



The Challenge of Performance Measuring



Measuring unemployment

It is difficult to get a clear picture of labour market trends at a local level as there is no local system of measurement

The Live Register (LR) is not designed to measure unemployment. LR includes part-time workers (up to three days per week), seasonal and casual workers entitled to unemployment payments

Unemployment is measured by Quarterly National Household Survey (NQHS)

LR tends to be higher than NQHS

NQHS: ILO 115,500 5.2% (March/May 08: source CSO)

NQHS: PES 136,200 6.8% (March/May 08: source CSO)

LR: 207,300 (May 08: source CSO)



Measuring unemployment: Ballymun, an example

The Live Register (LR) does not paint the full picture of unemployment in Ballymun

Ballymun large number of single parent family units, 49.3% of all family units are single parent family units the number of unemployed single parents are not counted on LR

Individuals in receipt of a disability payment not counted on LR

Young unemployed (under 18) will not be counted on LR

The March 2000 local labour force survey put the percentage of unemployed 58.4% higher than the LR

(Survey: 2,152 (PES) LR: 1,358 (March 2000))



Measuring what we do!!!

Background:

A critical element in determining whether or not a service, process, organisation (e.g. LESN) is achieving the desired results is the establishment of relevant performance measures

Performance Measures: refers to measurement of output results and their outcomes obtained from processes, products, and services that permit evaluation and comparison relative to goals, standards, past results, and other organisations.

Performance Measures can be expressed in non-financial and financial terms



Measuring what we do!!!: the starting point

The starting point of any discussion on performance systems is to clarify the goal/objective of the service, activity

In labour market terms the goal/objective maybe to:

- generate more and better jobs
- achieve greater equality in the labour market
- increase the employability of the unemployed
- reduce the numbers on the LR

The above goals will require variations in inputs, depending on the goal you will measure different outputs and you can anticipate different outcomes from each goal



The need to measure outputs/efficiency

Efficiency Indicators: relate what was produced to resources used. Efficiency measures reflect the cost of providing products or services. Cost can be expressed in terms of money or time per unit of output.

Efficiency measures can also be portrayed as the relationship of outputs (or outcomes) to inputs.

Outputs: outputs are the final goods and/or services produced as a result of pursuing the specified objectives and strategies for delivery to the customer in order to bring about the desired outcomes.

(Source: Department of Finance: Report on Performance Indicators, April 2004)



The need to measure outcomes/effectiveness

Effectiveness Indicators: relate inputs and outputs to outcomes. Are the outputs produced actually having the desired impact?

Outcome: outcomes are the impact, or consequences for the community, benefits or changes for individuals or groups arising from outputs

Outcome measures address whether or not the service is meeting goals, outcomes reflect the actual results achieved and the impact

(Source: Department of Finance: Report on Performance Indicators, April 2004)



Measuring outputs/efficiency: The LESN

Performance Measures: should measure both efficiency and effectiveness

Efficiency is a measure of how well the LESN are able to manage resources (inputs) and produce outputs

It includes a focus on optimising all resources and producing outputs at the lowest cost

For example the LESN may be very efficient in progressing individuals onto CE, training, education or a job but this is not in itself a measure of their effectiveness in addressing the goals/objectives set for the LESN or the individual client

Thus the effectiveness of the LESN should also be measured



Measuring outcomes/effectiveness: The LESN

Outcomes are a measure of effectiveness

It is a measure of quality as determined by the client

Effectiveness is a measure of satisfaction and importance of the services provided and solutions generated by the LESN for the client

For example; placing someone in a job is an output, while the usefulness of the job in meeting the client's goals given his or her labour market, individual, family situation is an outcome

The more applicable and useful a placement is to the client, the more effective is the LESN



The basic steps when establishing performance indicators

Specify your objectives: What do you want to achieve?

Set your targets: Have you identified a target for each objective?

Identify the required outputs: What goods, service or condition do you need to produce or provide to meet your objective?

What outcome is to be achieved?: What is the desired impact?

Consult the intended users: Are users satisfied with the relevance of the information?

Is the required information available?: Check that the information required to provide the indicator is available and where necessary can be combined

Do the benefits of the information outweigh the costs of collection?: Collecting data can be difficult, time-consuming and resource-intensive so time should be given to considering data collection costs and requirements

(Source: Department of Finance: Report on Performance Indicators, April 2004)



Current Confusion: LESN

It is important that the methodology used to measure the performance is clear, useful and relevant to the work of the LESN

One can argue that the current performance measures are unclear and generates difficulties because of inconsistencies and lack of agreement or shared understanding on how to define targets, outcomes, outputs, etc.

The LESN is asked to use diverse methods either to report activities to FAS and/or to set targets

The lack of consistency between the Contract Schedules, the LES4 Form and the MIS system reflect the inconsistencies



Examples of Confusion

The focus on measuring the LESN is on outputs and efficiency

Outputs are confused with outcomes

Method used to describe target groups mix-up various criteria as a result it is not very apparent which group a client who could fit a number of the groups should be placed

For example: the same client can be classified as long-term unemployed (over 12 months), an offender, a Traveller and have a disability all at the same time. The same person could also be an EAP referral. An individual can be a member of any one of the target groups at the same time however, this is not very satisfactory in terms of setting targets and performance objectives as the question is which of the above is the primary group



Examples of Confusion

The Form states that a client who undertakes more than one programme in a year is counted only once

Some of the boxes in the table are looking for a count of **outputs** while others are asking for a count of **individuals**, yet the box is headed “*Number of Outcomes*”

Outputs, outcomes and **individuals** are separate counts

The confusion over **outputs, individuals** and **outcomes** prohibits any verifiable and consistent reporting in respect of activities
The current FAS MIS system tends not to accurately record the activities of the LESN is not related to the criteria used in the Contract or LES4 Form - agreement is required on a common understanding of **outputs, outcomes** and **individuals**



Some final comments

Over the coming period the level of funding to ensure an effective and efficient response by LESN is likely to be limited there is an urgency to reach a common understanding of performance measures for the LESN in order to show value for money - **HOW DO WE ACHIEVE THIS?**

The political priority is likely to refocus on the management of the Live Register primarily via the NEAP there is a need to ensure that individuals not included are not pushed aside over this period - **HOW CAN THIS BE ENSURED?**

As well as issues regarding “through put”, consideration need to be given as to the EAP process and “the offer” **HOW CAN PLANET ENSURE AVAILABILITY OF RESOURCES FOR THE CLIENT’S PROGRESSION?**