

Members' Briefing REVENUE & CUSTOMS GROUP

To: **All PCS members working in Debt Management**

cc: **Branch Chairs, Branch Organisers, Group Executive Committee, Equality Chairs, VOAC** (for information)

Can this Briefing be circulated via HMRC IT systems: **YES**

Website: **YES**

Date: **14 December 2022**

Ref: **R&C/MB/053/22**

BENCHMARKING IN DEBT MANAGEMENT

- **Team Benchmarks Overview**
 - **How Team Benchmarks are calculated**
 - **How team Benchmarks should and shouldn't be used**
 - **How to escalate any issues or concerns**

Team Benchmarks Overview

Earlier this year, PCS held discussions with leaders in Customer Services Group (CSG) about their aims to reintroduce and relaunch individual targets. PCS clearly stated our opposition to this. As an alternative, CSG agreed to work with PCS on a model to introduce Team Benchmarks. This would initially be piloted in Benefits and Credits and evaluated before rolling it out wider in CSG.

PCS reviewed the launch materials and provided feedback on the approach. Our aim was to introduce a culture where performance discussions are balanced and supportive. We wanted HMRC to avoid introducing individual Key Performance Indicators (KPI's) as we had concerns that this could lead to micromanagement.

Debt Management rollout

Debt Management (DM) Senior Leadership Team (SLT) have consulted with the PCS DM team about the roll out in DM. They've given us the opportunity have input into any comms and taken our feedback on board.

How are team benchmarks calculated?

Finance, Planning & Performance (FP&P) calculate average benchmarks data for tasks based upon actual productivity calculated from previous performance data.

Team leaders have the opportunity and discretion to review the benchmarking data before deciding on what the benchmarking figure should be for their team. A number of factors will need to be taken into consideration, such as:

- any reasonable adjustments
- part-time working patterns
- the experience of the team
- any non-customer facing roles team members may have

Team leaders should then create appropriate benchmarks or goals for their team. All team members can expect to be involved in these conversations. Working together to shape realistic plans and contributing

to the delivery of goals overall. Where new tasks are introduced, team benchmarks will work towards the expected productivity over a period of time.

How team benchmarks should be used

If a team is regularly not meeting the benchmark, managers should discuss this with their team. These discussions should be conducted in a supportive way, using a coaching approach.

All colleagues should feel that they work in a psychologically safe environment. Psychological safety is the belief that you won't be punished for speaking up, suggesting new ideas or trying something different, or for making mistakes. It forms a key part of helping leaders and managers create the innovative, supportive, and respectful culture HMRC aspires to.

Those who actually do the job, day in and day out, are usually in the best position to identify what is working well, and what isn't. So, if a team isn't regularly meeting the benchmark, it's important that team members help identify the reasons for this. For example:

- there might be a higher proportion of complex cases
- the process might have changed, or additional steps might be needed to ensure cases are worked in line with a 'once and done' approach
- additional learning or technical support might be required
- There may be individuals on the team with reasonable adjustments. This should never be discussed with the wider team. However, team leaders should take this into account when deciding what benchmark figure the team can realistically achieve
- There might be individuals on the team who have non-customer facing roles. For example, as a floorwalker, a digital ambassador, a firelighter, or a trade union rep. Due to the nature of these roles, the time spent off task can't always be planned for. Some of these roles might also mean that colleagues spend more than 20% of their working time off task
- We also need to be mindful that for an average number to be an average, there will always be numbers below it and above it. The figure can't remain an average if everyone achieves above it.
- There may also be weeks when teams achieve less than the benchmark. For example:
 - during times when colleagues with off-line duties spend more time than expected working off-task.
 - when individuals on the team are struggling with personal issues or health related issues. These things won't necessarily be visible to rest of the team for confidentiality reasons. So, in these instances, if the manager is aware that there are confidential factors contributing to a dip in the team's performance, they shouldn't need to have a discussion with the team.
- We are all individuals and have different strengths, abilities, and skills. That's what makes us unique and creates diversity in a team. Some colleagues naturally work at a fast pace whilst others need to take more time. Everyone should be equally valued for what they bring to the team.

Equally, if a team is regularly surpassing the Benchmark, this should also be discussed in a supportive way. Is the quality of the work at the right level? If it is, can we identify any best practice that can be shared with other teams? However, it might just be that the team are more experienced, or naturally faster at working cases. Again, this comes back to the logic that for an average to be an average, some colleagues will do more than the average, and some colleagues will do less.

Team Benchmarks vs Personal Targets

Team benchmarks are not intended to be solely about productivity. They are being introduced to ensure the delivery of good customer service overall. Previously, Key Performance Indicators (KPI's) concentrated mostly on clearance rates or whether targets were met.

Team Benchmarks are intended to reflect the all-round performance, quality, and consistency of customer service. The intention is to encourage teams to work together to look at how they can continuously improve their customer service.

This change of culture brings opportunities to Team Leaders. They are empowered to work with their teams to create their own plans. This also brings greater discretion in how they effectively deliver tasks.

Previously, many managers presented average clearance targets for a particular task. Now they have the opportunity and autonomy to shape their own goals. Managers are in the best position to understand the strengths within their teams. They're also in the best position to identify any support and coaching their team needs to deliver the best possible customer service.

What should teams should be focussing on?

One of HMRC's Strategic Objectives is to 'make HMRC a great place to work'. Respecting our colleagues and our customers is critical to creating a great working environment. HMRC published the [Respect at Work report](#) in February 2019, which recommended changes our organisation needed to make. This led to the creation of [Our Commitments](#) which were based on [Our Values](#). This followed HMRC-wide engagement about what it feels like for colleagues to work in HMRC, and how to make it better. Managers play a key role in this. They're essential to the wellbeing and engagement of their teams; helping to create an environment where everyone feels respected, valued, and included and can perform to their full potential.

Research carried out by [KornFerry](#) highlighted the link between good employee engagement and business performance:

- Employee performance: Highly engaged employees are 10% more likely to exceed performance expectations. But when you look at those organisation with high levels of engagement as well and enablement, we find that employees are 50% more like to exceed performance expectations.
- Employee retention: Companies with high levels of engagement show turnover rates 40% lower than companies with low levels of engagement. Whereas the turnover drops to 54% in organisations where employees are engaged and enabled.

How do we know when teams are getting it right?

Engagement is about creating the right conditions for all team members to give their best each day. Individuals in an engaged team will be committed to the organisation's and team's goals and values. They will have a sense of ownership for what they do and a sense of well-being that comes from feeling that they 'belong'. Managers who engage their team will ensure their support and their trust for them as a leader. [Learning](#) is available to support colleagues with improving engagement.

How to escalate any issues or concerns

Some initial feedback suggested that some managers have reported that PCS have agreed targets with HMRC which is incorrect. PCS has agreed to the introduction of a pilot to launch a fresh approach to team benchmarks. PCS does not and never will agree to any specific targets either individually or at a team level.

PCS will challenge any measures presented where feedback suggests these do not reflect the overall or significant activity within a task. Clearances, as we all know, are often just one factor of delivering a customer facing task. Where other activities do not result in clearances (for example writing to a customer and storing a case with a review date) managers have the opportunity to consider the wider picture of what good performance looks like.

If PCS members, including line managers, have any concerns about how Benchmarking is being rolled out, they should discuss this with their manager or local PCS rep in the first instance. If PCS reps are unable to resolve issues locally, they will escalate it to the National PCS Debt Management team. We will then work with the DM Senior Leadership Team to overcome these issues.

TRACY DEVER
Group Debt Management Lead

If you require this publication in any other format such as Braille or large print please contact the Group office at responseteam@pcs.org.uk or call 0151 298 3900