Australia. In the three years since its establishment WorkDirections has become one of the largest private employment service providers working with Jobcentre Plus. As such, WorkDirections runs from seven offices in the UK<sup>50</sup>, operating in a mixture of business environments and organisational contexts. It is a commercial organisation with responsibility to its shareholders and has managed to treble its turnover from £4 million to £12 million and achieved a substantial profit of £1.2 million after tax.

According to their annual report WorkDirections now has 200-250 advisers<sup>51</sup> and the Nottingham operation is the highest-performing single-provider Employment Zone in the UK<sup>52</sup>. Their initial three-year contracts have been extended until March 2007<sup>53</sup>. Since arrival in the UK the group have worked with 5,000 clients and succeeded in returning 2,200 to work<sup>54</sup>.

In some areas WorkDirections is the main provider of employment services and in some areas it operates as one of several in a multi-provider area. WorkDirections provides Private Sector Led New Deal services in Central and West London, as well as Employment Zones. It opened two private sector led New Deal operations, one in Westminster, Kensington and Chelsea and one in Hammersmith and Fulham, in November 2002. It then opened its Employment Zone operations, one in Nottingham, where it opened as a single provider in 2003, and further operations in

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<sup>50</sup> <http://workdirections.co.uk/> (accessed February 2006).

<sup>51</sup> Interview with CEO of WorkDirections 09/02/2006.

<sup>52</sup> WorkDirections (2004), *Annual Review*, London: WorkDirections UK, p.16.

<sup>53</sup> <http://workdirections.co.uk/> (accessed February 2006).

<sup>54</sup> WorkDirections (2004), p.16.

Birmingham, Brent, Haringey and Southwark.<sup>55</sup> Brent Work Directions is in a multi-provider Employment Zone.<sup>56</sup>

Initially, zone providers were selected by competitive tender.<sup>57</sup> Ongoing referral to individual providers subsequent to award of the contract is by random assignment from Jobcentre Plus, the primary provider of employment services and integrated benefits in the UK. WorkDirections see their relationship with Jobcentre Plus as one of cooperation and ongoing involvement – they have breakfast meetings on-site at WorkDirections to keep Jobcentre Plus up-to-date, as well as sending their advisers to Jobcentre Plus meetings.<sup>58</sup> Some employees are actually seconded from Jobcentre Plus to WorkDirections. Because of its presence in these various types of employment contexts, WorkDirections customers are generally ‘hard-to-reach’, but not necessarily or always the most difficult groups.

The company’s aim is to reduce the number of unemployed people in the UK by getting people who are currently out of work back to, or into, sustained employment. In this aim, WorkDirections has a firm philosophy of respect for individuals and their unique problems, whilst at the same time acknowledging the universal barriers and obstacles that place people at a disadvantage in accessing work.

The company emphasises the need to place people in work that is both suitable and sustainable<sup>59</sup>. This is understood and reiterated throughout the organisational hierarchy from the advisers up to the CEO. In order to achieve sustained outcomes, it is understood that advisers must attend both to motivating the individual and to understanding the individuals’ strengths and goals for themselves. Advisers understand that there are times when clients’ expectations will be unrealistic, but that they must still be acknowledged and respected in order to work towards more realistic goals<sup>60</sup>. The company acknowledges, and invests accordingly in, what it views as its biggest asset – its Personal Advisers.

## 2.2 Performance

### 2.2.1 Performance Management

The advisers at WorkDirections use eight key performance indicators:

- Four successful job outcomes per month;
- Sustainability of job outcomes at 85 percent;

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<sup>55</sup> Mansour, J. (2005), *Skills and Sustainable Welfare-to-work*, London: WorkDirections UK, p. 39.

<sup>56</sup> Seen by some in the OECD Brent study (internal OECD document provided to RAND Europe by the NAO) as “better because more flexible and responsive to the needs of the individual”, p. 3.

<sup>57</sup> Hales, J. Taylor, R. Mandy, W. and Miller, M. (2003) Evaluation of Employment Zones: Report on a Cohort Survey of Long-Term Unemployed People in the Zones and a Matched Set of Comparison Areas, National Centre for Social Research, DWP Report 176 (London/Sheffield Department for Work and Pensions), p.8.

<sup>58</sup> Interview with Head of Training and Development WD 09/02/2006

<sup>59</sup> According to website accessed February 2006 and interview with CEO and Adviser 09/02/2006.

<sup>60</sup> One adviser gave the example of ex-offenders wanting to go into security work.

- Aim to see 10-12 clients a day;
- Complete action plans by week four;
- See each client at least once in two weeks;
- Spend 80-90 percent of working time with clients;
- Only one 'overstayer' per caseload;
- Aim to carry an active caseload of 40-50 clients.

Of the key performance indicators the 'four successful job outcomes per month'<sup>61</sup> is the most fundamental to organisational financial goals according to costings and the financial performance targets set by the CEO. This calculation is made on the basis of payments on contracts, overheads and adviser salaries<sup>62</sup>. Of placements achieved, 85 percent must be 'sustained' placements. This means that the client must still be in work after 13 weeks. At this 13 week stage WorkDirections receives a substantial additional payment.

In order to achieve this number of placements and level of sustainability it is suggested that advisers aim to see 10-12 clients a day, carrying an overall caseload of around 40-50 active clients (as oppose to the additional number who may be ongoing clients but already placed in work and thus not actually 'live'). For some, given the possibility of non-attendance, this target is best assured by booking in 12-14 appointments.<sup>63</sup>

Having established this caseload and daily target for working with clients, the adviser must aim to complete an action plan with each client by week four. Advisers also aim to have no more than one overstayer per caseload. The term 'overstayer' refers to clients who have remained unemployed after the initial period of training activity – The Gateway Programme - has run its course. There is a rough guide of placing approximately 50-60 percent of clients seen into employment and the organisation is thought to be on target for achieving this.<sup>64</sup> According to one adviser, placements may be as high as 70 percent, but these are not all in positions that fall within the parameters set by the benefits system. Thus, the actual figure quoted is closer to 50-55 percent. WorkDirections places enormous emphasis on freeing up the advisers' time to focus on the clients. Thus, there is administrative and IT support in place that allows advisers to be targeted to spend 80-90 percent of their time 'face-to-face' with clients.

Adviser performance is carefully monitored and adviser autonomy, and ultimately their ongoing employment, is dependent on achieving the clearly delineated targets discussed. Performance management takes place through a well-established system of daily, weekly, monthly and quarterly contact. On a day-to-day basis the adviser reports to the deputy operations manager. Advisers then attend a weekly office meeting and there is a monthly review of each individual Personal Adviser in which file-specific performance (quality of advice) is evaluated by the Operations and Deputy Operations Managers. A more systematic review of each adviser based on aggregate data from the monthly meetings occurs every three months.

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<sup>61</sup> Or three one month and five the next as they are evaluated quarterly.

<sup>62</sup> Following the first three months in which the target is lower - six placements for the three-month period.

<sup>63</sup> Interview with Personal Adviser WD 09/02/2006.

<sup>64</sup> Interviews with CEO and Personal Adviser WD 09/02/2006.

The IT system provides the backbone for monitoring of advisers. The IT system's colour-coding and flagging of client attendance, length of stay on programme, (discussed below in IT section, and see attached image taken from adviser screen) provides a well-utilised tool for recognizing emergent and ongoing performance problems.

### 2.2.2 Relationship Management

Just as the advisers themselves are central to the functioning of the organisation, the rapport that advisers build with the clients is central to the advice process. The ways in which the advisers develop and maintain the relationship with their clients is a highly varied and individual process. There are no explicit rules for the conduct of individual client meetings and there is no interview protocol that advisers need to follow. What is important is the *quality of the interactions*, the *respect* that is communicated to the client and the *trust* that is built out of this positive rapport. Advisers commented that they are off on a good footing with clients because they do not have control over benefits so clients believe the adviser is trying to help and work for them and the client in turn can open up immediately.

One adviser commented that it is important to immediately show the client what you can do for them – first by showing them how you can sell them and market their specific skills to an employer, and second, by showing them very early on how they can be better off in work, reassuring them that they will not 'get stitched up and lose their benefits'.<sup>65</sup>

Advisers need to be careful not to end up doing things for unmotivated clients instead of enabling clients to do things for themselves.<sup>66</sup> Advisers must always be aware that the relationship is about helping clients to motivate themselves and to get themselves back into work.

Although there is a strong individual rapport between adviser and client, and for the most part clients see the same adviser throughout the process, there are instances in which other advisers may step in. For example, when an adviser is ill, another adviser can see a client if that client has to be seen that day. The first port of call for taking over a client meeting when an adviser is ill is another adviser from the absent adviser's work group. Another instance in which other advisers come into the process is with difficult clients or clients with specialist problems. In such cases an adviser may bring in a colleague and have a 'three-way'.<sup>67</sup> More unusually, a client may even be asked to see another adviser just to try something new.

The focus and skilful rapport-building engaged in by the WorkDirections advisers is thought to drive satisfaction, that of employers and clients. In order to evaluate this with respect to clients, an exit interview occurs for those leaving the New Deal programme. The exit data from these interviews is currently being analysed by one of the advisers as a personal project that WorkDirections will use as self-evaluation and to set up feedback loops. Clients who have been through WorkDirections' programmes seem to express their confidence and satisfaction by the relatively low non-attend rates;<sup>68</sup> by staying in touch with advisers once in work (a voluntary activity); and by returning for ongoing

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<sup>65</sup> Interview with Personal Adviser WD 09/02/2006.

<sup>66</sup> Ibid.

<sup>67</sup> Ibid.

<sup>68</sup> Approximately one in 10 or 12 according to one of the advisers, interview with Personal Adviser 09/02/2006.

career advice up to a year or more later.<sup>69</sup> As far as evaluating employer satisfaction, there was little information available on general relations with employers except for the comment that there is such a range of work available in London that they do not tend to court individual employers.

**Box 3: Constrained autonomy in WorkDirections**

Adviser autonomy and independence is viewed as a key aspect of the role in WorkDirections and as such is highlighted by advisers and their supervisors. However, it is also emphasised by managers that this is a constrained autonomy as the outcome targets are non-negotiable. Management of advisers, performance of the role and support for the adviser function are all structured around freeing up adviser time to ensure that they get enough face to face time with their clients. This face to face, quality time is seen as the key to successful placement of clients.

**2.2.3 Costs and outcomes**

Performance targets are determined by reference to the funding arrangements associated with provider contracts. For example, the Employment Zone contracts that Work Directions holds specify that for the initial four-week period, the provider receives £300, and the average unemployment benefit rate that the client would receive for the next 26 weeks. However, the provider is only given this amount for 21 weeks. Thus, after this time the provider incurs the cost of maintaining a client out of work until placement, upon which £400 is paid initially plus a further £3,600 for sustained employment of 13 weeks minimum. Thus, the payment for clients is backloaded in order to incentivise sustained placements. The CEO of WorkDirections commented that it would be preferable if the payment schedule were much more heavily backloaded, and the timeframe for sustainability targets were extended in order to weed out the less high performing employment services.

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<sup>69</sup> Interviews with Personal Advisers WD 09/02/2006.

**Table 1: An overview of the payments in the different contracts**

Scheme	Contractual payments
Private Sector Led New Deal	<ul style="list-style-type: none"> <li>▪ £1890 Programme Start</li> <li>▪ £810 Job Start</li> </ul>
Employment Zone Mandatory Clients	<ul style="list-style-type: none"> <li>▪ Start Programme £300</li> <li>▪ Start Stage 2 (18-24) £1200 (from which benefit payments must be made)</li> <li>▪ Start Stage 2 (25+) £1425 (from which benefit payments must be made)</li> <li>▪ Start Work £400</li> <li>▪ 5 week Sustained work £400</li> <li>▪ 13 week Sustained work £3600</li> </ul>
Employment Zone Lone Parents	<ul style="list-style-type: none"> <li>▪ Start Programme £150</li> <li>▪ Start work £475</li> <li>▪ 5 week sustained work £475</li> <li>▪ 13 week sustained work £3,600</li> </ul>

A retention payment of £275 is made for every 6 weeks that the Lone Parent continues to engage on the programme for a maximum of 4 payments.

WorkDirections’ statistics show that advisers have an average discretionary spend of £250-300 per client. According to adviser comment and the CEO, WorkDirections successfully achieves placement outcomes of 50-60 percent. Further, they achieve the sustainability targets and would prefer to have these targets extended as they believe they would succeed in achieving sustainability targets as long as six months or a year.

## 2.3 Advice process and role of the adviser

### 2.3.1 Recruitment, profile, pay and qualifications

WorkDirections recruits rigorously and selects high-performing individuals. ‘Investing in high quality people up front’<sup>70</sup> by recruiting motivated, qualified and performance-oriented advisers, WorkDirections management believes that they can attribute a high degree of process autonomy to allow the advisers to focus instead on outcomes.

Positions for Personal Advisers at Work Directions are advertised in a range of publications such as *The Evening Standard*, *The Times*, *The Guardian* and *Prospect*. Depending on advertising, Human Resources receive as many as 300 applications on average per position. When positions are advertised

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<sup>70</sup> Interview with CEO WD 09/02/2006.



in the Evening Standard they receive more applications but these require more extensive sifting<sup>71</sup>. Some applicants come over from other providers. Applicants must submit a *curriculum vitae* and three suggestions for enabling people to return to work. The paperwork is expected to be of a very high standard, as the advisers in turn need to be able to motivate and enable others to produce such work in order to return to employment. Following the initial sift of applications, the potential advisers are invited to attend a full day assessment centre. Half of this day consists of an interview and written exercise and half is a work sample and group activity.<sup>72</sup>

Through this process the candidates are selected for self-awareness, awareness of prejudices, adaptability to the interactional styles of others and a strong belief in and respect for the unemployed<sup>73</sup>. Advisers must be team workers, but also be able to work independently. Advisers must have the ability to capture interest quickly, communicate effectively, know about the organisation, think on their feet and creatively, and work in a pressured, target-driven context. Key skills include rapport-building and the ability to challenge the client, but in a nonconfrontational manner.<sup>74</sup> The advisers come from a range of backgrounds, mostly having obtained a university degree,<sup>75</sup> with an average age of 27 or 28. For some this is a first job.<sup>76</sup> The staff turnover rate is 24 percent for the last 12 months. Most of this turnover is accounted for by advisers. Retention rates are said to be relatively high, partly due to the ongoing growth of WorkDirections that is said to provide opportunities for career development and advancement within the organisation<sup>77</sup>. The starting salary of £29,000 is high and is certainly higher than most, if not all, other providers. This salary is awarded irrespective of experience or seniority and rises by increments for all advisers simultaneously. There are no bonuses as it is thought that bonuses have adverse consequences for quality of performance.<sup>78</sup>

### 2.3.2 Induction and training

Once hired, the Personal Adviser undergoes an intensive two-week training period that has been likened by trainers and advisers to The Gateway Period for their unemployed clients. This two-week intensive training is when new recruits are given a tool kit, introduced to the use of clean language (meaning that prejudices and assumptions are not evident),<sup>79</sup> take part in diversity sessions, are taught about quality and compliance, training programmes available for unemployed clients, different methods of caseload management and what additional support can be tapped into, for example cognitive behavioural therapy for advisers as well as clients. This psychological aspect of the organisation's support is considered to be an important part of how advisers, perhaps even more than

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<sup>71</sup> Interview with Human Resources Manager WD 09/02/2006.

<sup>72</sup> Ibid.

<sup>73</sup> Interview with Training and Development Manager WD 09/02/2006.

<sup>74</sup> Ibid.

<sup>75</sup> Approximately 90 percent according to the CEO WD 09/02/2006.

<sup>76</sup> Interview with Human Resources Manager WD 09/02/2006.

<sup>77</sup> Ibid.

<sup>78</sup> Interview with CEO WD 09/02/2006.

<sup>79</sup> Interview with Training and Development Manager WD 09/02/2006.

clients, are looked after.<sup>80</sup> Advisers should come away from the induction with an understanding of their role in selling employment both to the clients and to the employers.

The two-week intensive programme is the start of a three-month induction into the adviser role during which time targets are more relaxed and support is greater (see above). To bolster this support, new advisers are assigned a 'buddy'. Further, each adviser is assigned to a work group of five or six other Personal Advisers who support each other as peers. Within this group, the advisers hot-desk and use other means to access the very different and useful range of experiences that other advisers bring to the role. In this early period the advisers also have meetings with operations or deputy operations managers who get involved with the new personal advisers as soon as possible in order to ensure that confidence is built and sustained.<sup>81</sup>

Once in post, and following the initial training and induction periods, advisers receive ongoing training both on request and as advised by their managers. The requested training is likely to be related to the desire to develop or improve upon a specialized area or client group. Recently run specialist area trainings have included equal opportunities and conflict management,<sup>82</sup> facilitation and management training and client mental health.<sup>83</sup> Specialist client group trainings that have been offered or in which a specialism has been encouraged are outreach for lone parents, working with homelessness and working with clients who have criminal records.

### 2.3.3 The role of the personal adviser

The role of the personal adviser is to work with unemployed individuals referred to them by Jobcentre Plus. The advisers play no part in the allocation of benefits. However, non-attendance of clients must be reported and may eventually lead to cessation of benefits. The advisers' aim is to motivate and enable the unemployed individual to get into suitable and sustainable work. In order to do so they have to be able to put clients at their ease, motivate sometimes difficult customers and keep interactions focused on achieving outcomes by working through action plans, *curriculum vitae* writing and job application processes.

In order to achieve this, WorkDirections hires individuals they believe to be adaptable, self-motivated and very able so that managers can attribute a high degree of process-autonomy to the advisers. It is thought that hiring less well qualified advisers and overly specifying process is at the expense of product or outcome and that it is better to focus on the one-to-one relationship with clients and provide an individually tailored programme.<sup>84</sup> Thus, in interactions with clients, the advisers are trusted to engage appropriately and make good judgments about how to work with different clients. However, process autonomy is not translatable to financial autonomy and it is clear that the advisers do not have financial discretion. All financial decisions must pass through the finance office.

At WorkDirections, personal advisers face in and face out. That is, there are no specialist advisers who only deal with clients whilst others work with employers. Instead, advisers must be able to work with clients and also be aware of employers, working with them as well where appropriate.

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<sup>80</sup> Interviews with Human Resources Manager and CEO WD 09/02/2006.

<sup>81</sup> Interview with Human Resources Manager WD 09/02/2006.

<sup>82</sup> Interviews with Personal Advisers WD 09/02/2006.

<sup>83</sup> Interview with Training and Development Manager WD 09/02/2006.

<sup>84</sup> Interview with CEO WD 09/02/2006.

Autonomy is only viable as long as targets are met. Although they do not necessarily express a sense of pressure, advisers are very aware of, and ultimately beholden to, the performance indicators discussed above. These indicators are monitored regularly by adviser managers and results are tracked by what appears to be a very effective IT system (see below). Underperformance incurs immediate action first in the form of advice and support from managers and the psychologists who are qualified cognitive behavioural therapists. The adviser is expected to take remedial action to improve performance. However, if these attempts fail then disciplinary procedures commence.

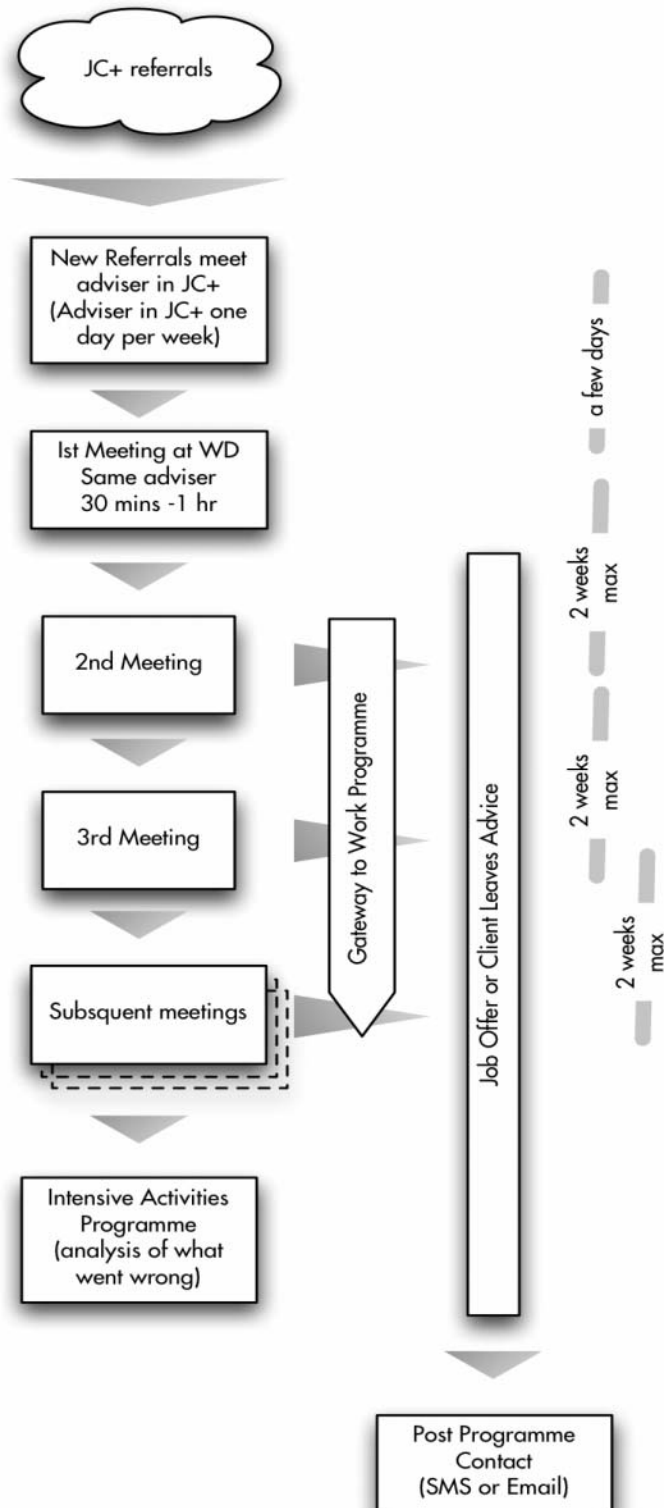
#### 2.3.4 Advice process

Advisers spend one day per week at the Jobcentre Plus signing up new client referrals who will subsequently meet them at the WorkDirections office. Prior to the start of this signing up process the adviser may have a provisional list of client names to be seen that day. First contact at the Jobcentre is seen as facilitating hand-over so that although the client then comes to a new environment, they come to see a familiar face. While at the Jobcentre Plus office, the WorkDirections adviser works from a remote workstation maintaining contact with the WorkDirections office so that they can keep up with the rest of their caseload while loading the new clients onto the system. The rest of the advisers' time is spent at the WorkDirections office meeting with clients. Advisers tend to work 9.00am to 6.00pm. There is a workgroup meeting on Thursday mornings to discuss caseload issues and specific clients and there is an office meeting every Friday morning. Every two weeks there is a case conferencing session in which specific problems may be discussed<sup>85</sup>. An overview of the advice process is given in Figure 3.

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<sup>85</sup> Interview with Personal Adviser 09/02/2006.

Figure 3: Overview of Advice Process in WorkDirections



Source: RAND Europe representation of WorkDirections advice process

The first substantive meeting between the adviser and client at the WorkDirections office takes approximately 30 minutes to one hour.<sup>86</sup> In that session the adviser informs the client about the training and services that are available such as job search on the in-house computers at the 'job station' as it is called.<sup>87</sup> In this first meeting a *curriculum vitae* is either obtained from the client or the process of building one is begun. The *curriculum vitae* building is a functional start to the process of looking for a job, but it is also a way of showing clients strategies for presenting themselves and their skills in ways that will 'sell' them to employers. One adviser described how he tended to give the client 15-20 copies of the *curriculum vitae* at the end of the first session to be distributed to target employers. The second meeting might then take place a few days later and that meeting would include writing up an action plan and, if appropriate, making follow-up calls to targeted employers.

Early on in every client's advice process the adviser will do a 'better-off-in-work calculation'. By the third meeting the aim is for the client to be 'well-established', meaning that their *curriculum vitae* has been written and that job search is well underway, including use of the internet which advisers aim to get clients using early on in the process.<sup>88</sup> A motivated job searcher may spend up to 14 hours a week at the job stations on job search, and have half an hour a day of adviser time helping to prepare applications.<sup>89</sup>

Depending on the client, in the second or third week of clients' advice processes, they should enter the Gateway to Work programme. The Gateway is an intensive three-week programme that runs every day for most of the day. The aim is both to motivate and provide training, and to give the clients a taste of what it is like to be back at work and to have colleagues whom they see daily. This programme runs from the WorkDirections office, so clients often come in either for scheduled appointments or sometimes just to drop in because they know their adviser is around.<sup>90</sup>

By week four each client should have been evaluated and analysed by the adviser,<sup>91</sup> and an action plan should be completed. Advisers log interactions with clients and the baseline expectation for client management is that the adviser should not go more than two weeks without seeing the client. If two weeks pass then a yellow flag appears by the client's name on the IT system. If the yellow flag is not heeded, then the client receives a blue code and the adviser must take action.

In total, it is estimated that an adviser may see a client for a total of about 17 hours during the Gateway period – or approximately one hour per week of the process.<sup>92</sup> Some of these meetings may be group sessions and advisers are encouraged to put clients together for functions that lend themselves well to group activities. Usually appointment times are deliberately varied, but for an

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<sup>86</sup> Interview with CEO WD 09/02/2006.

<sup>86</sup> Interviews with Personal Advisers WD 09/02/2006.

<sup>86</sup> Ibid.

<sup>87</sup> Ibid.

<sup>88</sup> Ibid.

<sup>89</sup> OECD Brent visit 07/09/2005.

<sup>90</sup> Interview with Personal Advisers WD 09/02/2006.

<sup>91</sup> Interview with Human Resources Manager WD 09/02/2006.

<sup>92</sup> Interviews with Personal Advisers WD 09/02/2006.

unmotivated client an adviser may require them to come in at 9.00 a.m. every morning to help alter their habits and mindset.<sup>93</sup>

If a client is still on the books by week 16 of the advice process, then they enter a new phase called the IAP, or Intensive Activities Programme. The programme consists of a further 30 hours a week that takes the form of some kind of work placement. The adviser warns the client around week ten about the forthcoming IAP. Then at week 13 there is an IAP seminar: a one-to-one meeting in which the adviser and client decide on a programme for week 16 onwards.

After another 13 weeks, there is a follow-through in which the process is similar to The Gateway, but with an analysis of what went wrong the first time around. There is a total possible intervention time of 12 months and an ongoing 'graduate commitment' if clients wish to maintain contact and obtain advice once through the programme and in work<sup>94</sup>.

## 2.4 Time use

The advisers in WorkDirections all work from electronic diaries and may use paper diaries as well. They aim to see 10-12 clients in an eight-hour day and to spend about 80-90 percent of their time face-to-face with clients. According to advisers, they have very low non-attend rates of approximately one in 10 or 11. Advisers we spoke to had strategies for ensuring that non-attendance did not lead to wasted time. For one adviser, the solution was to book in 12-14 clients assuming that some would not show. Another adviser commented that there was always something useful that could be done with that time, including catching up on case notes, booking in appointments and discussing case issues with others.

## 2.5 Administrative support and management

### 2.5.1 IT system and support

WorkDirections has recently streamlined its IT system, which has led to an overall reduction in the amount of time advisers spend on paperwork. There is a central IT team that advisers can contact by phone and email. All administrative work done by the advisers is recorded on the IT system, which is called RESMAN. The system has been adapted by external consultants from the Australian system run by WorkDirections' parent company, with ongoing input from the employees at WorkDirections, to the UK and employment advice context. The system contains the 'action plan wizard'<sup>95</sup>.

All of the advisers' actions for the day are entered on the system and on this system, both the adviser files and the adviser diaries, are available to any system user. Inputs are often accessed via menus that call up standardised forms (tracking case notes) to enter specific data (see figure 4). The system is proactive in alerting advisers and managers to potential performance problems. For example, as mentioned above, if two weeks pass without a given client being seen by an adviser then a yellow flag

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<sup>93</sup> OECD Brent Visit 07/09/2005.

<sup>94</sup> OECD Brent Visit 07/09/2005.

<sup>95</sup> Interview with Operations Manager WD 09/02/2006.

appears by the client's name on the IT system. If the yellow flag is not heeded then the client receives a blue code and the adviser must take action.<sup>96</sup>

Advisers estimate that they spend 30-45 minutes per day, or sometimes five minutes in each hour, on administrative inputs. Most of this is paperwork for the Jobcentre Plus. In addition to the electronic diary and the client filing system, technology support exists in the form of a work mobile telephone for each adviser.

The system is considered by its users to be very effective. Since the development and implementation of the IT system, there has been less need for staff to run simultaneous spreadsheets. It is felt that the system has entailed improvements that drive quality and efficiency.<sup>97</sup> One adviser commented that once the whole system was electronic, including and especially use of email as the main mode of communication, his administrative time was reduced by approximately 50 percent. Another adviser commented that the system works very well and that she did not feel that there was too much administrative work for the advisers.

### 2.5.2 Administrative support

For other administrative work there is a team of three administrative support workers for 18 advisers at the Hammersmith office.<sup>98</sup> The administrative team sets up initial client files and deals with all of the paper files. These administrators also have several tasks related to invoicing and compliance with contracts including:

- Programme starts: quality checks and opening of files;
- The Gateway programme: dealing with follow-throughs and re-referrals (i.e. people re-entering New Deal);
- End of programme: dealing with Jobcentre Plus paperwork on people leaving and employer stencils (certification that claimant is still working).

Advisers report to the deputy operations manager who is also available to help with individual case issues. The deputy operations manager in turn reports to the Head of Operations who reports to the CEO. It is considered to be a relatively flat structure. Monthly meetings are held between the operations managers, the Head of Operations and the CEO. Each operation has an annual budget and the operations managers make a monthly report to the head of operations.<sup>99</sup>

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<sup>96</sup> The IT system also logs client time on jobsearch at the workstations so that this information is available to the adviser for determining client motivation, effectiveness of time use, etc.

<sup>97</sup> Interview with Operations Manager 09/02/2006.

<sup>98</sup> The IAP has its own separate administrative support, interview with Personal Advisers 09/02/2006.

<sup>99</sup> Interview with Operations Manager 09/02/2006.

Figure 4: Image from WorkDirections electronic registration and filing system

The screenshot shows a web-based application window titled "Jobseeker". The interface includes a menu bar (File, New, Search, Mode, Transfer, History, Tools) and a toolbar with icons for New, Save, Close, New Action, History, Documents, Print, Appl List, and Assignments. The main content area is divided into several sections:

- Jobseeker ID:** 7687
- Status:** Sustained
- Site:** WJD, HAMFUL
- Personal Information:**
  - Forename: John
  - Middle Names: (empty)
  - Surname: Smith
  - Preferred Name: Alexander
  - Title: Mr
  - Address: 31 Smith Street
  - Suburb: London
  - City: (dropdown)
  - Pcode: W14 8TL
  - Country: (dropdown)
  - Sex: M
  - Date of Birth: 2 Jul 1983
  - Age: 22 Yrs 8 Mths
  - Hm Ph, Mob Ph, Other Ph, eMail: (input fields)
- Registration Details:**
  - Option Type: (dropdown)
  - Length UE: 0-6MONTHS
  - Referral JobCentre: HAMMERSMITH
  - Ethnicity: OTHER
  - Early Entrant?: (dropdown)
  - Has Documents:
- Comments:** book on cv surgery
- Induction Pack:**
- Complaints Process:**
- Multi Skill Table:**

Multi Skill		Categories				
Code	Description	Type	Years	Versior	Details	
A2	Non-Transitional	A				
*						

Additional elements include a left-hand navigation menu with icons for Employer, Contact, Jobseeker, Vacancy, Course, Opportunity, and Diary. The bottom right shows "Last Updated: JCUNDY On: 20 Aug 2003" and a "Division" dropdown menu.

Source: Provided by WorkDirections (April 2006)



## CHAPTER 3 Centre for Work and Income

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### 3.1 Business context

The *Centrum voor Werk en Inkomen* (CWI), translated to the ‘Centre for Work and Income’ is an independent government agency in the Netherlands (*Zelfstandig Bestuursorgaan* [ZBO]) under the supervision of the Minister of Social Affairs and Employment (*Minister van Sociale Zaken en Werkgelegenheid* [SZW]). The CWI is part of the ‘employment chain’ called *Structuur Uitvoering Werk en Inkomen* (SUWI). SUWI aims to place the unemployed back into work. The chain was introduced in the beginning of 2002 and its purpose was to provide a framework for active labour market policies and benefit payments. These benefits include unemployment benefits (*Wet Werkloosheid* [WW]), disability benefits (*Wet op de Arbeidsongeschiktheidsverzekering* [WAO]), and social assistance (*Wet Werk en Bijstand* [WWB]). The framework sets out a task division between the different organisations involved in employment policy and the administration of benefits. SUWI should be fully implemented by 2006.

The CWI and the Implementation Institute for Employment Insurance (*Uitvoeringsinstituut Werknemersverzekeringen*[UWV]) are responsible for the implementation of employment advice services and the reintegration of the unemployed into the labour force. The Minister of SZW is responsible for policy and supervision. In this framework, the CWI is the first port of call for the unemployed. The CWI will assist the unemployed in the application for WW or WWB benefits. The CWI, through its advisers, will also provide unemployment advice for the first six months of unemployment. If after these first six months the client has not been placed into work, the CWI will draft a reintegration advice and refer the client on to the UWV. A case manager at the UWV will then advise the client and eligible clients will together with the case manager choose a reintegration programme. The UWV buys in these reintegration programmes on an annual basis (normally a fixed number of places) from (mostly) private reintegration providers and then assigns unemployed clients to the programmes. The case manager at the UWV monitors the client during the reintegration programme and promotes a successful end to the programme. An additional responsibility of the UWV is the administration of WW and WAO benefits. This involves the decision to grant benefits, as well as the administration of benefit payments. SUWI separates the benefit assessment from the benefit administration and it also separates initial employment advice and gate-keeping from the reintegration programmes.

The other partner in the chain is the municipality. Municipalities are responsible for the administration of the WWB benefit and the reintegration of the unemployed on this benefit. WWB can be granted to claimants who do not have the basic means for existence. It can also supplement income levels to a specific assistance norm. Most WW benefits are shorter than nine months (90 percent). Given the different tiers of unemployment benefits, initial employment advice is therefore mostly given over a short period of time (< 9 months).

This paragraph gives an overview of the numbers of unemployed within the system and how they flow through the system. These numbers exclude WWB claimants who are also initially advised and processed by the CWI. In 2003, the Netherlands had 678,000 unemployed. Of these, 440,000 applied for WW benefits. Approximately 330,000 claims were granted benefits and were given employment advice by the CWI. 225,000 clients got a maximum of nine months WW benefits or found work. 75,000 clients were eligible for reintegration and are referred by the CWI to the UWV. Of these 75,000, only 38,000 were offered a reintegration programme. The others did not get a reintegration advice from the UWV, were ill, or found work. Finally, 33,000 followed a reintegration programme. The remaining 5,000 failed to start the reintegration process for various reasons.<sup>100</sup>

This report will limit itself to how the CWI gives unemployment advice. As the main gatekeeper of the chain, the CWI sees the bulk of the unemployed. It deals with high volumes and has many of the same organisational pressures as Jobcentre Plus. The CWI has about 2,000 employment advisers in 130 offices nationwide and in 60 of these locations shares offices (*bedrijfverzamelgebouw*) with municipalities, UWV, reintegration providers, or temping agencies. This sharing promotes closer cooperation within the SUWI chain. In terms of partners, the CWI maintains contacts with 450 municipalities and 170 UWV offices. The CWI typically will have Service Level Agreements (SLAs) with the other partners in the chain. These agreements do not have financial terms,<sup>101</sup> but are rather indicative (in terms of number of services offered, type of cooperation and timeliness and quality of cooperation) of what the partners will do for and with each other within the chain. Many of these agreements are negotiated locally between the CWI office manager and the municipality. Local CWI managers have autonomy to manage their business within the performance and budget constraints set by the Board of Directors of the CWI and the Minister of SZW.

## 3.2 Performance

### 3.2.1 Performance Management

Centrally set performance indicators filter through the organisation to the adviser. The Minister of SZW makes agreements with the CWI on the implementation of policy. In these agreements, indicators of performance are central. These indicators are not *per se* targets, but guidelines for performance. The Head of Policy at the CWI emphasised this difference, as not reaching targets

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<sup>100</sup> Algemene Rekenkamer (2004), "Bemiddeling en Reïntegratie van Werklozen", Den Haag: Tweede Kamer der Staten-Generaal.

<sup>101</sup> Negotiating SLAs with financial incentives using public money was deemed counterproductive (money would go from one pot to another and potentially from central to local government and vice versa).

implies direct consequences (financial penalties), while this is not the case with these indicators.<sup>102</sup> The CWI uses these indicators to describe its performance and report (quarterly and annually) on its performance. The main indicators are:<sup>103</sup>

- Clients leaving the WW and WWB;
- Quality evaluation by the UWV on the advice for reintegration given by the CWI (working of the chain);
- Customer satisfaction of the CWI.

The CWI, furthermore, uses a more comprehensive system to report on performance. This is called the Balanced Scorecard. This scorecard consists of six categories with a total of about 40 indicators.<sup>104</sup> The categories cover:

1. Efforts of the CWI to ensure a transparent labour market (e.g. the reach of CWI job offerings, the number of *Curriculum Vitae* [CVs] on the system, or the number of CVs and job openings requested on the system);
2. The role of the CWI in matching job openings with jobseekers (e.g. the total number of job openings put on the system by employers and the number of job openings filled through the system);
3. The gatekeeper role of the CWI (e.g. the number of unemployed prevented from claiming [through advice], the number of claimants leaving the WW and WWB, and quality measures for the assessment of referrals from CWI);
4. The role of CWI in the chain (e.g. timeliness of benefit applications, completeness of benefit application files, and the quality of information given to the chain partners);
5. The role of the CWI in processing employment termination approvals and approvals for claimants to take up employment; and
6. An evaluation of whether the CWI is a client-focused, effective, innovative, and transparent organisation (e.g. sickness rate, timeliness, use of budget, and happiness of personnel).

Table 2 below gives an overview of some of the most important indicators and the performance of the CWI in 2004.

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<sup>102</sup> Interview with Head of Policy CWI 1/3/2006.

<sup>103</sup> Algemene Rekenkamer (2004), p. 18.

<sup>104</sup> Taken from CWI (2005), "Jaarverslag CWI 2004", Amsterdam: CWI, p.1.

**Table 2: Performance measured against some of the main indicators in 2004**

Category	Indicator	Norm 2004	Achieved 2004
1. Transparent labour market	Total requested vacancies werk.nl	44,000,000	63,167,411
	Total requested CVs werk.nl	10,500,000	7,427,198
	Total registered CVs werk.nl	375,000	365,412
	Total consultations werk.nl	16,000,000	29,577,461
2. Job matching employers	Total vacancies delivered by employers to werk.nl	95,000	168,222
	Total vacancies delivered by employers	210,000	231,700
	Total vacancies filled with knowledge of CWI	74,250	82,157
3. Gatekeeper role	Prevention % WW	18%	19.9%
	Prevention % WWB	40%	46.5%
	People leaving WW Phase 1	50%	59.1%
	People leaving WWB Phase 2	50%	61.8%
4. Role in the chain	Timeliness of benefit applications % WW	80%	86.2%
	Completeness of benefit applications % WW	85%	98.4%
	Timeliness of benefit applications % WWB	96%	96.5%
	Completeness of benefit applications % WWB	80%	97.6%
6. CWI as an organisation	Satisfaction rating employer (0-10)	7	7.1
	Satisfaction rating jobseeker (0-10)	7	7.1
	Satisfaction rating UWV (0-10)	7	6.9
	Sickness rate staff %	12%	12.4%
	Satisfaction personnel (0-10)	7	Not given

Source: CWI (2004), "Jaarverslag CWI 2004".

The indicators mentioned above show how the CWI reports performance to its board and the Minister of SZW. These indicators are also used to measure the performance of the different CWI offices. The CWI direct its offices in a top-down way. Budgets are centrally dictated and cannot be amended locally. Performance indicators are incorporated in management agreements between the board of the CWI and its offices. However, while budgets are set in stone, the management

agreements are not strictly binding. The indicators in these agreements are management tools to see how performance is evolving. These indicators also take into account regional variation and factors.<sup>105</sup> Furthermore, the CWI also works with independent client committees who give feedback on the quality of services provided. If these offices fail on a specific indicator (10 percent under the agreed norm) over a period of time (measured every quarter), the manager of the specific CWI office together with his regional manager (district) might draw up an improvement programme. The CWI aims to be a learning organisation.

The outcome-based indicators of the CWI focus on pre-empting clients claiming benefits (i.e. placing them into work before their claims are processed or establishing ineligibility)<sup>106</sup> and the number of WW and WWB claimants placed into work. The WW benefits target for CWI is to have 20 percent prevented from claiming (i.e. pre-empted) and 50 percent placed into work after six months. The targets for WWB are higher, with 45 percent prevented and 50 percent placed into work. The CWI on this basis makes an assessment of how it addresses these targets internally based on the cost structure of the organisation.<sup>107</sup> First, It calculates the cost of an adviser and the amount of productive time that an adviser has available per year. This gross cost (including overheads) of an adviser comes to about €100,000 (about £67,000). Furthermore, out of a total 2,080 working hours per year an adviser will be productive for about 1,350 hours. The rest of the time is vacation, training, lunch breaks etc. Given these calculations, the CWI has about €500 (about £350) available per client. Then, the CWI determines the performance numbers that its advisers need to achieve. On average, an adviser per year needs to place 160 clients into work (fill vacancies), give advice to at least 185 clients, and obtain around 500 new job openings.<sup>108</sup>

### 3.2.2 Relationship Management

It is difficult to establish which of the performance indicators are more important for the CWI. It seems obvious that most indicators focus on outcomes. However, there are different ways to measure outcomes. The *Algemene Rekenkamer* (Dutch Audit Office) in a recent evaluation report also put much emphasis on the relationships in the employment advice chain and the degree of focus on the client.<sup>109</sup> In terms of the former, this emphasis on cooperation and the quality and outcome of cooperation is a function of both the segmented nature of employment advice in the Netherlands and the relative newness of the advice chain. In terms of the latter, client focus has become a major buzzword in SUWI and the CWI. All interviewees in their own way stated that the position of the client is central in the advice process. However, it was sometimes difficult to ascertain in the interviews how this was expressed within the organisation. Though there are examples of direct client interaction such as the use of client committees, which give feedback to the organisation, many client

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<sup>105</sup> The CWI has developed a quantitative model to anticipate variations in performance between offices. The benchmark was the size of the municipality. Factors incorporated were exogenous factors (e.g. labour market) and endogenous factors (internal processes, budgets, etc.).

<sup>106</sup> Claimants need to contact the CWI before they can claim benefits. This lead-in period gives the CWI the opportunity to redirect the client before benefits are claimed. The CWI has now introduced (since October 1) a mandatory period of one month of notification between when the client established that he/she wants to claim and when the claim is processed. This extra time should increase the ability of the CWI to prevent benefit claims.

<sup>107</sup> Calculations taken from Interview with Head of Policy CWI 1/3/2006.

<sup>108</sup> There is a differentiation in the CWI between advisers focusing on clients and advisers working with employers.

<sup>109</sup> Algemene Rekenkamer (2004).

interactions seem indicator driven.<sup>110</sup> For instance, there are indicators for client satisfaction, with the baseline number seven out of ten. It was not clear from the interviews how such indicators made the organisation build its services more around the customer. Also, the interaction between adviser and client is limited due to the limited means of the organisation and consequently the amount of time an adviser can spend with a client. Recently, the government decided that an adviser could only spend three hours per client (down from four hours). The adviser in other words has a decreasing amount of time to achieve an outcome. This situation seems unlikely to change. The CWI is investing in its successful internet-portal, [www.werk.nl](http://www.werk.nl),<sup>111</sup> and electronic ways of registering clients and matching employers and clients.

The CWI has specialised advisers who focus on finding job openings. There are 600 of these advisers within the CWI. Their job is to work with employers to identify new possibilities and with the client advisers match jobseekers with the outstanding vacancies. A target of the CWI is to fill a certain number of vacancies. This target is employer-focused, rather than merely client-focused (i.e. about placing the unemployed into work). The services offered to employers have actually been increased in CWI offices at the expense of services offered to the unemployed and time spent with the client.<sup>112</sup> These services consist of:

- Offering vacancies online through the internet portal, [werk.nl](http://werk.nl). About 50,000 vacancies had been offered this way so far in 2006. This service has proved popular with larger businesses.
- Vacancy notice boards in the offices. About 100,000 jobs were offered this way in 2006. These jobs are mostly filled quickly.
- Personal service for employers. This service is geared towards smaller businesses, which do not have time for recruitment and allow the CWI to select suitable candidates for a specific position. These positions are not widely advertised.

The general tendency is to give advice to the client in a shorter period of time and with the money/time saved to invest more in other ways to advise and process clients and engage employers. The CWI has recently also started focusing more on the compliance of its claimants with benefit regulations.

### 3.2.3 Costs and outcomes

The CWI, as an independent government agency, has a fixed annual budget. On this basis, it can calculate how much it can spend per client. This amount as stated earlier is about €500 (about £350). This average cost can vary if there are more or less unemployed than expected. In 2003, there were 20 percent more unemployed seeking assistance from the CWI than expected. There was no real budgetary contingency in place to deal with this large inflow. In this case, advice had to be withheld from some clients and the budget had to be spread over a larger than expected client base. Similarly, some clients are easy to place. In this case, some of the €500 (about £350) available will be spent on a more difficult to place customer. The local CWI managers have freedom how they manage their budgets and divide it among clients.

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<sup>110</sup> In addition, some of the interviewees stated that most of the performance indicators were irrelevant in terms of offering a more client-focused service.

<sup>111</sup> This site shows about 50,000 job openings (accessed March 2006).

<sup>112</sup> Interview with Head of Policy CWI 1/3/2006.

The success rates of the CWI have exceeded the set guidelines. The prevention percentages for the WW and WWB were 19.9 percent and 46.5 percent compared to norms of 40 percent and 18 percent respectively. The percentage of people leaving the WW in 2003 was 51 percent of the clients who the CWI advised and 59.1 percent in 2004 compared to targets of 60 percent and 50 percent respectively. About 61 percent of WWB clients were helped off benefits in 2004, with a target of 50 percent. However, these success rates do not reflect job outcomes or the sustainability of outcomes. They focus on an eight-day period in which clients do not claim WW. The CWI does not have a clear idea of the number of its job outcomes (as a percentage of the people leaving the benefit system). As benefits are administered by the UWV (outcome information is aggregated there) and a shared SUWI database/IT system is not up and running yet, the CWI has no clear picture of the percentage of job outcomes or the sustainability of these outcomes. This is an issue that the CWI expects to have addressed in the coming year (2006). However, the CWI is not assessed on the basis of job outcomes.<sup>113</sup>

The Head of Policy of the CWI indicated that the service provided by the CWI is value for money compared to the reintegration programmes, which cost thousands of euros. The operational budget of the CWI is a fraction (around €350 million [about £240 million]) compared to the money available to reintegration programmes (€billions).<sup>114</sup>

### 3.3 Adviser profile<sup>115</sup>

#### 3.3.1 Profile and pay

The CWI does not have a specified profile for its advisers. Advisers fulfil several functions. Hence, the CWI works with function descriptions, which incorporate everything an adviser does within the organisation. There is one function description for an adviser. This description incorporates specialisms such as working with specific benefits, working with employers, experience of the European Employment services (EURES), working with minorities, and those experienced with employer contracts. The main functional distinction among advisers is between those working with clients and those maintaining contacts with employers. In total, the CWI has 111 function descriptions in the organisation. On top of these descriptions, the CWI has identified 40 competences across functions within the organisation. For each function, there are about nine core competences.<sup>116</sup> Four of these are in most cases competences that every employee in that function should possess. These include the ability to learn, to network, to cooperate, and to be result-focused. The extra competences for an adviser are the ability to deal with clients, to analyse problems, to organise, to motivate, to stimulate and to be flexible. These competences are used by Human Resource Management to evaluate advisers and decide on promotions. The evaluation of employees occurs at office level based on the assessment of these competences. The Human Resource Management of the CWI is attempting to change the thinking and processes within the organisation

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<sup>113</sup> As such the CWI does not have figures costs per outcome.

<sup>114</sup> Interview with Head of Policy CWI 1/3/2006.

<sup>115</sup> Most of these observations are based on an interview with the Head of HRM CWI 1/3/2006.

<sup>116</sup> The descriptions of functions and competences are kept on a central database, available to all CWI employees on the CWI intranet.

to ensure that competences are at the centre of personnel evaluations and shine through in the interactions of advisers with the clients (so called competence-based thinking).<sup>117</sup>

There are different salary bands for an adviser. The starting salary is about €1,999 (about £1,390) per month, about €24,000 (close to £14,300) per year. This amount can rise to €2,927 (about £2,030) for team coordinators and senior advisers. Managers of local offices earn from €2,597 (about £1,800) to €4,781 (about £3,300) per month, depending on experience and the size of the office. In the district (regional) offices, salaries are between €2,161 (about £1500) and €4,781 (about £3300) per month. Every district has a human resources manager who reports to the head office. These managers are involved in most personnel decisions, including the hiring and firing of employees. Local managers do not hire personnel. The office managers can decide within their set budgets the number of senior advisers they appoint and to some extent the salary bands of the personal adviser. These office managers also can award individual bonuses (up to five percent of base salary). The granting of bonuses is based on a performance evaluation of the employee. However, bonuses are not given on the basis of outcomes (i.e. job outcomes or number of referrals to the UWV).

The retention rate within the CWI is high. The turnover is about two percent of personnel per year. Financial considerations are not the prime reason for employees of the CWI to move on. Personal circumstances seem more important. In general, there is a stable workforce at the CWI.

### 3.3.2 Training and induction

Advisers are eligible for a variety of trainings and courses. These trainings are divided in several categories:

- Trainings required by the CWI, these requirements are determined at head office or at district level.
- Trainings requested by the adviser, which are deemed useful to giving advice.
- Trainings requested by the adviser, which might be useful for performing an additional or other function.
- Trainings requested by the adviser for personal development.

In general, the CWI will buy in a certain number of trainings that are custom designed to deal with specific barriers to advising effectively, identified by advisers. In the case of ‘trainings requested’, the CWI will determine whether or not it will pay for these trainings and courses. Examples of courses that the CWI would fund are courses on conversation techniques and how to deal with minorities among others. In general, however, there is only a limited training budget available in the local offices. The costs of training are often taken out of the budget of the local office, except if they are organised by the CWI centrally.

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<sup>117</sup> Competence-based thinking or putting competences at the centre of client interactions is currently being piloted in ten CWI offices. There exist an internal trainings group in the CWI that promotes the sharing of knowledge and identifies effective ways to influence behaviour.



### 3.4 The process and role

#### 3.4.1 The role of advisers

Advisers in the CWI are central in the advice process. They provide advice at the frontline and also perform the function of gatekeeper. The organisation of the CWI is built around these advisers. Advisers in the CWI perform two broad functions. They give employment advice to clients and help employers fill vacancies. In this sense, the CWI sees itself as truly performing an intermediary function in the labour market. The adviser has some autonomy to schedule appointments and guide client advice. However, budgets are tight (the indication as stated earlier is €500 per client) and given the short timeframe (three hours) in which the adviser can give clients advice, advice mostly consists of four main tasks: drafting the client profile; limited employment advice (about 20 minutes per month during the advice process); the reintegration advice; and possible referral to the UWV. In this way, the CWI places a lot of responsibility with the client to find gainful employment and leave the benefit system.

#### 3.4.2 Management structure

The management structure emphasises the role of the local manager. This manager has to deliver outcomes based on the performance and budgetary framework. The first year after SUWI was introduced proved difficult. Half of local office managers left in the first year of SUWI. In general, the local manager is responsible for performance. However, this manager does not have much room to manoeuvre. He/she can determine logistics and manage personnel, and to some extent can affect internal advice and organisational processes. However, budgets and performance indicators are in place. Moreover, he/she is given a building and personnel to work with, so overheads are more or less fixed. The local managers are responsible for monitoring the performance of their advisers. They are helped at the local level by senior advisers and team coordinators who take over some of the day to day management responsibilities (such as diary settings and team meetings with advisers). Senior advisers coordinate and steer a group of advisers. Some of the responsibilities include discussing caseloads and coordinating the advisers (e.g. time management). Team coordinators organise the intake of new clients. These senior advisers and coordinators report to the manager during weekly local management meetings. However, there are no deputy managers within the set-up of the CWI. Local office managers report to the district (regional) manager. The district and local managers meet once every month and have bilateral discussions. The district managers also have group discussions on performance, personnel matters, and budgets. These district managers report to head office and the board of directors. Mostly, a member of the board of directors accompanied by the Head of Policy of the CWI will meet with the district managers and discuss whether offices have remained within budget and performed to the performance indicators set by the board of directors for every office.

To aid these discussions, there is a management information portal in place. This portal was introduced recently - 130 performance measures are given in this management portal. It is updated every week. So reporting has to occur once a week. This management portal is continuously upgraded with increased functionalities. At the moment, a manager can analyse the performance of the office in some detail (main outcome-based performance indicators such as intake and people leaving benefits) and compare it to other offices. In this sense, a local manager can anticipate how well or poorly the office is performing before the meeting with the district manager. It also allows managers to make changes during the month and see how effective these changes are.

The CWI understands that there are regional, economic, cultural factors, which affect the performance of offices. Therefore, the CWI uses these inter-office comparisons (of most similar offices) to better understand the performance of its respective offices. Moreover, it strongly promotes inter-office learning and the identification of best practices. These are discussed in regular group meetings between district managers. Mostly district managers will encourage local managers whose performance is lagging to take up new measures in improvement programmes.

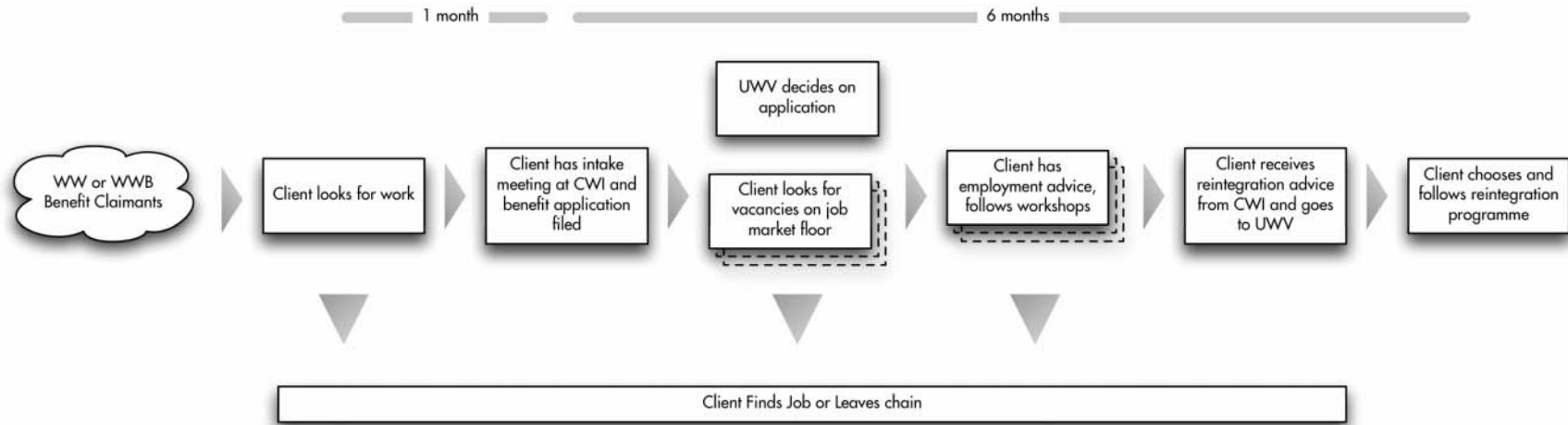
### 3.4.3 **Advice process**<sup>118</sup>

This section focuses predominantly on the employment advice given, rather than the service provided by the CWI to employers (see also Figure 5). The example is taken from a CWI office in the Southeast of Amsterdam. This office employs 29 advisers. Its clients are mostly ethnic minorities.

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<sup>118</sup> This process is mostly derived from an interview with a local office manager from the CWI, 1/3/2006.

Figure 5: Overview of advice process in the CWI



Source: RAND Europe representation of advice process

A client can contact the CWI when he/she wants to claim benefits or when he/she knows that he/she will become unemployed. The client has to first register at the CWI for an appointment. This can happen by phone or physically at the CWI office. An appointment is made and in case a client is claiming benefits the first intake meeting, at which the personal adviser registers the details of the client and subsequently processes the benefit application form<sup>119</sup>, is scheduled. A team coordinator is in charge of the organisation of intake meetings and holds the diary of advisers. Advisers have a diary registration system to show availability. Intakes are centrally distributed in the office. All other appointments are registered by the adviser him/herself. Diary registration has not been consolidated into one system and remains a mix between excel spreadsheets, a calendar system and a wider registration system. Intakes in general have priority over other types of advice. In other words, clients are quickly filtered into the system and the profiling of clients and benefit applications are prioritised. The office in Southeast Amsterdam has about 500 to 600 intakes per month. 80 percent of these are WW applicants, with 20 percent WWB applicants. This represents a caseload for advisers of about 50-120 per adviser. 20 percent of these normally require employment advice (active). A normal active caseload is about 20 to 30.

Once the initial intake meeting has taken place and the client enters the benefit system, the adviser then schedules follow-up meetings in order to give employment advice. It is up to the adviser how often he/she sees the client and how he/she divides the time available (outside of intakes). There is an option of seeing clients in groups and allocating clients to workshops in order to use time efficiently. There is no real tracking system or central diary system to monitor the time spent per client. Instead, advisers log all activities to show how productive they have been in a given day. However, the organisation has few direct process targets (i.e. targets on face-to-face time). Rather, advisers have to perform a set number of tasks in an average period of three hours per client. Advice sessions are registered in the client file. Normally, the first intake meeting with a client takes an hour. This leaves an adviser with two hours to spend over the period of six months. Meetings normally occur once a month and mostly last about 20 minutes. Given the adviser might have to write a reintegration advice and refer the client to the UWV, time management is important. In other words, many activities have to occur within these three hours, which leaves little time for one to one employment advice.

The intake of people determines the workload and this intake can be variable. A variable intake (*instroom*) can be problematic for business planning. Advisers are judged on people leaving the system (*uitstroom*). There is no easy way to determine which adviser has produced which result. Often, clients are shared between advisers. Sometimes, employer advisers assist in the placement of a client. As the employer adviser is not involved in the intake process, it is once again difficult to determine the link between adviser and outcome. In terms of prevention (employment found or claim discontinued before the benefit claim was processed), it is impossible to score the advisers. In many cases, advisers did not assist clients in finding employment (they found it themselves) or clients did not

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<sup>119</sup> It is the responsibility of the client to fill out the benefit application form. The CWI just checks this form and forwards it to the UWV.

notify the CWI that they found work. The CWI does not have an adequate tracking system. Advisers are therefore only partially evaluated on results.

### 3.5 **Management and support**

The time pressure on advisers has also led to the development of new systems to save time. More recently, the CWI has introduced an electronic registration system, a primary processing system. Forty-four percent of intake registrations now occur online. Electronic registration can save one hour during the advice process or 33 percent of advice time available per client. The CWI indicates that through this electronic registration it was able to reduce costs by letting 300-400 full time equivalent (FTE) employees go. This is equivalent to 15 percent of the total workforce.<sup>120</sup>

Moreover, the CWI has introduced various electronic ways through which the adviser can maintain contact with the client. Advice now often occurs via e-mail and Short Message Script (SMS) text. Some advisers prefer phone contact as an alternative to face-to-face meetings. Moreover, the various websites are gaining functionalities, which can assist the clients.

Another way to support the adviser is through the provision of administrative support. Most offices have administrative support at the front desk. In shared offices, this function is shared between providers. These administrators check appointments and redirect the clients. Administrators might also answer and direct incoming phone calls. There also secretarial support available in most offices. In some offices managers have pooled administrators in order to provide more support to the adviser. One way of doing so was to put administrators on the shop floor with the advisers rather than have them in a separate office. Administrators assist advisers in the opening and setting up of files and logging of basic information. Most offices have facilities support including Information Technology (IT) support.

The CWI is planning the opening of a call centre in the north of the Netherlands to answer queries and possibly set up appointments in local offices. This will free up time for local offices. Some offices at the moment only answer calls at a certain time.

### 3.6 **Time use**

Advisers spend about 80 percent of their time with clients and 20 percent on administrative tasks.<sup>121</sup> Administrative tasks include: logging meetings; entering of information; and scheduling meetings. The average rate of 'no-shows' is about 15 to 20 percent. However, this rate is mostly already calculated into the workload. In case there is some 'dead' time, advisers contact clients and do some administrative work. Mostly, the intake is so high that 'dead' time does not occur. There is more supply than demand for

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<sup>120</sup> Interview with Head of Policy CWI 1/3/2006.

<sup>121</sup> Interview with a local office manager CWI 1/3/2006.

adviser time and often clients show up at the office expecting to be seen. They can then be slotted into 'dead' time.

In terms of day-to-day organisation, an office might do intakes and follow-up meetings in the morning, phone calls between two and four p.m., and administration afterwards.

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## **APPENDICES**

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## Appendix A: Jobcentre Plus

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This appendix has been provided by the NAO.

### **Context**

#### **Business Context**

Jobcentre Plus is an executive agency within the Department for Work and Pensions, its vision is:

“To deliver a single integrated service for all benefit claimants of working age – helping those who can into work and supporting those who cannot. We want to achieve employment opportunity for all in the labour market regardless of where people live, ethnicity, age or family status.”

#### **Customer Groups**

Jobcentre Plus provides a service to a range of client groups, including: job seekers; incapacity benefit claimants; lone parents; and carers. It processes and administers benefits for people of working age and provides a range of mandatory and voluntary provision to help people to find work.

### **Performance**

#### **Performance Measurement**

The main performance target relevant to personal advisers is the Job Entry Target (JET). This target is based on the number of job entry points gained by a personal adviser. Job entry points are awarded where an adviser has seen a client and helps them to apply for a job and is based on employers returning forms confirming the job entry. Higher job entry points are given for helping harder-to-reach customers groups. The current system of Job Entry Targets is to be replaced by a system of Job Outcome Targets (JOT) from mid-2006. Under the JOT system job entries will be identified directly using HMRC employment data. This will remove the need for administrative effort to track job entries but will mean that outcomes can no longer be attributed to individual advisers.

### **Relationship management**

Relationship with employers vary from area to area. Vacancy services managers at either district or office level liaise with employers. And, where large-scale redundancies are a problem Rapid Response teams may be closely involved with employer.

Customer satisfaction is measured nationally through the Jobcentre Plus customer survey. Locally, customer satisfaction is measured by local surveys, focus groups with customers, and thank you/complaint cards.

### **Cost and outcomes**

In 2004-05 Jobcentre Plus achieved 1.1 million job entries and exceeded its target for job entry points by 4.8 percent. Advisers contributed around 35 percent of job entry performance Jobcentre Plus paid £216 million in staff costs to its advisers in the calendar year.

### **Adviser Profile**

Many Jobcentre Plus personal advisers are extremely experienced and have worked within Jobcentre Plus and its predecessor for many years.

- Personal Advisers generally specialise in a particular client group, the main specialisms are:
- Job Seekers Allowance- New Claims;
- Job Seekers Allowance- restart/mainstream;
- the various New Deals;
- Incapacity Benefit/Pathways to Work;
- Under 18s, and;
- Disability Employment Advisers.

However, the degree of specialism varies from area to area, with some areas having quite rigid specialisms and others having a more generalist approach.

Salaries for Personal Advisers average around £18,000.

Although it is not possible to identify turnover rates for Personal Advisers specifically, turnover for Jobcentre Plus Office staff is not high, in the range five to seven percent (compared with a figure of around 20 percent for staff working in JCP contact centres), and Adviser Managers did not consider high turnover of advisers a major issue.

A new National Adviser Skills Learning Routeway was rolled out September 2005 to provide a training route for advisers. Advisers have shown some concerns with the adequacy of past training provision.

The main role of the Personal Adviser in Jobcentre Plus is to “promote work as the best form of welfare while providing appropriate help and support for those without jobs.”

## **Advice Process**

In 2005-06 Personal Advisers carried out an average of 28 interviews per week. The length of interviews varies considerably depending on the type of interview and the needs of the client, interviews can range from 20 minutes to one and a half hours.

## **Management and Support**

Administrative support for advisers varies across areas both in terms of the level of administrative support offered and the functions it carries out. Advisers in Jobcentre Plus often have to do large amounts of paperwork and many advisers consider this a problem.

Personal Advisers have IT support for diary management; job search; and their interactions with the benefits system. However, these systems do not always work efficiently and advisers have identified a number of problems with them.

## **Time Use**

Jobcentre Plus has a national target for 60 percent of personal adviser time to be customer-facing. It is not clear whether this target is being met.

Diary management for Personal Advisers is a major concern for Jobcentre Plus offices, particularly for those parts of the diary management system, which depend on contact centres (CMS).

Failed to attend rates are not systematically and continuously measured by Jobcentre Plus but are believed to run at around 14 percent across all interventions. Advisers recognise that Failed to Attends are a problem but they use the extra time to catch up on paperwork or carry out caseload activities.

## **Organisational Change**

Jobcentre Plus has been subject to extensive organisational change over recent years. Many advisers are uncomfortable with the pace and direction of some of this change.





## Appendix B: Methodology

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The National Audit Office (NAO) is conducting a Value for Money (VFM) study looking at whether the Department for Work and Pensions (DWP) deploys and manages its personal advisers efficiently and effectively to get people into work. RAND Europe was commissioned to conduct a Benchmarking of Personal Advisers in Jobcentre Plus. The purpose of the benchmarking study is to identify and analyse cases that could hold lessons and recommendations for the Department. It was agreed that there would be two main research outputs, a workshop and a final report.

### **Benchmarking and case study selection criteria**

At an initial meeting between the NAO and the RAND project team, we outlined a set of draft selection criteria. At an internal brainstorming discussion the RAND team amended and added to these to end up with an agreed list as follows:

#### a) Substantive Criteria

- Organisation's function in terms of processes (for example in managing customers through a complex system until they successfully leave it) and/or scale;
- Organisation's customers (i.e. people looking for employment);
- Organisation's type (i.e. government agency, private sector body or from overseas);
- Operational characteristics (scale/complexity/recurrence/frontline vs. back office);
- Example of 'good practice';
- Presence of applicable lessons: transferability to the context of Jobcentre Plus;

#### b) Pragmatic Considerations

- NAO audit burden (whether the NAO had audited the service before or was in the process of doing so);
- Availability of background information;

- Willingness of the organisation to take part in the benchmarking study.

In addition to these, given the specific feedback of the NAO project team, we added more detailed criteria that focused in on the most important characteristics of the advice process. We identified the following:

- Recurrent contact between system and user;
- Tension between voluntary and mandatory aspects of the process;
- Tension between public services and private subcontracting;
- Division of work for personal advisers between frontline and back office work.

## The Case Studies

On agreement of these criteria, the RAND team performed desk research to identify potential case study organisations. Using the criteria, the team generated a short-list of eight prospective cases. The NAO was then invited to comment on these cases. Of the eight, the NAO chose two and requested that we also look at another UK employment service – WorkDirections – as the third case for in-depth analysis.

The cases chosen are broadly similar in function, yet have different organisational structures and are operationally quite different from Jobcentre Plus as well as from each other. It was agreed that this broad similarity of function in the context of specific differences in structure, context and operation would provide fertile ground for drawing out lessons for Jobcentre Plus.

The main research techniques chosen for the case studies were desk-based research and key informant interviews. The desk-based research gave broad background to the public employment services in Europe and the UK specifically, as well as more detailed information about the case study organisations and their contracts with Jobcentre Plus. In order to do so, the desk research focused on annual reports, internal documents, other available articles and academic papers, and external reviews of the organisation/body participating in the research.

The on-site interview research within the case study organisations took the form of semi-structured interviews working from a standardised interview protocol devised by the RAND Europe project team on the basis of the agreed criteria and the project brief (see Appendix D). The semi-structured format ensured that the key questions and issues determined in discussion with the client were covered for all the organisations, but also allowed a degree of flexibility to pursue emergent areas of potential interest to Jobcentre Plus.

One main contact within RAND took the lead in contacting the organisation, explaining the research, sending details of the VFM study as background and setting up times to conduct the research. One day was set aside for interviewing a range of personnel per organisation. In order to get a balanced picture across an individual organisation, as well as a good comparison between the organisations, the aim in each case was to interview one senior executive, a human resources director, two employment advisers, and in some cases

a further interview was arranged, for example with a training director or operations manager.

Two researchers attended the on-site case study research/interviewing days. In each interview one researcher took the lead and one produced a written record of the interview that was later typed up for integration into the case study report. There was opportunity in the interviews for input or questions from the note-taker as well, in order to ensure that all prescribed areas and any remaining questions were answered as fully as possible.

After typing up the interviews and discussing the findings and themes, the RAND Europe project team agreed that there were a few areas where the case studies would benefit from further information or clarification. In one case this decision entailed follow-up emails and subsequent telephone conversations with relevant staff in the organisation in order to clarify and obtain further information as well as examples of data discussed in the interviews, for example a printout of a computer IT system screen for logging adviser data. In another case a follow-up interview was conducted in order to get a fuller picture of the statistics on the organisation's performance and contracts and to find out more about training.

Each case study was written by integrating the interview discussion findings, follow-up information and background information into a case study report. These reports were then sent to the NAO to inform the workshop discussion that was one of the agreed outputs.

## **Outputs**

On completion of the case studies, the RAND Europe team presented the case study findings to the NAO at a half-day workshop meeting. This meeting included limited discussion of the findings of the NAO team's research into Jobcentre Plus, however their research was still ongoing at the time. The NAO and RAND Europe teams identified common themes and differences across the case studies. We used a cluster analysis technique to sum up, pick out themes, explore lessons Jobcentre Plus could take away from the case studies and to consider whether and how Jobcentre Plus could improve its processes and performance. Finally, the workshop discussion and cluster analysis were instrumental in establishing the structure of the final report.

The second output of the research is this final report. As agreed, RAND Europe is including a chapter on each of the benchmark case studies and an executive summary with recommendations. The NAO has provided a chapter describing the processes at Jobcentre Plus (see Appendix A).



## Appendix C: Project Brief<sup>122</sup>

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The NAO is undertaking a 'Value for Money' (VFM) study on the use of personal advisers in Jobcentre Plus. As part of this study, the NAO has commissioned RAND Europe to conduct a benchmarking study. RAND Europe is an independent private, not-for-profit research institution that helps improve policy and decision-making through research and analysis.<sup>123</sup> RAND Europe, as a strategic partner of the NAO, has been involved in numerous VFM studies.

The main purpose of this study is to identify specific, transferable, lessons that could lead to process improvements for Job Centre Plus and which identify the key priorities for enhancing performance. To this end, our research will focus on three case studies. The benchmarking criteria around which we shape the case studies are the priorities set for investigation by the NAO.

The RAND Europe team understands the time constraints of the case study organisations. We therefore value participation highly. We aim to share the findings of the final report and will give the case study organisation the opportunity to sign off on their respective final case study report.

### Benchmarking Priorities

The NAO has identified six categories of benchmarking priorities, each containing several questions. These will form the basis of the case study analysis.

1. **Context:** In order to understand how the lessons learned from the case studies can be applied to Job Centre Plus we must understand the business context in which the case study organisation operates.
  - What business environment is the case study working in?
  - What types of customer does it deal with? E.g. are they 'hard to reach' groups?

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<sup>122</sup> The 'Project Brief' served to inform case study organisations about the purpose of the research.

<sup>123</sup> [www.rand.org/randeurope](http://www.rand.org/randeurope)

- What is its ethos and mission statement?
  - What does it see as its priorities?
2. **Costs/Outcomes:** We will be looking at Key Performance Indicators (KPI).
- What is the cost of activity? Per outcome, per interview, etc.
  - How successful is the organisation?
  - What KPIs does the organisation use?
  - How satisfied are clients (individuals and employers)?
3. **Process and Role:** We need to understand the role of the personal adviser within the context of the whole business process.
- What is the role of the adviser within this process?
  - What tasks does the adviser carry out (and what tasks are left to others, e.g. admin staff)?
  - What is the outline process map? What are the upstream and downstream processes around the adviser?
  - What degree of autonomy do advisers have?
4. **Adviser Profile:**
- What skills and experience do the advisers have?
  - What are the staff turnover/retention rates?
  - What kind of adviser specialisms exist? E.g. by client group.
  - What salary do they earn? How does this compare with national and local averages?
  - What training and development do they receive?
5. **Time use:**
- How efficiently do advisers use their time?
  - How much 'dead time' do advisers experience?
  - How is this time used?
  - What are the 'Failed to Attend' rates?
  - How is the adviser's time managed? E.g. their diary and workflow.
6. **Management and Support:**
- What is the administrative burden on advisers?
  - What administrative support do advisers receive?
  - What IT support do they have and is it effective?
  - What is the extent of organisational change they have experienced?
  - How is organisational change managed?

## Appendix D: Interview Protocol

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The NAO is undertaking a 'Value for Money' (VFM) study on the use of personal advisers in Jobcentre Plus. As part of this study, the NAO has commissioned RAND Europe to conduct a benchmarking study.

The main purpose of this study is to identify specific lessons that could lead to process improvements for Jobcentre Plus and which identify the key priorities for enhancing performance. To this end, our research will focus on three case studies. The benchmarking criteria around which we shape the case studies are the priorities set for investigation by the NAO. The case studies should identify lessons or examples of 'good practice' that could be implemented by Jobcentre Plus.

The priorities for investigation set by the NAO are at times quite specific (for instance in the categories of adviser profiles and time use) and at times general (for instance in the context category). With regard to the more general questions, the NAO wants us to take a broad view and explore several sub-questions to elicit useful information about the organisation.

The aim is to speak to six people in each organisation: the chief executive officer (CEO); a human resource manager (HR); an operations manager (OM); a training and development manager (TD); and two personal advisers (PA). Not all questions will be relevant to all parties. Some questions that are more specific to a certain function will be coded as such in the protocol. Questions that are not specific to a function or coded can be asked of all interviewees. The aim of asking similar questions to staff in different functions is to get a cross-section of opinions and information and a more comprehensive view of the organisation.

It is important to note that the protocol just provides guidance as to the areas we aim to cover. It is likely that additional questions will be identified through background desk research (for instance in the case of 'business context') and through the course of interviews. These questions can then be added to the interview protocol. Certain questions will likely also be organisation-specific. In this sense, the protocol is a dynamic document.

To begin with, it might be helpful to explain the background of this study (i.e. the business case of the NAO).

## Benchmarking Priorities

The NAO has identified 6 main categories of benchmarking priorities, each containing several questions. These will form the basis of the interview protocol. Most of the questions listed have been adapted from the questions identified and subsequently clarified by the NAO. The original NAO questions are in italics. RE questions and iterations are in normal script.

### 1. Context:

- *What business environment is the case study working in?* (CEO, OP) Is the case study a private company, public body, or charity? Does the organisation operate in a competitive environment? Does the organisation operate in a specific context [employment zones, areas of high employment, etc.]? Do these organisations deal with different benefit programmes [deal with the complexity of the benefit system, and if so the degree of complexity in terms of programmes etc.]?
- What is their organisational structure (CEO, OP) (e.g. relationship to mother company; specific office organisation; interaction between offices; linkage to government departments)? How many offices do they have? Is there a logic behind the location of the offices (e.g. linked to employment zones or specific functionalities)?
- How many personal advisers do they employ (also as % of total number of employees)? How many interviews do they do per year?
- *What types of customer does it deal with? E.g. are they 'hard to reach' groups?* How do they define hard to reach groups? How do they identify their own customer groups? Do they differentiate between types of customer?
- *What is its ethos and mission statement?* How do they see their mission statement and ethos?
- *What does it see as its priorities?* Are there specific organisational and commercial pressures that shape priorities?
- What are the relationship and degree of interaction of the organisation with Jobcentre Plus [secondment, information exchange, Jobcentre Plus maintains supervisory role, etc -less applicable to CWI]? Do these organisations (ever or at times) subcontract their services (training or other aspects)?

### 2. Costs/Outcomes: We will be looking at Key Performance Indicators (KPI).

- *What is the cost of activity? Per outcome, per interview, etc.* (CEO) How much does the advice cycle cost per customer? How much does an interview cost? How much does a follow-up interview cost? How many follow-up interviews would you do? How much does a successful outcome (i.e. placement) cost? How much does an unsuccessful outcome cost? How much time do you spend per outcome?
- *How successful is the organisation?* (CEO) What percentage of customers does the organisation place? What is your benchmark for successful placement? How do you arrive at this benchmark? How cost-effective is the process for the organisation? Does the organisation make a profit or save with a successful



placement (and if so how much)? How much does the organisation stand to lose with unsuccessful placement? What is the risk management system to minimise unsuccessful outcomes?

- *What KPIs does the organisation use? (CEO, HR, OP)* Does the organisation measure output per personal adviser? Does the organisation set team targets? Does the organisation enforce a target system [i.e. assist or address non-performance] actively and how? Does the organisation use a points system [points awarded per category of client group] as in Jobcentre Plus? Does the organisation have targets for how much time an adviser should face a client [Jobcentre Plus 75%], how many interactions should show job submissions [25%], and how many interactions should show starts on training schemes [10%]? Does the organisation have targets for how many customers should be case-loaded [i.e. added to the adviser's list for ongoing contact] per day [Jobcentre Plus, 1]? Does the organisation do a 'better off in work' calculation? If so, what percentage of the interviews includes such a calculation [95% for Jobcentre Plus]? At what point in advising a client do they do this?
- *How satisfied are clients (individuals and employers) (CEO, OP, PA)?* Does the organisation measure client satisfaction and how does it measure this satisfaction? What are the opinions of staff on client satisfaction?

**3. Process and Role:** We need to understand the role of the personal adviser within the context of the whole business process.

- *What is the role of the adviser within this process?* Where is the personal adviser situated in the process map?
- *What tasks does the adviser carry out (and what tasks are left to others, e.g. admin staff)? (HR, OM, PA)*
- *What is the outline process map? What are the upstream and downstream processes around the adviser?* Where is the personal adviser situated in the structure? How many layers of management exist within the organisation?
- *What degree of autonomy do advisers have? (HR, OP, PA)* Do the personal advisers have autonomy with regard to setting and achieving targets or standards? Do the personal advisers have relatively few standards and targets to worry about? Do the personal advisers have autonomy in how they give advice, refer clients, and design the case-load per client? Do the personal advisers set their own diaries?

**4. Adviser Profile:**

- *What skills and experience do the advisers have? (HR, TD, PA)* Number of years with company, educational background, age, secondment from or to Jobcentre Plus, training.
- *What are the staff turnover/retention rates? (HR)*
- *What kind of adviser specialisms exist? E.g. by client group? (HR, OP)*
- *What salary do they earn? How does this compare with national and local averages? (HR)*

- *What training and development do they receive (TD, PA)?* How extensive is this training? What is the cost of the training? Is the training in house or contracted out? What are the effects of the training (what are the specific gains in performance)?

#### 5. Time use:

- *How efficiently do advisers use their time? (CEO, HR, PA)* How much 'productive time' per day do personal advisers spend?
- *How much 'dead time' do advisers experience? (HR, PA)*
- *How is this time used? (HR, PA)*
- *What are the 'Failed to Attend' rates? (HR, PA)*
- *How is the adviser's time managed? E.g. their diary and workflow. (HR, PA, OM)* How is the day of the advisers managed? Do personal advisers or specific managers manage their own workflow? Are there standardised systems such as time sheets?

#### 6. Management and Support:

- *What is the administrative burden on advisers? (HR, PA, OP)* How much time do personal advisers spend on administrative tasks? What does the organisation mean by administrative task?
- *What administrative support do advisers receive? (OP, PA)* How much support is given during the filing and processing of customers?
- *What IT support do they have and is it effective? (OP, PA)* What type of equipment do advisers have [laptops, windows, IT support]? To what extent is filing and processing computerised and standardised (e.g. use of templates)? Are files electronically accessible and shared?
- *What is the extent of organisational change they have experienced?*
- *How is organisational change managed?* For these last two questions one can look at two contexts: 1. the effect on the organisation from the reform in the benefit system; 2. the effect of internal re-organisation.

#### 7. General:

- What lessons do you, the organisation, think Jobcentre Plus can learn from organisation (not applicable for CWI)?
- What does your organisation think it does well?
- What does it think it can improve on?
- How does the organisation think Jobcentre Plus can increase efficiency and effectiveness?

## **Appendix E: List of Contacts**

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The following individuals were interviewed for this study or provided detailed feedback on the case study reports.

### **Case Study: WorkDirections**

Ms Tanise Brown (Learning and Development Manager)

Ms Annie Finnis (Adviser)

Ms Kalbir Heer (Head of Human Resources)

Mr Richard Johnson (Chief Executive Officer)

Ms Jane Mansour: (Head of Policy)

Mr James Weait (Adviser)

Ms Sarah Wilson (Operations Manager)

### **Case Study: Tomorrow's People**

Ms Rosemary Bryant (Head of Project, Getting Hastings Working)

Mr Faruk Noor (Adviser)

Ms Debbie Scott (Chief Executive Officer)

Ms Julie Sexton (Programme Manager Getting London Working)

Mr Charles Shaw (Human Resources Manager)

Mr Charles Sheldon (Lead Operations Manager)

### **Case Study: Centre for Work and Income**

Mr Michael Abdoelhafiezkhani (Location Manager)

Mr Theo Keulen (Head of International Relations)

Mr Michel Labij (Head of Policy)

Mr Andre van der Meulen (Head of Human Resources)