

A qualitative overview of vacancy filling services for employers: Target setting and performance management

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Background

The Department for Work and Pensions (DWP) wanted to explore what lessons they and Jobcentre Plus might learn from the vacancy filling services delivered by similar organisations both in the UK and internationally. In particular, DWP were interested in how comparable organisations set targets and manage their performance.

Methods

Twenty-three semi-structured interviews were conducted with nominated experts from DWP and comparator organisations. The timing means that the views obtained focus on arrangements in 2008/09.

Key findings

Apportioning targets (employment outcomes) at a local (by office or teams of advisors) or micro level (individual staff) was felt by comparator organisations to be the most effective way to drive operational performance and ensure strategic targets are met. Regular reporting of employment outcomes against individual staff targets was also felt to be important in driving performance as this can help staff understand 'cause and effect'. However, this can mean significant tracking and monitoring, which can be resource intensive and place an administrative burden on employers.

Comparator organisations indicated that regular communication and visibility of targets; and the reporting of advisor performance, using a combination of employment outcomes and/or Key Performance Indicators (KPIs), can be effective in driving the right behaviours and subsequently performance. Some comparators also reported that greater autonomy of employer services within regional and local offices enables better performance as they have the ability to be more responsive to local labour market conditions and so can achieve better vacancy filling efficacy. Some comparators also favour a move away from volume process targets towards quality targets. Although some felt it is easier to develop volume targets, comparators who have introduced quality based targets find that customer service quality has increased with little or no reduction in volumes. Jobcentre Plus and DWP interviewees thought more emphasis on developing quality based targets and measures would help Jobcentre Plus deliver an 'exemplar service'.

Employers

Most comparator organisations had changed their business models from jobseeker-led to employer-led as they felt this would help them achieve the desired level of employment outcomes. All felt that effective employer engagement is essential because they rely on employers to provide the vacancies that jobseekers can fill. Consequently, most comparator organisations send a clear strategic message throughout their organisation about the importance of working with employers. Interviewees felt that a trusting relationship can help persuade employers to recruit harder to help

jobseekers. Jobcentre Plus staff felt that Local Employment Partnerships have developed some positive employer relationships, which have helped some long-term unemployed people move into work. However, the research suggests there is scope for clearer messages across Jobcentre Plus about the strategic importance of employers.

In terms of engagement, most organisations prioritise larger employers because they offer a higher number of vacancies. However, the Netherlands' Uitvoeringsinstituut Werknemersverzekeringen (UWV) and Sweden's Public Employment Service (PES) continue to regard SMEs as important as they benefit the most from Human Resources (HR) support. Jobcentre Plus also continues to offer tailored support for Small and medium enterprises (SMEs), for example, through bespoke recruitment services offered through the recently introduced Small Business Service. Overall, all organisations felt they should prioritise employers who do not need too much persuasion to work in partnership and take on jobseekers who are harder to help.

All organisations reported that the quality of candidates referred (in terms of their job readiness and skills) to employer vacancies is a key driver of satisfaction and dissatisfaction. The way staff treat employers is another key driver of satisfaction. Jobcentre Plus and DWP stakeholders felt that timeliness is less important to employers and that consequently its importance should be downgraded within the Employer Engagement Target (EET). Since the research was done the 'timeliness' component of EET has been reduced to just three per cent of EET in 2010/11 down from 15 per cent in 2009/10.

There were differences in the frequency of collecting employer feedback. Jobcentre Plus and DWP have been particularly active in this area with monthly EET surveys, which include local verbatim feedback alongside DWP's broader annual employer survey. The employer insight gained from these surveys is used to continually improve Jobcentre Plus vacancy filling services. Moreover, Jobcentre Plus also works with employers to ensure the methods and frequency of the feedback they collect are appropriate and minimise the burden on employers.

Vacancy filling services

Web based tools are increasingly important as employers and jobseekers have higher demands and expectations of them. Technological improvements over recent years have meant that jobseekers can now register CVs, conduct vacancy searches, access information on benefits and training, and receive vacancy alerts via email. Employers can access HR advice online, post vacancies and in some countries search for prospective employees using personal profiles.

All organisations believed that automating vacancy filling services is hugely important to increase the efficacy of vacancy filling, realise cost savings and free up resources to focus on the hardest to help. Jobcentre Plus interviewees felt that an improved online vacancy system will encourage employers to make better use of their recruitment services. Some interviewees said that Jobcentre Plus technology is being developed to improve the service to employers by, for example, exploring the scope for including bespoke online application forms and applicant psychometric testing. Jobcentre Plus interviewees also reported that Jobcentre Plus is investigating a function that will transfer the jobseeker from a Job Point direct to an employer's website.

Supported by improvements to their IT systems, Jobcentre Plus and most comparators increasingly act as a facilitator between employers and jobseekers. However, two main challenges exist here. Firstly, transferring vacancies directly from an employer's website to a public employment agency database and removing manual quality checks risks posting vacancies that break employment law. Secondly, technological improvements (such as vacancy email alerts) can reduce the ability to track vacancy filling outcomes.

Whilst vacancy matching is increasingly conducted via online databases, organisations are improving their caseload management by, for example, ensuring more accurate recording of vacancy details and jobseeker profiles. This helps organisations to refer the most suitable candidates to employers. In addition, some comparators also seek to record

jobseeker competencies and encourage employers to include competencies in their vacancy details to improve matching. As described in Chapter 6, Jobcentre Plus is currently investigating how the evidence captured from a jobseeker's vacancy search might enable Jobcentre Plus to better support people back to work.

The research found that traditional methods for submitting vacancies, particularly the telephone, are becoming less popular for most employers. However, all interviewees felt that SMEs still prefer this form of contact. Consequently Jobcentre Plus continues to improve its telephone system.

Jobcentre Plus current and planned vacancy filling service developments

Since the research was undertaken DWP and Jobcentre Plus have implemented or plan to implement fundamental change to how it delivers and measures the performance of its vacancy filling services. Once such changes are embedded throughout the organisation Jobcentre Plus will lead the way in how these services are provided, compared with comparator organisations involved in this study. This year saw changes to both the Jobcentre Plus Customer Service Target (CST) and the EET that focused on the quality of service rather than the volume of transactions or processes. For example, all CST measures were reviewed and weighted to reflect their importance from Jobcentre Plus customers' perspective with 'right treatment' and 'right result' having greater importance than 'easy access' and 'on time'.

Working in partnership with employer representative organisations, Jobcentre Plus has also developed the SBS. This is a recruitment service that aims to be more responsive to the needs of small businesses. For example, since February 2010, when small businesses notify their jobs to Jobcentre Plus, local teams contact the employer to discuss how Jobcentre Plus can best fill their vacancies. The tailored support offered includes help with screening applicants and matching candidates against the criteria set out in the vacancy.

'Routes into Work' is also a new initiative that will provide 100,000 job opportunities for young people. Jobcentre Plus has identified key sectors in which significant numbers of employment opportunities for young people are likely to arise. 'Routes into Work' has been designed for each of these sectors and targeted employer engagement began in 2009.

Following consultation with employers, Jobcentre Plus introduced, in October 2009, a new vacancy taking service which provides a consistent method of vacancy taking across all communication channels an employer may use. This ensures greater vacancy compliance with legislation and policy and reduced manual handling. By 2010/11 Jobcentre Plus will also have transformed its job broking and labour market services by introducing a service that will allow jobseekers' profiles to be matched against vacancies, an online HR/recruitment service for employers who do not have (or do not wish to use) their own system, and a digitally enabled job search solution for all citizens.

Conclusions

Areas for consideration and potential further study that we feel could be of interest to DWP and Jobcentre Plus is summarised below:

- Investigate the feasibility and value of developing more quality based targets rather than process targets to drive performance and quality improvement. For example, jobseeker satisfaction with the usefulness and/or appropriateness of their back-to-work plan or Work Focused Interview (WFI) rather than for example, number of WFIs completed by Personal Advisers.
- Consider the scope for more regular reporting of outcome based targets, such as employment outcomes and customer satisfaction. Furthermore, consider apportioning such targets locally to increase motivation, accountability and an understanding of 'cause and effect'.

- Consider the costs and benefits of modernising online vacancy taking/filling systems in different ways to increase service quality and employer satisfaction. For example, whether it is cost effective to improve the automation of matching using jobseeker competencies.
- Assess the scope for working more closely with private recruitment agencies. For example, by sharing jobseeker profiles and CVs of those who are job-ready to free up Jobcentre Plus resource to help those further from the labour market.
- Explore ways of ensuring relationships with employer representative organisations such as the Confederation of Business Industry, Department for Business, Innovation and Skills (BIS) and Chambers of Commerce are used effectively. This will ensure that objectives to prioritise employers are promoted and communicated from the top.
- Explore the scope and value of adopting employer services currently provided in other countries. For example, events or networks such as 'speed dating' recruitment events in Sweden and Holland.

The full report of these research findings is published by the Department for Work and Pensions (ISBN 978 1 84712 834 8. Research Report 686. September 2010).

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