

Research report

# A qualitative overview of vacancy filling services for employers:

## Target setting and performance management

by Graham Bukowski, Sarah Jenkins, Hazel Roberts

Department for Work and Pensions

Research Report No 686

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# Abbreviations

BSI	Department for Business Innovation and Skills
CBI	Confederation of British Industry
CRS	Corporate Social Responsibility
CST	Customer Service Target
DSO	Departmental Strategic Objectives
DSO2	2nd Departmental Strategic Objectives
DSO7	7th Departmental Strategic Objectives
DWP	Department for Work and Pensions
EDon	Employer Direct Online
EEA	European Economic Area
EET	Employer Engagement Target
EU	European Union
HMRC	Her Majesty's Revenue and Customs
HR	Human Resources
HRSDC	Department for Human Resources Skills Development Canada
JOT	Job Outcome Target
KPI	Key Performance Indicator
LEP	Local Employment Partnership
LMI	Labour Market Information
OPTE	Off-flows Potentially to Employment
PES	Public Employment Service
PSA	Public Service Agreement
SBS	Small Business Service
SME	Small and medium enterprises
SOC	Standard occupation codes
SOM	Standard Operating Model
TLMS	Transforming Labour Market Services
UMV	Uitvoeringsinstituut Werknemersverzekeringen
VTS	Vacancy Taking System
WFI	Work Focused Interview
XML	Extensible Markup Language



# Summary

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.

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.

## Performance framework

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, 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 Small and medium enterprises (SMEs) as important as they benefit the most from Human Resources (HR) support. Jobcentre Plus also continues to offer tailored support for SMEs, for example, through bespoke

recruitment services offered through the recently introduced Small Business Service (SBS). 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's 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's 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's 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 they deliver and measure the performance of their 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 Employer Engagement Target 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.

Areas for consideration and potential further study that we feel could be of interest to DWP and Jobcentre Plus are 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.

## 4 Summary

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- 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.

# 1 Background

## 1.1 Background to the research

In October 2008, DWP commissioned Ipsos MORI to independently assess the feasibility of benchmarking Jobcentre Plus' vacancy filling services for employers. <sup>1</sup>The research was to have a particular focus on how other organisations set targets and manage performance in this part of their business.

## 1.2 Identifying comparator organisations

After a period of desk research the scoping report identified several potential comparator organisations using the following selection criteria:

- strategic objectives;
- frontline activities;
- targets and performance measures;
- vacancy filling services for employers; and
- employer satisfaction measurements.

Following discussions with DWP and Jobcentre Plus the potential comparators were narrowed down to the following organisations.

### 1.2.1 Ingeus

Ingeus, a private sector UK company, were considered a useful comparator organisation as their services are directly relevant to DWP's DSO2<sup>2</sup> objective. To maximise employment opportunities and reduce the number of people on out-of-work benefits, clients are offered tailored and practical assistance such as advice on job seeking, practice with interview techniques, and provided with facilities for sourcing and preparing for job search. Engaging with employers is also an essential part of how Ingeus support their jobseekers. They work with companies of all sizes across the UK to secure appropriate, sustainable vacancies for their caseload of jobseekers. Ingeus provide a flexible, free service to employers looking for staff. For example, they promote employer vacancies, host recruitment days, pre-screen candidates, and provide ongoing support for clients when they are in work.

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<sup>1</sup> This builds on the performance benchmarking review of the Job Outcome Target (JOT) at Jobcentre Plus, which was completed by Ipsos MORI in Spring 2008.

<sup>2</sup> Departmental Strategic Objective Two: Maximise employment opportunity for all and reduce the numbers of people on out-of-work benefits.

### 1.2.2 Service Canada

Service Canada is the Canadian national employment service. It has five strategic objectives that apply across all their services and programmes.<sup>3</sup> The strategic objectives of Service Canada are most closely aligned to DWP's DSO7, which aims to make DWP *an exemplar of effective service delivery to individuals and employers*. It was felt that investigating Service Canada's delivery, especially the Job Bank website, could inform Jobcentre Plus' vacancy filling services and Employer Direct Online (EDon).

### 1.2.3 Swedish Public Employment Service

The Swedish PES is the national publicly funded employment service in Sweden. Operationally PES was felt to be a good match to how Jobcentre Plus delivers its services to both employers and individuals. For example, PES offices offer placement services, counselling and other services for jobseekers and employers throughout the country free of charge. Within their budgets Sweden's PES have access to all labour market policy programmes such as employment training, activation programmes, recruitment incentives and wage subsidies for disabled workers. The scoping report identified a match between Jobcentre Plus's strategic objectives and those of Sweden's PES. For example, PES seeks to increase the skills and knowledge of the unemployed and to support those who find it most difficult to find work.<sup>4</sup>

### 1.2.4 Netherlands' Uitvoeringsinstituut Werknemersverzekeringen

UWV is the Dutch equivalent of the Great Britain's Jobcentre Plus. Its inclusion was felt to be appropriate because many of the employer focused services it delivers (such as vacancy taking and promotion, HR advice and recruitment support) are comparable to Jobcentre Plus's employer vacancy filling services.

## 1.3 Methodology

A qualitative approach was considered most appropriate to meet the research objectives. Qualitative research can:

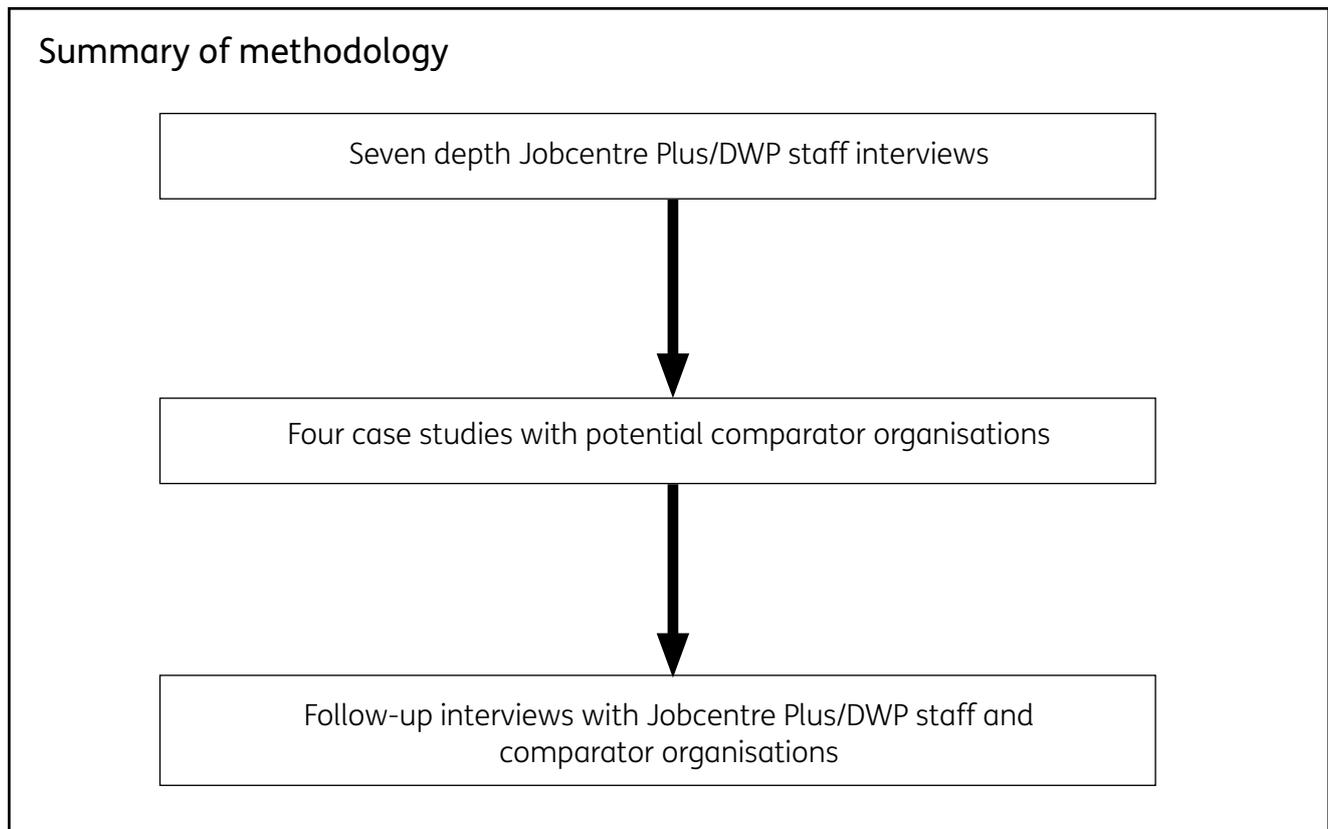
- achieve a range of views;
- explore all the issues which require insight openly; and
- provide a detailed description of how people experience a particular issue drawing on their perceptions, beliefs, behaviours and experiences.

Seven face-to-face interviews were undertaken with DWP (two participants) and Jobcentre Plus (five participants) staff with relevant expertise.

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<sup>3</sup> Deliver seamless citizen-centred service; Enhance the integrity of programmes; Working as a collaborative, networked government; Demonstrate accountable and responsive government; and Building a culture of service excellence.

<sup>4</sup> Mutual Information System on Employment Policies in Europe (MISEP), April 2002, Basic Information Report, Sweden.

**Figure 1.1 Summary of methodology**

Telephone interviews were conducted with international comparators. DWP provided a main point of contact for each comparator organisation and Ipsos MORI conducted a short telephone interview to identify the most qualified interviewees to meet the research objectives.

In addition, Ipsos MORI spoke to other staff who interviewees suggested were better placed than them to comment in detail on particular issues. This helped ensure that views were obtained from staff best placed to comment on the issues being explored. Ipsos MORI also returned to some respondents to clarify particular issues important to meeting the research objectives. Quotes included in this report are direct and, to protect the anonymity of participants in the research, are labelled solely with the organisation.

The findings represent the results of 40 hours of interviews. Whilst qualitative research provides more detailed insights into complex issues the views obtained are not necessarily representative of the organisations as a whole. Rather it helps generate hypotheses and ideas that can be tested and explored through complementary methods.

The timing of the fieldwork means that the views obtained focus on arrangements in 2008/09. Chapter 6 summarises the most significant developments which have occurred since fieldwork took place.

Copies of the discussion guides are available on request from the authors.



## 2 Overview of comparator organisations

This chapter provides an overview of the four comparator organisations.

### 2.1 Ingeus

Ingeus, formally Work Directions, is a privately owned company that delivers flexible employment programmes to long-term unemployed people; those with health conditions; and single parents across London, the Midlands and Scotland. Ingeus is contracted to deliver Government and European funded employment programmes including: New Deal, Employment Zones, Pathways to Work and European Social Fund.

To achieve the common goal of supporting individuals into suitable, lasting employment Ingeus work in close partnership with Jobcentre Plus and the DWP, in addition to many private, public and voluntary organisations. Based on jobseeker need, Ingeus offer a range of services including:

- weekly face-to-face meetings with a dedicated Personal Adviser;
- development of detailed back-to-work plans;
- job search support and advice;
- access to Ingeus facilities (use of office space, internet and employment related publications);
- skills development (for example, CV writing, motivation and confidence building);
- financial support (for example, childcare costs); and
- post-employment support (weekly Personal Adviser contact for up to six months).

Ingeus has recently transformed delivery from a customer-led to an employer-led model in response to recent labour market changes and to realise the organisation's aim for operational growth in new regions. Their employer focused services include:

- access to skilled and prepared candidates;
- a dedicated Account Manager who provides a single point of contact;
- candidate screening and CV-sifting;
- hosting jobs fairs, information sessions and interviews at Ingeus premises;
- pre-employment training to up-skill candidates for specific vacancies;
- six months' in-work support, and assistance with further training; and
- finance for work-based training such as health and safety or food hygiene certificates, as well as equipment needed to carry out the job.

The organisation is based in London, but has between ten and 20 offices in five regions (London, Birmingham, Nottinghamshire, Edinburgh and Dorset) and employs over 500 full time staff.

### 2.2 Canada: Service Canada

Created in 2005, Service Canada is the Government of Canada's one-stop service delivery network for government programmes and services. It seeks to make access faster and more convenient. The organisation serves more than 32 million Canadians including indigenous people, people with disabilities, and new immigrants from all over the country including rural, remote, and northern locations.

*'We operate a different model to the UK and our approach is more general than Jobcentre Plus, we're about providing opportunities on a huge number of services, such as employment pension, passport and a wide range of licensing, for example, motor boats.'*

(Service Canada interviewee)

Service Canada is publicly funded. In partnership with other departments, agencies and levels of government, it provides Canadians with access to 70 Government of Canada programmes and services for citizens through more than 600 points of service located across the country, call centres, and the internet. For example, in 2007/08, Service Canada:

- paid benefits to Canadians;
- processed requests for Social Insurance Numbers;
- received and reviewed passport applications;
- posted job adverts;
- provided outreach services to Canadians in remote communities;
- provided services to 37 official language minority community groups; and
- investigated cases of possible fraud.

In terms of employment support, the *Employment Insurance Act*<sup>5</sup> mandated the Canadian Government's Department for Human Resources Skills Development Canada (HRSDC) administered through Service Canada to maintain a National Employment Service (NES) that provides information to help workers find jobs and to help employers find the qualified workers they need, mainly through its Job Bank website. Service Canada therefore has a duty to:

*'Collect information concerning employment for workers and workers seeking employment and, make the information available with a view to assisting workers to obtain employment for which they are suited and assisting employers to obtain workers most suitable to their needs.'*

(Service Canada interviewee)

Interviewees felt that Job Bank *'fulfils Service Canada's mandate to provide employment opportunities for jobseekers and provide employers with suitable candidates that will fill empty posts'*. Job Bank is a free online job listing website that helps connect workers, job seekers and employers. The website offers a wide range of self-help services including information on:

- jobs;
- careers and training; and
- human resources services for employers.

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<sup>5</sup> Employment Insurance Act – part II Employment Benefits and National Employment Service.

Job seekers can search for vacancies by area and the site helps candidates complete and upload their CVs. The service works in two ways:

- allowing job seekers to search through jobs suitable for them; and
- allowing employers to search through CVs to find a suitable candidate.

Job Bank also offers Job Match, which matches employer requirements to candidate skills.

*‘The Job Match and Job Alert tools create a dialogue between the applicant and the employer.’*

(Service Canada interviewee)

Further, a job alert service sends an email directly to the candidate with a list of job openings that match their criteria. Employers can post jobs directly onto the website.

### 2.2.1 Careers and training

For job seekers who may be unsure about what they would like to do, Job Bank offers advice on finding the right career. A series of quizzes can help a candidate discover which area of work suits their personality, likes and skills. For those who have a better idea about what they would like to do the Career Navigator provides information on wages, number of jobs available and employment prospects.

There is also a section dedicated to employers, which provides information on hiring, providing training, good management and the benefit of retaining employees as well as information on payroll, employee benefits and health and safety.

## 2.3 Netherlands’ Uitvoeringsinstituut Werknemersverzekeringen’s

UWV is the Dutch equivalent of Jobcentre Plus. It serves over one million people who are unemployed and (temporarily) unfit for work; and works with over 400,000 employers. UWV’s benefits and employment agencies merged on 1 January 2009 to create a new one-stop-shop for jobseekers in need of benefit and employment support. The rationale behind the restructure was to achieve its strategic objectives, which are to:

- lower the unemployment claimant count and help more people into jobs; and
- strengthen the economy and improve the labour market.

As a result of the merger, jobseekers can access face-to-face employment support (for example, job search) and register for unemployment benefit in UWV offices across the country. They can also post their CV on the UWV website and search through published vacancies. The merger also established an employer facing marketing department, which aims to resolve employer vacancy filling challenges by offering free access to UWV’s suite of employer services and pool of jobseekers. Services UWV offers to employers include:

- assistance with vacancy filling and vacancy matching (this includes advertising vacancies and making candidate referrals);
- a jurisdiction service which covers legal employment issues such as applications for dismissal permission; and
- work permit application services for non-EU citizens.

### 2.4 Swedish Public Employment Service

Sweden's Public Employment Service (PES) has existed for around 200 years. One interviewee described the organisation in the following way:

*'I think the public employment service in Sweden has a rather special role compared to many other countries. I think it's an important service in all countries but in Sweden I think we have had more users, more customers, more attendance than average public employment services in comparable countries.'*

(Swedish PES interviewee)

It is divided into 68 labour market regions based on natural patterns of where people work or companies search for labour. There are 320 offices and around 10,000 staff, of which almost 8,000 work directly with employers and jobseekers. Employer services include:

- access to jobseekers;
- HR advice (for example, recruitment strategy and hiring workers from European Union (EU)/European Economic Area (EEA) and Switzerland);
- a personalised account managed service;
- a database of jobseekers' CVs;
- assistance with vacancy matching (including help with writing job adverts);
- help in arranging and organising recruitment activities; and
- self-post vacancies to PES's jobs website [www.arbetsformedlingen.se](http://www.arbetsformedlingen.se)

Jobseekers can post their CV on the PES website, search through vacancies and subscribe for job alerts. PES employment counsellors' support jobseekers in writing CVs, job applications and preparing for interviews. They also help certain jobseekers access training to enhance their future job prospects (including those who fall into priority categories, such as young people aged 18-25). PES can reconfigure a workplace (for example, improve access) for people with a disability or provide rehabilitation and work preparation assistance for candidates with drug related problems.

Any CV that is registered with Manpower<sup>6</sup> is automatically transferred to the Swedish PES website, provided the jobseeker gives their consent. The main priority for PES is to provide a quick and effective matching service.

*'Matching is always top of the list of our duties, our goals, our strategic goals. Matching is always top of the list.'*

(Swedish PES interviewee)

Much of PES's vacancy matching takes place through their website, where employers can post vacancies and jobseekers can search through these, receive job alerts tailored to their criteria and apply for jobs. Employers can search through a CV database to find suitable candidates for their vacancies. PES also supports vacancy matching in other ways, for example, by facilitating and supporting recruitment activities.

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<sup>6</sup> [www.manpower.com](http://www.manpower.com). Manpower offers employers a range of services for the entire employment and business cycle including permanent, temporary and contract recruitment; employee assessment and selection; training; outplacement; outsourcing and consulting. Manpower's worldwide network enables the company to meet the needs of its 400,000 clients per year, including small and medium size enterprises in all industry sectors, as well as multinational corporations.

## 2.5 Jobcentre Plus

Jobcentre Plus is an executive agency of the DWP. It provides services that help people of working age move from welfare to work and employers fill their vacancies.

### 2.5.1 Helping customers to find and stay in work

Jobcentre Plus focuses on people who are not working to ensure that they are ready for work when suitable vacancies come up. It offers support and advice in looking for jobs and provides employment opportunities, for example, through LEPs. Customers have a Personal Adviser who works with them to address any barriers to the labour market and signpost them to agencies, training or other professionals that may be able to offer additional support. Jobcentre Plus also provides self-help employment search facilities to jobseekers such as Job Points and the Jobseeker Direct telephone service.

While looking for work, Jobcentre Plus supports people by advising on the state benefits available, explaining the conditions for receiving benefits and paying benefits accurately and on time. Jobcentre Plus also makes payments or loans from the Social Fund when people need additional financial support.

### 2.5.2 Working with employers

Jobcentre Plus helps employers by advising on the labour market and recruitment including advice on diversity (valuing people's differences) or targeted local assistance on large-scale recruitment. Jobcentre Plus advertises jobs, finds people with the right skills to apply for them (though it cannot prevent jobseekers that may not be suited to a vacancy from 'self-matching' and applying themselves) and helps prepare potential recruits for interviews. It also provides support and advice on employing disabled people.

## 2.6 Overview of comparator organisation and Jobcentre Plus customer services

Jobcentre Plus and comparator organisations provide a wide range of customer services to both individuals seeking employment, and employers looking to fill vacancies. All organisations offer the 'standard' services, such as vacancy postings and searches. However, there are also examples of more varied and innovative services. Jobcentre Plus's employer services include vacancy advertising, application sifting and referrals to interview, workforce planning and forecasting (development of recruitment plans), recruitment fairs and specific recruitment drives and, integrated work and skills packages such as Train to Gain.<sup>7</sup>

Sweden's PES facilitates recruitment 'speed dating' events where they invite employers from a particular sector to meet jobseekers interested in working in the sector, or company 'exhibitions', which allow jobseekers to meet a small number of employers in one place and learn about companies and employment opportunities. Some organisations are improving the efficacy of vacancy filling by working in partnership with private recruitment agencies (having previously seen these as competitors) to maximise employment opportunities for jobseekers more suited to a recruitment agency. For example, Sweden's PES and Netherlands' UWV have both taken this approach so they can concentrate resource on the hardest to help.

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<sup>7</sup> Launched in 2006, Train to Gain is the Government's flagship service to support employers in England, of all sizes, and in all sectors, to improve the skills of their employees in order to improve business performance. Train to Gain advisors offer employers free, impartial advice to help them find appropriate training to meet business need.

UWV offer ‘Service Point’ within offices across the country. This provides employers with a range of free services including, use of office space and facilities, face-to-face HR advice, access to jobseekers through recruitment fairs and ‘speed dating’ events. Service Points also provide specialist advisers who consult with and involve employers in the design and offer of UWV services. UWV offers ‘apprenticeship’ training with employers, which involves UWV funded skills training for the unemployed with a guaranteed job offer once the training is completed. Finally, a Mobility Centre is a pre-redundancy engagement project which involves approaching employers several months before redundancies are made to offer retraining and careers advice to employees. This is a similar to Jobcentre Plus’s Rapid Response.

Jobcentre Plus and comparator organisations all offer a similar range of customer services for their jobseekers, including online services (such as vacancy databases and job alerts) and assistance with writing CVs and preparation for interviews. All offer some form of training and/or provide referrals to training or welfare-to-work providers. Ingeus provides similar support through their welfare-to-work programmes. Ingeus felt it is important to collect and act on qualitative feedback from employers (which employer liaison officers obtain on an ad hoc basis) when they have referred a customer for a job and they proved unsuitable. The typical action is to give the jobseekers entry level sector skills training (such as retail or hospitality training) so they are suitable for their next employment opportunity in that sector.

Whereas most of the organisations offer employment focussed services, Service Canada is more general. It offers different types of additional services to Jobcentre Plus and other comparator organisations. Table 2.1 summarises the vacancy filling services the different organisations offer. It shows a considerable overlap between organisations. This supports the view that there may be scope for learning from differences in how these services are delivered and in how they set targets and manage their performance. Table 2.1 also indicates that Jobcentre Plus is leading the way in terms of the range of vacancy filling services available to employers compared with all comparator organisations. However, examples of some innovative employer services not currently provided by Jobcentre Plus can be found in Chapter 4.

**Table 2.1 Overview of Jobcentre Plus and comparator organisation vacancy filling services for employers**

Vacancy filling service for employers	Organisation				
	Jobcentre Plus	Ingeus	Netherlands’ UWV	Service Canada	Sweden PES
Access to jobseekers	✓	✓	✓	✓	✓
Vacancy taking	✓	✓	✓	✓	✓
Vacancy advertisement and promotion	✓	✓	✓	✓	✓
HR advice and support	✓	✓	✓	✓	✓
Candidate screening and application sifting	✓	✓	✓	✓	✓
Account managed relationship	✓	✓	✓	✓	✓
Recruitment support	✓	✓	✓		✓
Use of facilities	✓	✓	✓	✓	
Skills training for existing workforce	✓				✓
Pre-employment training and in-work support	✓	✓	✓	✓	✓

## 3 Performance framework

One objective of this research was to understand how organisations that deliver similar employer vacancy filling services set targets for this part of their business.

### 3.1 Using targets to achieve organisational objectives

The range and type of target setting, performance measurement and monitoring varied considerably across all organisations. However, strategic aims were closely matched. For example, all sought to move jobseekers into employment and to help employers meet their vacancy needs. All interviewees felt targets are essential for measuring progress and accountability to government, the public and shareholders in the case of the private comparator.

Most comparator organisations had downgraded or removed organisational targets or were doing so to focus more on key strategic objectives. This was due to the perceived ineffectiveness of certain operational targets in terms of:

- a delivering high volume but low quality (for example, referral targets); and/or
- b inappropriate or unintended consequences. For example, unsuitable jobseeker referrals made by frontline staff.

Matching jobseekers to vacancies is one of the Swedish PES's main strategic aims. However, one interviewee explained that although vacancy filling targets used to be measured alongside other key service delivery targets, they have been removed from the core list because it was felt that other targets provided more useful information and promoted more focus on quality. For example, the organisation had introduced a target which measures the percentage of employers satisfied with the suitability of referred candidates. Interviewees at Sweden's PES felt that strong performance against this can also indicate whether vacancies are being filled. As described more fully in Chapter 6, changes to the 2010/11 EET mean that outcomes now measure to what extent employers' vacancy filling expectations were met (in effect did they get the 'right result').

The Netherlands' comparator took this approach further by removing the vacancy filling target altogether. Instead they operated an approach similar to Ingeus by apportioning customer employment outcomes among frontline advisers. Comparators felt this concentrates effort and resource at the individual staff level on achieving employment outcomes rather than creating incentives for advisers to make unsuitable referrals to hit a target number of referrals.

Ingeus is contracted to deliver welfare-to-work programmes on behalf of the DWP and Jobcentre Plus. Consequently, it has contracts to deliver sustainable employment outcomes<sup>8</sup>. Ingeus indicated that employment outcomes remain a key strategic target. However, in light of the economic downturn and the rapid changes in the UK labour market<sup>9</sup> Ingeus has transformed delivery from a customer-led to an employer-led model to achieve its objectives (see Chapter 4).

<sup>8</sup> The definition of sustainable employment is that the job lasts for at least 13 weeks.

<sup>9</sup> In particular, a reduction of the number of job vacancies and an increase in demand for job vacancies.

Of all the comparators only Service Canada does not currently have any strategic targets. Instead legislation states that Service Canada maintains a national employer service that provides information to help employers and individuals.

*'The service acts as facilitator/conduit but we are not forcing anyone.'*

(Service Canada interviewee)

In terms of a PES the organisation acts more passively compared with other comparators including Jobcentre Plus. Performance is measured against the use of its online vacancy tool (Job Bank). This shows the number of visits and vacancies posted. Service Canada acknowledged the website only provides basic information about employment outcomes. For example, they did not know how many jobseekers had gained employment from a vacancy posted on Job Bank. However, a recent survey of all jobseekers using the website found that 80 per cent of registered jobseekers had applied for one or more vacancies posted on Job Bank, 45 per cent had obtained an interview, 27 per cent had received an employment offer and 23 per cent were hired.

### 3.2 Employer Engagement Target

As the focus of this research was on employer vacancy filling services many findings relate to DWP's 7th Departmental Strategic Objective (DSO7): to make DWP an exemplar of effective service delivery to individuals and employers and the Employer Engagement Target<sup>10</sup>. DWP and Jobcentre Plus interviewees felt that EET exists to measure how well Jobcentre Plus delivers its vacancy filling services to employers. At the time of interviewing this measured outcome; timeliness; and accuracy and professionalism of vacancy filing services. The target for 2008/09 was a score of 92 per cent overall in relation to defined standards. Performance is measured through employer surveys conducted by an external contractor and monitoring the availability of telephone calls and the online service. Accuracy and professionalism was measured in 2008/09 with a quality assurance call made by an independent company.

Some interviewees discounted EET at the operational level because the target had always been achieved. However, EET has only existed since April 2008, prior to which the Employer Outcome Target (without the timeliness or accuracy and professionalism components) was not always met. However, some interviewees thought EET was a useful target because it sent a high level signal to Jobcentre Plus staff about the importance of employers to the organisation.

*'I think it's right that it signals the employer as a customer. Because if it doesn't the danger is that there is very clear focus on just benefit claimants being our customer base.'*

(Interviewee)

All DWP and Jobcentre Plus interviewees felt that the EET structure does not necessarily reflect what is most important to employers. They felt that treatment by Jobcentre Plus staff, and whether a vacancy was filled, mattered more to employers than timeliness. They consequently thought the timeliness element should be downgraded. Interviewees also thought EET could be improved by

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<sup>10</sup> The EET is the principal target for measuring the delivery of employer services at Jobcentre Plus. In 2008/09 the overall national target for EET was 92 per cent and was made up of three elements which contribute a percentage to the overall target: Outcome (70 per cent); Timeliness (15 per cent); and Accuracy/Professionalism (15 per cent). The outcome component was measured through a monthly survey of employers who had recently placed vacancies with Jobcentre Plus. Headline data reports are available within a week of the survey closing with extensive verbatim comments available later in the month.

removing the account managed weighting (this was done for 2010/11). Interestingly, the 2009 DWP Annual Employer Survey<sup>11</sup> sought to find out ‘what is important to employers?’ It also included questions that could provide a baseline measurement for DSO7. The results of the survey provided the following key drivers of employer satisfaction:

- outcomes – whether a query is resolved, delivered on time, quality of candidate;
- being treated well – treatment by staff and communication; and
- building a business relationship – two way relationship and services that are accessible.

For 2010/11, Jobcentre Plus has introduced several changes to EET that more accurately reflect these drivers of employer satisfaction. For example, a new measure was introduced using the recordings of real telephone calls to assess the quality of the Employer Direct Vacancy Taking Service (VTS) and the accuracy of the resulting vacancy in terms of whether it reflected what the employer requested. More detailed information on improvements made to Jobcentre Plus customer service target structures for 2010/11 is provided in Chapter 6.

### 3.3 Using targets to drive performance

Generally, Jobcentre Plus and DWP staff thought targets motivated staff and were an effective management tool for identifying underperformance where remedial action was needed. However, most interviewees in all organisations distinguished between process and outcome targets. They felt that process targets have many disadvantages compared with outcome based targets. For example, staff became distracted from their core task of helping people into work; and the quality of interventions might suffer as staff strive to achieve a particular volume of activity. However, interviewees thought that outcome based work targets only drive performance if they can be apportioned to individual staff and are supported by regular communication, monitoring and reporting.

Comparator organisations said that frontline staff tended not to see the connection between a process and a strategic target. Consequently, volume process targets can drive undesirable behaviours. For example, a commonly cited issue with vacancy filling targets was that unsuitable and unprepared jobseekers would be referred to an employer which adversely affected employers’ satisfaction and made them less likely to work with the agency again.

Jobcentre Plus and DWP interviewees thought more emphasis on developing quality based targets and measures would help Jobcentre Plus deliver ‘exemplar service’.

*‘I think sometimes targets can drive staff into focusing less on the quality and more on the outputs.’*

(Jobcentre Plus Interviewee)

However, Jobcentre Plus and DWP interviewees questioned the desire within government to develop robust quality targets. Historically they have not been prioritised and the focus has been on volume targets, which are easier to measure. However, this year Jobcentre Plus has made several changes to both its CST and EET which focus more on quality than the volume of transactions or processes (Chapter 6 provides more details).

<sup>11</sup> <http://research.dwp.gov.uk/asd/asd5/summ2009-2010/635summ.pdf>

Rather than removing all **process** volume targets the Swedish PES replaced volume targets with ones focused on quality. For example, they introduced a measure for the percentage of jobseekers who felt their personalised employment action plan benefited their employment prospects. This represented a change from measuring the **number of action plans completed**, which led to impressive statistics but officers filling them in without much thought or substance:

*'In the statistics it looked good – oh, a lot of people have an action plan – but if you ask the customer, they didn't even know they had an action plan sometimes.'*

(Swedish PES interviewee)

As mentioned above, last year DWP conducted an Employer Survey to measure the effectiveness of employer engagement and satisfaction with DWP, including contact with Jobcentre Plus to place vacancies. The EET outcome survey produces quarterly interpretive reports and a series of reports at regional and district levels. Jobcentre Plus and DWP staff indicated that the verbatim feedback collected helps Jobcentre Plus staff identify and address particular issues experienced by employers at an office level. Sometimes an employer says they do not wish their comments to be attributed to them, which can make it more difficult to address issues that arise.

Interviewees felt that it would also be useful if the annual survey was undertaken more frequently and provided more disaggregated information. Of course, the benefits of doing so would have to be balanced against the costs, the additional burden on employers and in light of the monthly Jobcentre Plus EET survey.

*'So if you did go to quarterly, which would align with the customer service one, then you'd be getting much more direct information more quickly, which would then feed into tweaking whatever needed to happen in any target basically. And so you might be able to pick up some of those satisfaction elements around outcome from that and use something totally different to drive operational behaviour in a target.'*

(DWP Interviewee)

In early 2010 Jobcentre Plus did pilot additional questions in the monthly Employer Engagement Outcome Survey to provide more timely information on the revised drivers of employer satisfaction described in Section 3.2. More information on recent and ongoing improvements to Jobcentre Plus's employer surveys is provided in Chapter 6.

Jobcentre Plus interviewees said the ideal target structure would be deliverable, drive the right behaviours, could be disaggregated to individuals and at the same time would contribute to high level targets without adversely affecting the quality of interventions. When questioned about what this target structure might look like, interviewees described a pyramid target structure in which frontline staff can see the direct link between a strategic target and their individual targets.

*'In practice, this means creating a performance framework based on a pyramid model with DSOs at the top disaggregated into meaningful targets, measures, and/or metrics that drive the right kinds of behaviours that deliver high quality services with the desired outcomes.'*

(Jobcentre Plus interviewee)

With the exception of Service Canada, which takes a more passive role in bringing together jobseekers and employers, all comparators apportion employment outcome targets to individual frontline staff (which is not currently possible with Jobcentre Plus Job Outcome Target). Ingeus apportions the overall target for the number of people into sustainable employment (defined as 13 weeks) among individual staff and teams of Personal Advisors. Importantly it attaches Key Performance Indicators (KPIs), such as the length of time a jobseeker is on their caseload, to

increase responsibility and accountability of working towards the strategic objective. Ingeus felt this ensures the *'work gets done'*, the right behaviours are encouraged and there is more innovation because targets are outcome and not process focused.

Management repeatedly communicate the importance of the apportioned and individual targets. Monthly staff performance reviews use a traffic light system and assess the need for remedial action for staff that score red or amber.<sup>12</sup> Management felt reviews of performance and KPIs work more effectively with quality assurance. This typically meant managers formally observing Personal Advisor meetings with jobseekers quarterly.

In Ingeus, staff inductions focus on communicating the target driven ethos of the organisation. Frontline staff are made aware of the relationship between KPIs/caseload employment targets and programme level employment targets at monthly performance reviews. Comparators indicated that a minority of frontline advisors do not react well to individual target setting and tend not to stay with them for long. Comparators believed that a target driven work environment can be a stressful way of working. However, in recompense the private sector comparator believe they reward staff with a competitive salary and other incentives, such as leisure and entertainment freebies.

Comparator organisations felt that they are more successful at placing jobseekers into employment where local office or teams have more autonomy in how they meet targets because they can be more responsive to local conditions. For example, sharing good practice among teams of Personal Advisors on how to tackle the multiple barriers of the long term unemployed or developing localised and sector specific projects that support local employers' needs. Comparators felt that localised employment projects can rarely be replicated in other areas due to differences in:

- jobseeker profiles;
- demographics;
- labour markets; and
- sector growth potential.

### 3.4 Summary of best practice

Overall, apportioning outcome targets (employment outcomes) at a local (by office or teams of advisors) or a micro level (individual staff) was felt to be the most effective way to drive performance and ensure strategic targets are met. All comparators were keen to emphasise that all staff need to understand 'cause and effect'. This means recognising how individual actions contribute towards achieving the overall target. In addition, regular reporting of employment outcomes against individual staff targets is needed to drive performance. However, interviewees acknowledged that regular reporting of employment outcomes could mean significant tracking and monitoring, which can be resource intensive.

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<sup>12</sup> Traffic light ratings for Personal Advisers are determined by their individual performance on moving jobseekers off benefit and into work against their individual monthly target for employment outcomes. Where Personal Advisors perform poorly against their monthly target they will be flagged red or amber. Amber and red flagged Personal Advisers will be more regularly formally observed and shadowed by higher performing Personal Advisers to improve their performance.

Comparator organisations indicated that regular communication and visibility of targets and the reporting of advisor performance using a combination of employment outcomes and/or KPIs were effective in driving the right behaviours and therefore performance. Some comparators also felt that greater autonomy of employer services within regional and local offices enables better performance. Such comparators described employer services, which are more responsive to local conditions (for example, labour market, and key growth sectors) and therefore achieved better vacancy filling efficacy. Finally, some comparators were moving away from volume process targets towards quality targets. Some felt it was much easier to develop volume targets. However, those comparators who had introduced quality based targets found that the quality had increased with little or no reduction in volumes.

The interviews with staff from Jobcentre Plus, DWP and comparator organisations suggest that the following areas are worth exploring further:

- ways to increase staff awareness of cause and effect so they understand how their actions contribute to strategic targets;
- ways of making targets more visible to ensure ownership and accountability among frontline staff;
- what drives employer satisfaction and the extent to which EET does or does not reflect what employers value;
- the scope for apportioning different targets to the local or micro level to increase ownership and innovation;
- the scope for having fewer process targets and focusing on outcomes to drive the right behaviours;
- the potential for introducing more quality based targets to replace and/or supplement volume based outcome targets; and
- how to use KPIs to help drive individual performance and reduce reliance on process targets.

# 4 Employers

This chapter looks at how organisations profile and prioritise employers. It examines some of the processes and services which underpin employer engagement. It also considers what drives employer satisfaction and how different organisations measure and act upon employer satisfaction.

## 4.1 Employer profiling and prioritisation

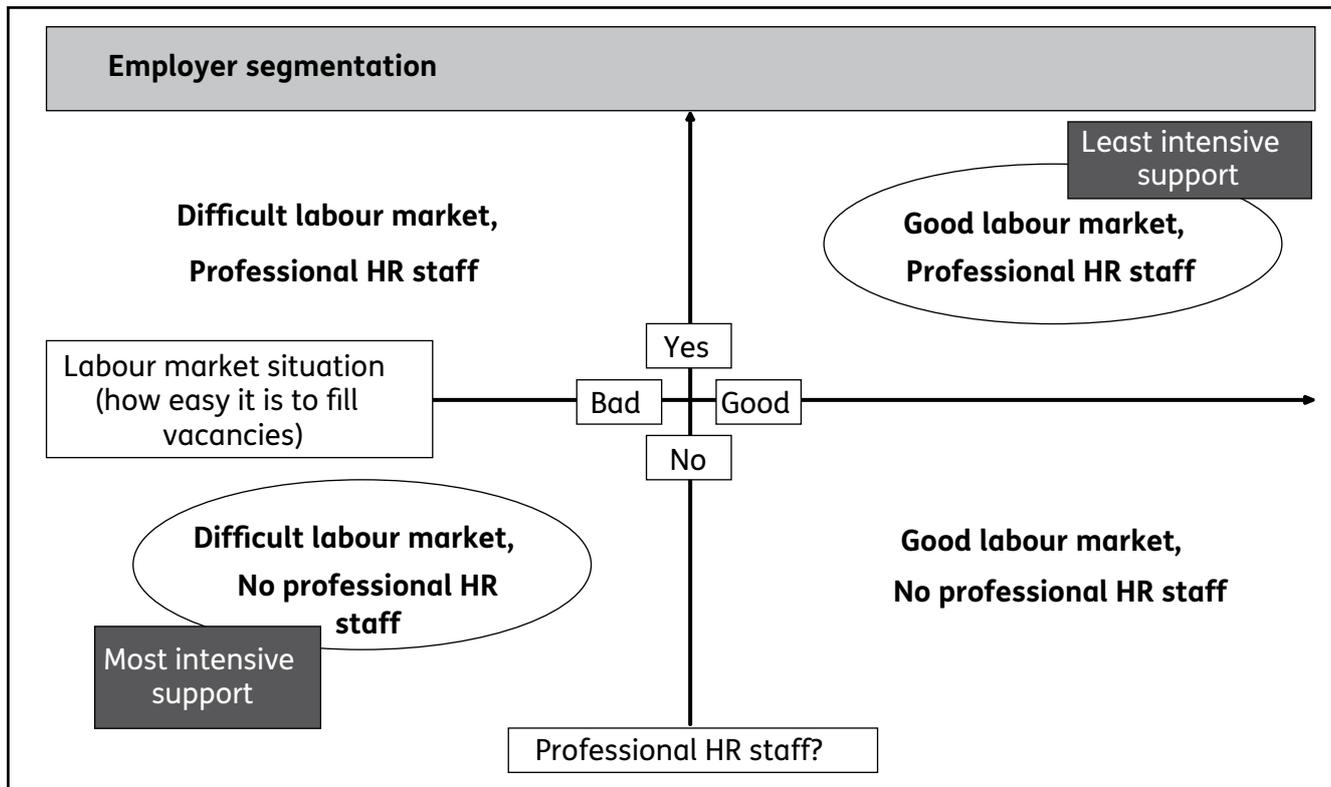
We identified two main ways in which all comparator organisations segment employers. The first segments employers according to how many vacancies they hold and/or their willingness to recruit hard-to-help jobseekers. The second segments employers according to their in-house capacity to fill their own vacancies.

Jobcentre Plus compares well in terms of how it profiles employers to ensure it engages those who can provide the most employment opportunities. For example, Jobcentre Plus's National Sales Teams have a sector growth strategy and use a range of labour market intelligence, sector briefings and existing relationships with large employers to identify existing and potential growth sectors in all Jobcentre Plus districts.

Some comparator organisations also use labour market intelligence to identify key sectors and employers. For example, Ingeus' Employer Liaison Officers use local labour market information (such as the frequency of new store openings) to proactively approach employers in an area who have a vacancy filling need and so would benefit from '*access to thousands of skilled and work prepared candidates*'.

UWV has an employer segmentation model. This considers the effectiveness of an employer's recruitment strategy to determine the type and level of support which might be offered. Figure 4.1 shows what UWV considers. Firstly, it examines the current labour market, for example how easy it is for the employer to fill their vacancies. Secondly, it considers the company's own HR capacity. Depending on the findings, employers are placed into one of the quadrants, which determine the amount and type of support they can get. Employers facing a lack of candidates with sufficient qualifications and experience **and** who do not have in-house HR capacity receive the most support. This might include face-to-face support to develop workforce recruitment strategies.

Figure 4.1 UWV's Employer Segmentation Model



Using an employer segmentation model was cited by UWV as good practice as it helps the organisation determine where and how it allocates its employer support. Interestingly, DWP and Jobcentre Plus have recently completed employer segmentation work to better understand employer attitudes to recruitment, communication and ultimately the relationship between it and the employers it works with.

Views were mixed among comparator organisations about the importance of prioritising SMEs. Ingeus said they focus on larger employers, particularly in the retail and hospitality sectors, due to the high number of available vacancies and growth potential. However, UWV and Sweden's PES pay particular attention to SMEs because of the value they can add by providing an HR capacity, which is typically not present. In 2010 UWV plan to recruit an extra 200 SME advisors.

*'Small and medium sized enterprises often have no professional [HR] staff, they don't know how to read a CV. They are good in their profession but they are not so good in personal things of staff. So our added value to them is much more than our added value to large companies.'*

(UWV interviewee)

Interviewees thought SMEs will continue to play an important role in helping Jobcentre Plus move jobseekers into employment due to their sheer number. Consequently, in early 2010, Jobcentre Plus and partner organisations representing the needs of SMEs have introduced the SBS, a bespoke recruitment service intended to be more responsive to the needs of small businesses (Chapter 6 provides more details). However, Jobcentre Plus will probably still prioritise larger employers who can offer more vacancies often to harder to help jobseekers such as disabled customers.

Overall, interviewees felt that given the economic climate and resource constraints Jobcentre Plus should target employers who can be relatively easily persuaded to work in partnership with Jobcentre Plus and accept the hardest to help. However, it was recognised that such employers could be difficult to identify without more research.

## 4.2 Employer engagement

Across most comparators, the employer is increasingly viewed as the ‘primary customer’ to achieve employment outcomes. Consequently, organisations seek to continuously improve vacancy matching processes to improve employer outcomes and satisfaction.

*‘In all our strategic documents today...employers come first. We regard the employers as our primary customer. There’s a reason for it. If we don’t have very good contact with the companies and organisations, the employers, we don’t get any vacancies. And if we don’t get any vacancies into our systems, we don’t have anything to match with when the unemployed come to us, or people who want to change their position...jobseekers in general.’*

(Swedish PES interviewee)

Sweden’s PES has expanded their engagement activity to include attending employer conferences to learn more about employers’ needs. One interviewee thought the knowledge gained helped them develop services more in line with what employers want and led to higher employer satisfaction.

UWV also believed that prioritising employers has improved services by encouraging staff to tailor support to meet specific employers’ needs. UWV staff are in regular telephone contact with employers to maintain good relationships and importantly most employer engagement is carried out regionally. In 2006, UWV created the role of the Account Manager working at an office level so that advisors can use their knowledge of the local labour market and the unemployed caseload to respond more effectively and responsively to meet local employers’ needs. Account Managers can organise recruitment ‘speed dating’ events<sup>13</sup> between employers and jobseekers, job fairs and direct engagement with employers. They also provide a fixed contact for employers in their local office.

The example of Ingeus is particularly interesting as the employer-led model is a relatively new development. Ingeus is transforming delivery from a customer-led to an employer-led model in response to the economic climate and to realise the organisation’s aim for growth in new regions. Ingeus is introducing a new employer strategy across the organisation, which will focus on key priorities and actions to:

- revise Ingeus brand awareness to employers;
- better understand employer vacancy needs;
- engage with employers in key growth sectors, particularly large employers;
- promote the benefits of employer services;
- promote the value of Ingeus’ jobseekers;
- engage more employers and increase the volume of vacancies; and
- compete with mainstream recruitment agencies.

<sup>13</sup> Both UWV and PES interviewees mentioned that they can support and facilitate recruitment ‘speed dating’ events. These involve representatives of a company meeting with as many candidates as possible in a short period of time. These are perceived to be very popular with employers though no evaluation has been conducted to assess its impact.

Ingeus thinks this shift will increase the number of vacancies, which in turn will enhance jobseekers' employment opportunities and help the organisation achieve its employment targets. In changing their primary focus, Ingeus management felt they needed a six month 'bedding in' phase to allow staff to become accustomed to the new approach. The next phase was due to start by the end of 2009 and was to introduce an employer engagement target to recruit ten new employers each week per district. Ingeus explained that this is an arbitrary figure to increase the level of employers from its low base. In addition, Ingeus plans to create strategic links with the Confederation of British Industry (CBI) and the Chamber of Commerce to help engage employers and source additional vacancies.

While Jobcentre Plus advocates an employer-led approach, Jobcentre Plus staff felt that this needs to be more widely recognised and employers' needs better understood. Interviewees felt this recognition should begin at ministerial level and would help ensure good links with the CBI and the BIS by making it clear how important employers are to Jobcentre Plus.

DWP and Jobcentre Plus interviewees thought that Jobcentre Plus did not have an employer engagement strategy, which describes the types of employers it needs to attract and develop long-term relationships with, what effective engagement should look like and what employers want from Jobcentre Plus. In actual fact Jobcentre Plus does have an employer strategy. Consequently, the views expressed by interviewees suggest there may be scope for improving the communication of the strategy. This would not only raise awareness about the importance of employers to Jobcentre Plus but also enable the strategy to be better embedded across the agency's work.

Jobcentre Plus and DWP interviewees felt that, particularly through LEP in-depth and productive relationships with employers have been developed and subsequently cemented using skills training, such as Train to Gain.<sup>14</sup> Whilst as LEP has expanded additional resource has been allocated to employer engagement teams to increase engagement and maintain service levels some interviewees still felt that the resources needed had not kept pace with LEP expansion and that employer relationships may start to suffer, which could make employers less likely to engage with Jobcentre Plus in future. To help overcome this, Jobcentre Plus has recently (since February 2010) allocated resources to offer new recruitment services for small business (Chapter 6 provides more details).

### 4.2.1 What is effective engagement?

Jobcentre Plus staff felt an in-depth understanding of employers' needs is a pre-requisite for an effective and sustainable relationship, which will generate more opportunities for harder to place jobseekers. For Jobcentre Plus, harder to place jobseekers include those customers in its Job Outcome Target priority customer groups.<sup>15</sup> These include inactive benefit customers, jobless lone parents and the long-term unemployed. Such customers have often been at a distance from the labour market for some time and many have multiple barriers, which makes it difficult for them to persuade employers to employ them.

The challenge of persuading employers to recruit more disadvantaged jobseekers means it is essential to understand and engage with employers as effectively as possible. Working with employers to improve flexible working patterns, such as, early and late shifts as well as opportunities

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<sup>14</sup> Train to Gain is the national skills service to help meet the needs of employers of all sizes and in all sectors to improve the skills of their employees as a route to improving their business performance. The service offers skills advice on everything from basic skills through to leadership and management training.

<sup>15</sup> <http://www.dwp.gov.uk/docs/jot-pcg-points.pdf>

for employment during school hours or term time only can provide more realistic job opportunities for some harder to place jobseekers.

A strong relationship with employers was seen as key by all comparators to increase vacancies. They felt employers were more likely to place vacancies if they trusted that the organisation understood their recruitment needs. Sweden's PES provides all employers with five or more employees with a personal contact to help them address their vacancy needs. A benefit of this personal contact is the ability to manage employers' expectations. Over time it can mean employers being more likely to reduce their 'wish list' for the ideal candidate and recruit a jobseeker that is further from the labour market. UWV also felt that managing employer expectations is essential for filling employers' vacancies effectively.

Ingeus felt that they were newcomers to employer engagement. They have tried a range of engagement methods from cold-calling, face-to-face visits and promoting Corporate Social Responsibility (CSR). Interestingly, a recent engagement pilot using e-marketing proved successful with employers in the care sector and was more cost effective than other engagement strategies. Although this approach is unlikely to replace the effectiveness of face-to-face engagement it suggests there is value in finding out which media and methods work best for engaging different types of employers.

### 4.3 What are the drivers of employer satisfaction?

The suitability of the jobseeker referred to a vacancy was seen as the key driver of employer satisfaction (and dissatisfaction) across all organisations. Rather than quantity, employers were more concerned that referred jobseekers were suited to the vacancy (in terms of skill-sets) and preparedness for work. Feedback from DWP's Departmental Strategic Objective (DSO7) survey supports this. The way employers are treated is also very important.

One Swedish PES interviewee explained that the most important question in their employer survey relates to how satisfied an employer is with the referred jobseeker. Sweden's PES currently aims for 75 per cent of all employers to be satisfied with the quality of the referral. UWV has seen a rise in their employer satisfaction scores over the past three years (from an average of 6.7 to 7.1 out of ten). They attribute this increase to having regular employer surveys and acting upon the results. For example, in response to survey results they have changed their marketing approach and services by focusing on employers as the 'primary customer' and seeking their input in developing employer services. Jobcentre Plus has revised the CST measure 'professionalism' to 'right treatment' which provides a better indication of whether employer services meet the expectations and ultimately satisfaction of employers.

It is important to recognise that employers of different size may value different things. Almost all employers using Service Canada's Job Bank service are SMEs with most citing the fact that it is free as the main reason for using it. On the other hand, larger employers tend to use their own websites or private sector recruitment agencies. The issue of larger employers 'going it alone' to fill their vacancies is a real challenge for all organisations. Interviewees felt they needed to make services as easy to use as possible (by maximising the potential of IT) to overcome it. Jobcentre Plus compares well in terms of improving IT functions to keep pace with the changing demands of larger employers. For example, through its Transforming Labour Market Services, Jobcentre Plus is currently developing a 'vacancy aggregation service' so that employers can post a large number of vacancies directly to Jobcentre Plus from their own systems (see Chapter 6 for more details).

One Swedish PES interviewee explained that employer satisfaction varies across sectors and the business cycle. For example, employers are less satisfied when demand for workers is high because it is harder for them to find suitable jobseekers.

### 4.3.1 How is satisfaction measured?

Customer surveys are the most popular method of measuring satisfaction. For example, UWV monitors employer satisfaction through a quarterly survey. Its measures include treatment, timeliness and accuracy of information. They score questions on a scale from 1 to 10; and currently report an average overall score of 7.1. The 2010 target is between 7.1 and 7.5. The survey measures satisfaction with job matching using questions about work skills and softer skills. UWV's current average score for this area is 6.1. Although UWV admitted this was low, they felt that employers' high expectations of their 'ideal' candidate made this a difficult score to improve. UWV is trying to improve by collating feedback from its regular employer survey and face-to-face visits. UWV staff also have client sheets to log any relevant notes in relation to a task (such as problems encountered) to ensure any score can be looked at in context. Consequently, there is no particular score that represents a 'dissatisfied employer'. Each case is considered individually. When employers are dissatisfied a UWV representative visit is triggered to try and resolve the problem. However, this visit depends upon resources and whether the employer is a priority customer (non-priority customers may receive a visit if staff are available).

Sweden's PES employer surveys ask some questions monthly and others annually. It is keen to make the surveys as cost effective as possible and avoid overburdening employers by minimising the number of questions whilst ensuring sufficient information is collected. All three Swedish PES interviewees thought these surveys are increasingly important as they focus on quality rather than numerate targets and provide a real insight into employers' experiences.

*'Surveys of employers, jobseekers and our employees are getting more and more important as a steering instrument, which is nice...better to ask the customer than try to measure it with all kinds of different statistical figures which often leads in the wrong direction.'*

(Swedish PES interviewee)

Jobcentre Plus conducts a monthly employer survey primarily to help measure progress against the EET. This survey provides different levels of data over the month following the interviews. Headline reports are available to staff within a week of the survey closing. Jobcentre Plus produces several reports with detailed information at local levels, including monthly verbatim reports.

Obviously contacting employers to measure satisfaction imposes a burden on them. This is an area where Jobcentre Plus compares favourably as it actively and regularly seeks employers' views on how they prefer to give feedback and how frequently they are willing to give it.

## 4.4 Summary of best practice

Most comparators have changed their business models from jobseeker-led, to employer-led, to achieve the desired level of employment outcomes. All felt that employers are important because they provide the vacancies that jobseekers can fill. Consequently, most comparator organisations send a clear strategic message throughout their organisation to stress the importance of working with employers. Interviewees felt a trusting relationship can help persuade employers to recruit harder-to-help jobseekers.

Most organisations prioritise larger employers because they can provide more vacancies. However, UWV and Sweden's PES continue to regard SMEs as important since they benefit from HR support. Jobcentre Plus also continues to provide tailored support for small businesses, for example, through the new bespoke recruitment services offered through the recently introduced SBS. Overall, interviewees thought they should prioritise employers who only need a bit of persuasion to work with them and take-on jobseekers who are further from the labour market.

All organisations reported that the quality of candidates referred to employers' vacancies is a key driver of employer satisfaction and dissatisfaction. That is, the extent to which the employer feels the jobseeker was appropriate for the position in terms of job readiness and skills. The way staff treat employers is another key driver of satisfaction. Jobcentre Plus and DWP interviewees felt that timeliness was less important to employers and that consequently its importance should be downgraded within EET (2010/11 changes to EET have reduced the 'timeliness' component).

There are 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. Moreover, Jobcentre Plus also works with employers to ensure the methods they use and the frequency of collecting feedback are appropriate and minimise the burden on employers.

The interviews with staff from Jobcentre Plus, DWP and comparator organisations suggest that the following areas are worth exploring further:

- identifying examples of good practice from employer-centred approaches to promote a positive message about employers internally and externally. How best to communicate the strategic importance of employers at all levels of the organisation;
- how to best develop strong and trusting relationships with employers to obtain more vacancies including vacancies with more flexible working practices;
- how to persuade more employers to recruit harder to place jobseekers;
- the best ways to communicate with different employers (for example, by sector and size) to make employer engagement activities more effective and cost-effective. This includes examining the extent to which employers can provide feedback effectively on the quality and job readiness of referrals;
- research into employer services delivered in other countries (such as 'speed dating' recruitment events) to see if they are transferable and cost-effective;
- how UWV achieved a big rise in satisfaction with the quality of its referrals and the nature and impact of their follow-up visits to dissatisfied employers; and
- making the most of relationships with employer representative organisations such as the CBI, BIS and Chambers of Commerce and exploring ways of including employers more systematically and consistently in the design and development of services.



# 5 Vacancy filling services

This chapter describes how vacancy filling services operate at different organisations and some of the key issues underpinning how such services are changing in response to customer need and technological change.

## 5.1 Web based tools

Web based tools account for a significant proportion of vacancy filling services provided by all comparators and Jobcentre Plus. Online tools are becoming increasingly important as both employers and jobseekers demand more from them, and more of them. More traditional contact methods (telephone and face-to-face) are becoming less needed. Impressively, in 2008, the Swedish PES website was the second most visited website in Sweden. Their website is visited by 200,000 jobseekers a day and employers are able to search 150,000 jobseekers via 'My CV'. In 2008 about 618,000 employers notified vacancies to Sweden's PES which were then displayed on the website.

Similar levels of growth in online vacancy related traffic were reported by Service Canada. In 2007/08 they recorded 113 million Job Bank user sessions, an increase of 20 per cent from 2006/07 (this refers to all employers and jobseekers who used the vacancy information website). The number of advertised vacancies also rose by 11 per cent to 1.2 million. By the end of 2007/08 Service Canada had more than 179,000 active employer accounts and more than 869,000 jobseeker accounts. More than 50,000 job alerts are sent daily – more than 18 million a year. A Jobcentre Plus press release from May 2007<sup>16</sup> described '*unprecedented growth in Internet job hunting*', with a record 6.5 million job searches on Jobcentre Plus' website by nearly 2.2 million online jobseekers in a single week.

The web based tools for jobseekers provided by comparator organisations include CV registration, vacancy searches, vacancy alerts via email and information on benefits and training. Service Canada also provides a Labour Market Information (LMI) service which gives jobseekers detailed area, occupational and sector labour market trends to increase jobseekers' understanding of current and future vacancies and ultimately provide more employment opportunities.

Employers can access HR advice online, post vacancies and in some cases (Sweden's PES, Netherlands' UWV and Service Canada's Job Bank) search for prospective employees using jobseeker personal profiles. As described in Chapter 6, Jobcentre Plus TLMS agenda will ensure that by 2010/11 employers will benefit from improved online job broking and labour market services, such as:

- an on-line HR/recruitment service for employers who do not have (or do not wish to use) their own system; and
- a high quality matching service that will match jobseeker profiles to employer vacancies.

Jobcentre Plus staff we interviewed were keen to continue improving online vacancy services so employers continue providing vacancies to Jobcentre Plus and do not '*go it alone*' and use their own websites for recruitment. Consequently, most interviewees would like to enable employers to search candidate profiles online (as indicated above and in Chapter 6, Jobcentre Plus will introduce this function in 2010/11). Comparators thought this means employers (and even private recruitment companies in the case of the Netherlands' UWV and Sweden's PES) '*do the work for you*' by recruiting the easier to place jobseekers. This allows staff to give more support to customers who need the most help.

<sup>16</sup> Jobcentre Plus (29 May 2007) Jobcentre Plus six monthly website statistics reveal steady growth <http://jobcentreplus.gov.uk/JobcentrePlus/News/SSC051107095354.xml.html>

The most popular way for employers to submit vacancies across all organisations is online. There are different ways this can be done. In Sweden employers can complete an online form and then send it to Sweden's PES or they can send vacancies direct from their company's database to Sweden's PES using Extensible Markup Language (XML).<sup>17</sup> This choice lets employers use the method that suits their preferences and expertise (Sweden's PES found small employers use the XML option less). As indicated in Chapters 4 and 6, Jobcentre Plus's TLMS will give an employer the opportunity to post large numbers of vacancies directly to Jobcentre Plus from their own systems. Employers can also submit vacancies to Sweden's PES' over the telephone though this is becoming less popular.

Interviewees across all organisations thought that making vacancies visible to jobseekers more quickly improves the efficacy of vacancy filling services. Similarly, the speed a vacancy is removed once filled is important. Customers often complain that they see a vacancy at a Job Point but then discover it has already been filled.<sup>18</sup> However, interviewees from all organisations said that allowing employers to 'upload' their vacancies directly to an online vacancy database may result in inaccurate job descriptions and breaches of employment legislation. Consequently, they each quality assure all vacancies before making them available to jobseekers. These checks mean vacancy 'double-handling' and delays in posting. There are significant differences in the time taken to post vacancies from employers. For example, Service Canada posts vacancies the next working day whereas Sweden's PES posts them in around 20 minutes.

## 5.2 A fully automated vision?

All organisations thought automating vacancy filling services was hugely important. Some interviewees hoped that modernising Jobcentre Plus IT systems would make vacancy filling services fully automated in future so that Jobcentre Plus would act more as a facilitator between employers and jobseekers (as Service Canada currently operates). Interviewees said Jobcentre Plus was focusing on EDon to improve its employer services in response to employer demand. For example, Jobcentre Plus has been testing a function which allows vacancies from an employer's website to be instantly transferred to Jobcentre Plus's vacancy database (see Chapter 6 for more details). Interviewees hoped this would, in most instances, reduce the need for manual loading of vacancies by staff. Whilst some quality assurance will remain interviewees thought this should help fill vacancies more quickly because jobseekers will see them earlier. Following consultation with employers in October 2009 Jobcentre Plus introduced a new intuitive, professional vacancy taking service which delivers a consistent method of vacancy taking across all channels (see Chapter 6 for more details).

Jobcentre Plus staff felt that a better automated system could also help meet employers' changing vacancy needs. Suggestions included bespoke online application forms and psychometric testing. For example, Jobcentre Plus is investigating enabling jobseekers to be automatically transferred to an employer's online application form. This functionality and monitoring its use could result in faster vacancy filling and inform employers of the number of applicants that are Jobcentre Plus jobseekers. Interviewees felt that this would help Jobcentre Plus determine their own involvement in the filling of a vacancy, and help employers quantify the value of their relationship with Jobcentre Plus. An example of a process becoming more automated is provided by Sweden where any CV that

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<sup>17</sup> Extensible Markup Language (XML) is a mark-up language similar to HTML. XML was designed to transport and carry data across cyberspace whereas HTML was designed to display online data.

<sup>18</sup> Jobcentre Plus has over 8000 Job Points. Most are found in Jobcentre Plus offices however some can be found in libraries and supermarkets.

is registered with Manpower is automatically transferred to the Swedish PES website. Interviewees at Sweden's PES felt this public-private sector arrangement benefits both employers and jobseekers.

### 5.3 What are the impacts of a fully automated system?

Comparator organisations and Jobcentre Plus staff felt automation could bring a range of benefits. For example, it can:

- provide a more responsive and flexible customer service;
- free up resources so staff can focus on jobseekers who find it harder to get work;
- reduce costs;
- allow jobseekers to see vacancies earlier; and
- lead to more efficient matching of vacancies and jobseekers and therefore increased levels of employer satisfaction.

Recognising the benefits of an automated system, Jobcentre Plus is currently upgrading their online services to provide a more seamless and smooth vacancy service for employers.

*'So we want to act as a conduit to bring supply and demand together, but not necessarily play that middle man role in all cases, but act as the enabler for it through our IT technology.'*

(Interviewee)

Despite the benefits of a fully automated system, some operational challenges would need to be overcome. Firstly, as mentioned earlier, processes would need to be developed and introduced to ensure each vacancy would be accurate and meet equality legislation and employment law before there could be full instant transfer from one website to another (Chapter 6 provides an update on Jobcentre Plus's progress on doing this). Sweden's PES explained that they have received vacancies from companies, which break employment law or practices. Most had been identified before posting but when they were missed it led to negative publicity for PES's reputation. This highlights the need for quality checks. Additionally, Sweden's PES found that employers sometimes do not provide the minimum vacancy details needed, which prevents them being posted.

Service Canada interviewees have also experienced quality problems with employers using their services. Consequently, and to preserve the quality (content and accuracy) of employer vacancies to Job Bank, Service Canada now screens first time employers and randomly monitors approved employers to ensure they adhere to terms of use.

For all organisations, good practice means registering vacancies properly (for example in full and with a detailed person specification) and ensuring that jobseekers' profiles are up-to-date, and accurately capture employment history. In future, UWV hopes to record jobseeker competencies (such as leadership, teamwork and problem solving) and encourage employers to include competencies in their vacancies to enable more accurate matching. Ingeus has recently updated their technology to categorise jobseekers' competencies using standard occupation codes (SOC Code 9000) to improve the search function for employers. Ingeus interviewees felt that this helped them make more appropriate referrals; fill vacancies quicker and increase employer satisfaction.

Service Canada interviewees noted that automated processes can reduce an organisation's ability

to track vacancy filling outcomes. For example, emailed Job Alerts have lowered the statistical reporting of Job Bank's effectiveness because jobseekers are not required to access the Job Bank website, which reduces web traffic levels.

*'Because clients access some of these services on a self-serve basis and are not required to register, data on usage and results are challenging to collect or to attribute to specific interventions.'*

(Service Canada interviewee)

### 5.4 Telephony and face-to-face methods

All interviewees explained that most employers and jobseekers prefer online vacancy services. However, some groups prefer traditional telephone and face-to-face methods. Jobcentre Plus interviewees indicated that SMEs preferred to use the telephone to place vacancies due to a lack of technology and HR capacity. Consequently, Jobcentre Plus is still improving its telephone system.

The telephone currently appears to be the second most popular way of placing vacancies with Jobcentre Plus and comparator organisations, after online methods, with face-to-face contact being less common. Both telephone and face-to-face methods are in decline. Since 2005, Service Canada reported the percentage of employers needing help submitting vacancies over the telephone, by fax or in person has fallen from 18 per cent to eight per cent (in 2009/10, 92 per cent of vacancies were posted online by employers). Sweden's PES believed the option of submitting vacancies via telephone will disappear once all SMEs can use web-based tools.

### 5.5 Summary of best practice

The interviews with staff from Jobcentre Plus, DWP and comparator organisations suggest that the following areas are worth exploring further:

- enabling employers to access and search jobseekers' CVs to support better matching and improved vacancy filling;
- working with employers to increase the accuracy of vacancy content to speed up the matching process, and increase customer (employer and jobseeker) satisfaction;
- modernising IT systems to ensure services keep up with customers' demands and expectations. For example, automated matching which use jobseeker competencies or SOC occupation lists; and
- ensuring the telephone system is not neglected because some customers (especially SMEs) still prefer this option.

# 6 Update on Jobcentre Plus current and planned vacancy filling service developments

This chapter provides an update on Jobcentre Plus's current and planned vacancy filling services that have or will address many of the recommendations contained in this report. This update relates to developments that were taken and underway at the time of writing in spring 2010 before the change in government.

## 6.1 Changes to target structures

This year saw changes to both the customer service target and the employer engagement target that were more about the quality of service rather than the volume of transactions or processes.

For example:

- DWP customer research undertaken in 2008 identified the key drivers that influence customer satisfaction. This research and the service standards described in the DWP Customer Charter led to the previous customer service target measures of 'Timeliness', 'Professionalism' and 'Information' being replaced with – 'Right treatment', 'Right result', 'Easy access' and 'On time';
- all measures within the target were reviewed and weighted to reflect their importance from our customers' perspective with 'Right treatment' and 'Right result' having greater importance than 'Easy access' and 'On time';
- 'Right treatment' measures the quality of the interaction (telephone call or face-to-face) from a customer's perspective using mystery shoppers. It measures whether we treat our customers with respect, are helpful and polite and listen to what they say;
- a new measure was introduced to the EET using the recordings of real calls to assess the quality of the Employer Direct vacancy taking service and the accuracy of the resulting vacancy, that is, whether it reflects what the employer requested. The framework against which the quality assessment is made has been revised to ensure that the aspects of service that employers have identified as being important are given the highest scores.

The 2009 DWP Annual Employer Survey included questions that could provide a baseline for Departmental Strategic Objective 7 (DSO7) – to make DWP an exemplar of effective service delivery to individuals and employers. It also explored 'what is important to employers'. The results of the survey provided the following key drivers of employer satisfaction:

- outcomes – whether a query is resolved, delivered on time;
- being treated well – treatment by staff and communication; and
- building a business relationship – two way relationship and services that are accessible.

Since then Jobcentre Plus has considered including similar questions in the monthly Jobcentre Plus Employer Engagement Outcome survey. A sample of questions (aimed at measuring employer satisfaction with the above key drivers) was included in a pilot of the outcome survey in early 2010.

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Although not part of the target whether these questions become part of the regular monthly survey that supports the EET is under review.

Jobcentre Plus has extended its employer relationship management approach to smaller employers through two new services focusing on employers and young people.

### 6.2 Small Business Service

Jobcentre Plus, working in close partnership with the Federation of Small Businesses, the Chartered Institute of Personnel and Development and British Chambers of Commerce has developed a recruitment service that is more responsive to the needs of small businesses that started in 2010.

From February, when small businesses notify their jobs, 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. Local teams also agree aftercare arrangements which suit the small business' needs and ensure levels of service which continue to meet their requirements.

From March, small businesses can access a dedicated help-line to guide them through the recruitment process and get an overview of Jobcentre Plus services. Small businesses that require non-recruitment advice will be signposted, with contact details, to the appropriate organisation. This could be Business Link or Her Majesty's Revenue and Customs (HMRC) for example. If the employer wishes to advertise a vacancy then help-line advisers will take the vacancy details, giving help where needed with the wording of vacancy specifications. Helpline advisers can arrange for local teams to contact employers to provide them with further information about their local labour market, or Jobcentre Plus services.

#### 6.2.1 Routes into Work

Routes into Work 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 have been designed for each of these sectors and targeted employer engagement began in 2009

### 6.3 Transforming Labour Market Services

At the time of writing Jobcentre Plus further is proposing to transform its job broking and labour market services in 2010/11 by developing:

- a **high quality matching service** that will match Job Seekers' profiles, to vacancies. This service will support those jobseekers who are most disadvantaged in the labour market as well as those with readily marketable skills;
- a **simple vacancy aggregation** service so that employers, agencies and job boards can post large numbers of vacancies directly to Jobcentre Plus from their own systems;
- an **on-line HR/recruitment service** for employers who do not have (or do not wish to use) their own system;
- the **ability to capture and use work search and matching evidence for jobseekers**, to support the back to work journey and feedback from all users to continuously improve the service; and
- a digitally enabled Job Search solution for all citizens.

The DWP and Jobcentre Plus are interested in understanding what lessons they might learn from the vacancy filling services delivered by comparable organisations both in the UK and internationally. In particular, they are keen to understand how such organisations set targets and manage performance in this part of their business. This report sets out the findings from qualitative research with private and public employment organisations across the UK, Canada, Sweden and the Netherlands. It outlines options which they may wish to explore further to establish whether different ways of working could help them achieve their strategic objectives.

The research findings indicated that there has been a significant refocus in the strategic aims and associated targets of Jobcentre Plus and comparator organisations. Some organisations have witnessed benefits in moving from jobseeker to employer-led business models. A performance framework underpinned by targets is found to help drive an effective employment service. Outcome (rather than process), and quality (rather than quantity) targets are felt to generate success, particularly when supported by regular reporting, quality assurance and communication. Other factors that are felt to contribute to improved vacancy filling performance and achievement of strategic objectives include an emphasis on referring quality candidates to employers and ensuring autonomy for individual staff and local offices in how services are delivered. In terms of how vacancy filling services are currently working, staff resources in all organisations are currently invested most intensively in **jobseekers** that are harder to help and **employers** that provide the largest volume of vacancies or are willing to take on harder to help jobseekers. Finally, online methods of vacancy matching have emerged as increasingly popular over recent years, although interviewees felt that SMEs continue to prefer telephone and face-to-face contact. All organisations recognise the importance of the online market, and that IT systems need to be in place to meet the growing demands and expectations of employers.



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Finally, online methods of vacancy matching have emerged as increasingly popular over recent years, although interviewees felt that Small and Medium Enterprises (SMEs) continue to prefer telephone and face-to-face contact. All organisations recognise the importance of the online market, and that IT systems need to be in place to meet the growing demands and expectations of employers.

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