Divisions Affected – All

CABINET
23 January 2024

Employee Engagement Survey
Report of Performance and Corporate Services Overview & Scrutiny Committee

RECOMMENDATION

1.   The Cabinet is **RECOMMENDED** to **—**

   a) Agree to respond to the recommendations contained in the body of this report, and

   b) Agree that relevant officers will continue to update Scrutiny for 12 months on progress made against actions committed to in response to the recommendations, or until they are completed (if earlier).

REQUIREMENT TO RESPOND

2.   In accordance with section 9FE of the Local Government Act 2000, the Performance and Corporate Services Overview & Scrutiny Committee requires that, within two months of the consideration of this report, the Cabinet publish a response to this report and its recommendation.

INTRODUCTION AND OVERVIEW

3.   The Performance Overview and Scrutiny Committee considered a report on the results of and response to Employee Engagement Survey at its meeting on 29 September 2023.

4.   The Committee would like to thank Cllr Calum Miller, then-Cabinet portfolio holder for Finance, Lorna Baxter, Director of Finance, Cherie Cuthbertson, Director of Workforce and Organisational Development, and Karen Hopwood, Head of Organisational Development, for preparing and introducing the report, and for attending to answer questions.

SUMMARY

5. Cllr Miller introduced the survey, which had been undertaken in February 2023 and promoted to all staff members. The survey met with a response rate of 55%, which was believed to be the highest in the organisation's history. Its purpose was to develop a baseline of data on workforce attitudes to enable the tracking of future change, and to understand current issues, particularly in light of the Council's development of the Delivering the Future Together programme. The results highlighted areas of strong performance and areas for development. In response to the results, a corporate action plan was being developed, but data and feedback was also being looked at from a directorate level to determine whether specific interventions and actions needed to be implemented within parts of the Council.

6. Karen Hopwood, Head of Organisational Development, was invited to present the key findings. At 55%, the response rate was over double internal staff surveys, which typically met with responses of 20-25%. This increase was achieved through significant promotion and communication, including writing to staff individually, but also through the employment of competition within directorates.

7. Having used an external provider to deliver the survey and analyse the results provided the Council the ability to benchmark itself against other employers. The Council scored within the 'good' category overall, but there were areas on which it could improve. All questions asked could be traced to eight overriding areas, such as 'my team' or 'leadership'. The Council scored net-positively in all areas.

8. Respondees were also given the opportunity to provide free-text responses to a number of questions, with over 1000 comments registered. Some of the key findings from these were that staff felt very supported by their managers, and that there was a lot of opportunity for development within the Council overall, albeit that they did not always see those opportunities personally. One particular barrier to development was the lack of time available to take up development opportunities. Areas for improvement identified included the visibility of leadership and clarity of messaging. This had been identified as a priority area for action.

9. The intention, having established a baseline data set, was to run a streamlined follow-up survey in February 2024, with a further full survey in 2025. These surveys would be augmented by very short, one-question 'pulse' surveys on the intranet to take the temperature of staff on a particular issue at a particular point in time. Work would also be undertaken to analyse the responses of those with protected characteristics to see if any specific issues were identified, though from an initial scan no major outliers were present. The results of the entire survey were also to be housed within the Data and Insight team, to enable the learning to be used in conjunction with other sources of data to inform future work.

10.   In response to the presentation the Committee raised few issues, exploring whether the response rate and level of dissatisfaction were connected, the clarity of the questions posed, whether the emphasis on communication of policies was the cause of dissatisfaction with leadership or the content of the policies themselves, the shape and structure of the organisation, the support for raising issues outside the staff line management structure, concerns over the health and wellbeing of staff, and the degree to which leadership scores related arise primarily from political or operational leadership.

11.   Unusually, the Committee makes multiple recommendations directly to the officer corps of the Council. This reflects the fact ultimate responsibility for staffing matters lies with the Head of Paid Service and not the Cabinet. However, the Committee does wish to see the Cabinet taking an interest in the progress against these measures and makes one recommendation accordingly, and another in relation to issues within the political sphere.

RECOMMENDATIONS

To the Head of Paid Service:

Recommendation 1: That the Head of Paid Service, along with other relevant officers, undertake the following:

a) That the staff engagement survey is repeated, in full, on an annual basis

12.   The stated intention at Committee for next steps over the medium term was to repeat the 2023 survey in a slightly truncated form in 2024, and repeating the full survey in 2025. The Committee does not support this. The Committee welcomes the high response-rate to the survey, but it recognises that this level of response did not come without significant corporate effort. The Committee suggests that, if the primary cost to the Council is encouraging staff to participate, a cost which will not diminish with a smaller survey, then the marginal cost of upgrading from a truncated to a full survey will be low. The Committee notes the deep value of the NHS staff survey, which is undertaken annually and with minimal change between iterations.

13.   The Committee views the opportunity cost of not repeating the survey in full – more reliable data, quicker identification of trends, normalisation amongst staff – to be too great to justify the small saving of running a smaller survey in 2024.

b) That fuller comparative data is requested from Best Companies of the Council's performance against other local authorities and report against this data accordingly in future

14.   The Committee's view is that, whilst it is useful to be able to compare against companies participating in the Best Companies survey on a general basis, it should be recognised that there are very significant differences in the nature of

those companies and the environments in which they work. This is illustrated by the fact that the Council's score amongst all companies lies in the low end of the 50-75% quartile whereas, when asked in committee, it was confirmed that the Council was within the 'upper middle' of local authority participants.

15. It is a fairer judgement of the Council's performance if it can be compared to closer comparators. This could, also, be useful in assessing the degree to which issues of dissatisfaction are within the ability of the Council to address. For instance, were future jointly-agreed pay awards to fall significantly below inflation for an extended period this would likely be reflected in staff satisfaction. However, it would also be reflected at a sectoral level. The greater nuance of data would enable the Council to focus its attention on those areas where it holds the primary levers to improve staff satisfaction.

   c) That future staff engagement surveys are able to differentiate between responses from full and part time staff

16. Although incomplete at the time of Committee, the news that initial sifting of the engagement results along the lines of protected characteristics do not show any significant outlying experiences amongst these groups is welcome. However, the Committee does not see a justification for looking at particular subsets of staff only through the lens of equality, diversity and inclusion. One very significant group of workers, who have different needs to others, are those who work part time. Clearly there are significant overlaps between part time working and those with protected characteristics, but the Committee sees value in recognising part-time workers as their own group, identifying their particular needs and taking efforts to address them. In the most recent iteration of the survey, full-time and part-time workers could not be differentiated.

   d) That questions be added to future surveys over whether staff consider their work to be of value, and whether they feel it is valued.

17. One of the key strategic workforce challenges for the Council is retention of staff. Having a high turnover does not allow the Council to make use of growing experience which comes with spending a long time at an organisation, it is inefficient having to recruit and induct new staff regularly, and it can impair the level of service delivery. Levels of pay are clearly a contributor to retention, but perhaps not as much as might be expected, as illustrated in the BBC article below.

18. 'A 2020 McKinsey & Company surveyed showed **82% of employees believe it's important their company has a purpose**; ideally, one that contributes to society and creates meaningful work. And when a company has purpose, its people do, too. Separate McKinsey research from 2022 showed **70% of employees say their personal sense of purpose is defined by their work**, and when that work feels meaningful, they perform better, are much more committed and are about half as likely to go looking for a new job.

… In 2018, a survey of American professionals showed nine out of 10 workers would **trade a percentage of their earnings for work that felt more meaningful**. This drive for meaning is especially true of the newest generation to enter the workforce; in a survey of Gen Z workers from jobs site Monster, **70% of respondents ranked purpose as more important than pay**.'[1]

19. The Committee is gladdened by the fact that approximately two thirds of staff feel they are proud of and love working for this organisation, an organisation which a majority of staff recognise as being a difference-maker. However, given the importance of this metric, the Committee would like to see questions which measure whether staff feel their work is valuable and valued are added to future surveys to measure this directly.

20. The recommendations above relate to what the Committee wishes to be done in relation to future iterations of the survey. The following focus on issues which the Committee wishes to see undertaken in response to some of results and discussion.

   e) **That work is undertaken to convey the inherent value of staff's work, and the value the organisation places on it.**

21. Linked to the above, whilst 61% of staff confirming that the Council has a strong social conscience, other areas of the survey show significantly higher positive response-rates. The Council's efforts around Delivering the Future Together show positive results at over 80% for around the theme of line management. This shows what can be achieved when the Council focuses on an issue. The Committee welcomes, for example, the implementation of measuring and conveying to social care staff the human impact of their work but it would like to see this taken more broadly and hopes that similar positive results can be achieved on measures of staff feeling their work is valued and valuable.

   f) **That the Council develops measures to understand whether it is achieving its intention to become less hierarchical and more of a matrix-working environment**

22. Of the eight themes in the survey, the worst-performing was 'leadership' and the most dissatisfied strata were so-called middle managers. The Committee's conclusion was that this was likely due to be down to middle managers holding significant responsibilities whilst not necessarily having the autonomy to address them. It was suggested that this indicated a notably hierarchical organisation. In response, it was agreed that this had been noted by the Chief Executive and that the plan was to move away from the current model of working, hierarchical (and often siloed), towards a matrix-working environment. This corresponds to the Committee's wishes, but when the question was asked 'how will you know how that change is going?' the answer was not known. The Committee seeks that a measure or set of measures is

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[11] The search for 'meaning' at work - BBC Worklife

developed so that the Council can get an accurate sense of the progress being made.

g) That mechanisms are developed to support and develop psychological safety, whereby junior staff feel enabled to challenge senior staff respectfully or pose alternative courses of action in safety without fear of repercussions and that an additional question is added to the survey relating to this

23. The results of the leadership theme deserve greater consideration. A majority of staff did not feel able to express agreement with the statement 'I have confidence in the leadership skills of the Senior Leadership Team'. The same is true for 'Senior managers truly live the values of this organisation.' Almost half of respondees showed some degree of agreement with the statement that 'senior managers of this organisation do a lot of telling but not much listening.' This sits in contradistinction with the high degree of positivity expressed towards direct managers; 72% of respondees disagreed with the statement.

24. The first two of these results indicates that there is a likelihood that junior staff are not necessarily of the same mind with senior staff as to what the Council should be doing and how it does it, and the latter is suggestive of a culture where communication is top-down. The Committee fully recognises that senior staff are there to lead, not follow, their staff. Nevertheless, the Committee is concerned that communication is insufficiently two-way, and that corporate culture give staff an insufficient sense of psychological safety to challenge or suggest alternative courses of action to their seniors. The Committee wishes to see this changed in the future, but also to see it directly monitored through the addition of a question to the survey directly relating to the confidence of staff to challenge senior staff.

h) That solutions are developed to address the twin needs of moving to a hybrid working model whilst also ensuring that relationships are developed between more junior and senior staff

25. Like many organisations, Covid-19 has wrought significant shifts in the way the organisation operates, with a major increase in hybrid working. Clearly, a change of this magnitude throws up challenges, which need to be overcome. Some of those challenges the Council has not, as yet, fully resolved.

26. One of those challenges was identified in Committee to be the consequence of remote-working: making staff outside an employee's regular interactions seem more remote, including senior staff. It was not that senior staff simply needed to be *visible* (as suggested to the Committee by officers) to more junior staff, presenting at meetings and such-like, but they needed to be more *available* to junior staff; there needed to be the opportunity for relationship-development and two-way communication. One possible suggestion is to ensure that senior leaders have perhaps a couple of one hour blocks in their diaries where junior staff can achieve the five-minute chats they need to move their work forward but are struggling to get. This, however, is merely a suggestion, and the Committee is really concerned that the outcome of

making senior staff more available to junior staff within a hybrid working environment is achieved.

i) That means are developed to allow work which does not deliver value to be dropped, rather than consistently adding to expectations on staff

27. The Committee was deeply concerned that more than one in three staff agreed to some extent with the statement 'My health is suffering because of my work'. When raised at Committee, it was explained that the feedback provided at listening sessions with staff had been that staff were experiencing increasing demands as new requirements were passed their way, but that concomitant reductions in other work were not communicated.

28. The Committee fully agrees that the Council must adapt, meaning what staff do and how they do it must also change. However, there is a limit to staff capacity and already over one in three staff say they are under too much pressure to do their job well. To adapt to become more efficient the Council needs to internalise not only the question 'what do we need to be doing?' but also 'what do we need to stop doing?' For the sake of staff welfare, but also Council efficiency, the Committee wishes to see it become easier for low-value work to be scrapped and that steps are taken to enable this to be achieved.

j) That stronger steps are taken to clarify expectations of staff members around working outside standard office hours

29. A specific piece of feedback was raised in relation to staff health and wellbeing, namely that hybrid working also enabled more flexible working. It is now possible to open your laptop at the weekend, whereas before the office would be locked and there would not be the opportunity to work until it reopened. Feedback was received that staff felt that if they received an e mail outside standard working hours the expectation was that they should respond to it because often somebody would be relying on their response. A number of senior managers are already taking steps to make clear that e mails sent outside standard working hours do not require responses also to be made outside those times. However, the fact it was raised in feedback during the post survey listening sessions indicates that this good practice has not yet permeated far enough and the Committee would like to see it do so.

k) That further work is taken to understand and unlock the skills which the staff members believe are not being utilised

30. One final area of concern relates the staff feedback to the statement 'I have skills my organisation could use but doesn't'. Significantly more staff felt they agreed with the statement than disagreed with it (44% vs 30%). The response provided at Committee was not particularly fulsome in this area. Likewise, the Workforce Strategy has significant focus on developing leadership within the organisation, but less recognition is given to understanding how the Council can deliver greater value from the staff it has by using their skills better. If the Council is to become more streamlined and efficient it is imperative that it

makes the most of what it has and the Committee's sense is that understanding and addressing this is a lower priority than is needed.

To Cabinet

31.   Whilst direct responsibility for staffing matters rests with the Head of Paid Service, the Committee hopes that the Cabinet will take on ongoing interest in the delivery of actions taken in response to the actions above. One suggestion, though not a recommendation, is that details are included in the Cabinet's regular staffing update reports.

Recommendation 2: That the Cabinet monitors the actions and progress made in relation to the measures requested of the Head of Paid Service above.

32.   At an operational level, staffing is not a Cabinet responsibility. However, that is not to say that it there is no engagement or responsibility for it at all. The results of the survey showed a relative weakness in the organisation within its leadership. The Committee would like to see that the Cabinet has been proactive in providing a level of political leadership around clarifying objectives and values to ensure that staff have a solid understanding of the direction they and the Council are supposed to be travelling in.

Recommendation 3: That the Cabinet provides to the Committee as part of its response to this recommendation a statement outlining the actions they are taking from a political perspective to align the Council's objectives, values and priorities with the Cabinet's strategic objectives.

FURTHER CONSIDERATION

33.   The Committee is likely to seek an update when the next survey has been undertaken; whether that is in the current civic year or next will depend on the availability of the data.

LEGAL IMPLICATIONS

34.   Under Part 6.2 (13) (a) of the Constitution Scrutiny has the following power: 'Once a Scrutiny Committee has completed its deliberations on any matter a formal report may be prepared on behalf of the Committee and when agreed by them the Proper Officer will normally refer it to the Cabinet for consideration.

35.   Under Part 4.2 of the Constitution, the Cabinet Procedure Rules, s 2 (3) iv) the Cabinet will consider any reports from Scrutiny Committees.

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Annex: Pro-forma Response Template

Background papers: None

Other Documents: None

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