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Safer Stronger Communities Select Committee Supplementary Agenda

Wednesday, 11 May 2016

7.00 pm

Access Point, ground floor

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London SE6 4RU

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Part 1

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Agenda Item 3

Committee	Safer Stronger Committee	Item no	3
Title	A Briefing on the Talkback 2015 – Employee Survey		
Wards			
Contributors	Head of Human Resources		
Class	Part 1	Date	11 May 2016

1. Reason for Lateness and Urgency

The report has not been available for 5 clear working days before the meeting and the Chair is asked to accept it as an urgent item. This report was not available for dispatch earlier because a number of agenda items were rescheduled and this item was brought forward.

2. Background

- 2.1 Talkback 2015, the Council's employee survey which ran in October, was a chance for employees to say, anonymously, how things are for them at work. It was conducted, independently by BMG Research, who also carried out our residents' survey.
- 2.2 All eligible employees (2,450) within the Council were invited to take part in the survey, either through an email invitation to complete the survey electronically or via a paper questionnaire delivered to them at their place of work. Agency staff were also surveyed separately.
- 2.3 The overall Council response rate was 39.1%, down from 44% in 2012 and 41% in 2009. This is low compared to the average response rate of 50-55% across similar sized local authorities.

3. Summary and Purpose

- 3.1 The survey's main purpose was to support the programme of change that the Council is in the middle of, which requires a focus on managing resources efficiently, streamlining processes and developing the talent and capabilities of our people to encourage innovation.
- 3.2 The survey helped identify a core component of change: developing the talents and capabilities of the Council's people to encourage innovation. To do this it looked to gauge employee views in three areas which support this:
 - **Employee engagement** – In the current context of austerity that local authorities are all facing: how satisfied employees are with their jobs; how motivated they are at work; how highly they speak of the organisation; how valued they feel by the organisation; whether they feel that the organisation gets the best out of them. Responses to these questions enabled a calculation of an index measure of employee engagement.
 - **Performance** - Whilst the questionnaire did not measure performance directly, it served as a tool to explore whether employees are currently enabled to perform to the best of their ability. The survey explored whether managers abilities could be enhanced so that employees are enabled to perform via the tools / equipment

available to them, have access to training, and opportunities to use initiative, as well as whether their performance is managed effectively. Responses to these questions enabled a calculation of index measures of enablement and 'management of performance. This area also included:

- **Management of performance** - All employees were also asked whether they feel their line manager deals with poor performance effectively. If the answer was negative, they were then asked a follow up question about which performance related issues could be managed better
 - **Appraisals** – Employees were asked whether they had received an appraisal to review their performance in the last 12 months
- **Transforming the talents and capabilities of our people** – How the current working environment could be enhanced, whether people's skills are being maximised and how willing and able people are to adapt to and embrace change. This area also covered:
 - **Change management** – change, communication and involvement in Council changes. This area includes an open question on how change could be managed even more effectively.
 - **Personal development** – development opportunities at the Council; access to training and whether the organisation gets the best out of employees.
 - **Communication from senior managers** – how senior management could better explain the reasons for decisions, employee confidence in openness and transparency, and the appetite for greater engagement with senior managers. This area includes an open question on how senior management could better keep staff involved.

3.3 The survey aimed to build on findings from the Council's Peer Review; 2012 Talkback survey; employee exit surveys and recent employee focus groups (which were run to identify areas to explore in the survey).

3.4 The survey therefore asked focused questions on areas that required further exploration, rather than asking questions where the answer was already known. For example, it was known that there was a desire for greater/more timely communication from senior managers, particularly around the changes. Therefore, in order to determine what senior managers can do to communicate more effectively with employees, there was a question on what senior managers could do to better keep employees involved.

4. Summary of findings

4.1 The findings are more or less in line with the previous employee survey and feedback from employee focus groups. Whilst there were some more positive changes in responses and some more negative since the last survey, these were not by much, and there was little differentiation by Directorate.

4.2 The information from this survey and subsequent actions will be essential to ensure that the Council plans, implements and manages the programme of change as successfully as possible.

4.3 Areas of strength:

- The workforce has been found to be more adaptable than the average, and they are more likely than in 2012 to feel a responsibility for making change happen. This suggests there is a positive platform in which to drive forwards change.

- Staff feel that the Council provides a good quality service to the public, is a diverse working environment, with supportive colleagues and flexible arrangements.
- There have been notable improvements in attitudes since 2012, particularly in terms of how change is being managed. This includes how senior managers have communicated change due to budget reductions, levels of understanding and support for change, and how staff are being consulted and involved. More staff also feel the Council provides value for money.
- Positively, the workforce largely understands how their role helps the Council to achieve its objectives, and this is 10% points higher than the benchmark. This is a key ingredient of an engaged workforce, and therefore needs to be maintained.

Employees were asked a number of qualitative questions where they were asked to feedback their ideas on making savings in their area and how change might be better managed in the Council. Positively, many employees took the opportunity to feedback and offered plentiful and good ideas, particularly on what senior managers might do to involve employees more. Whilst, inevitably, some feedback was less positive, there were a number of employees who were very happy with how their senior managers kept them informed.

A survey was also conducted with the agency workforce. Agency workers are about 10% more positive than employees of the Council. This was expected as CIPD research finds that temporary employees have a generally more positive attitude to their jobs than permanent employees.

4.4 The Council could enhance the following:

- Career development – employees have negative perceptions of opportunities to develop a career at the Council and it is one of the key measures that are high in terms of importance as a driver of engagement, but is performing less well relative to other measures.
- Enabling and managing performance – there is particular emphasis on appraisals and how poor performance is managed.
 - Appraisals – half of the workforce say they have not had one (23% points below the benchmark). These sessions are critical in order to begin to address the priority of developing staff, their careers and their performance, and ultimately building capacity, particularly as the engagement score increases to 65% amongst staff who have had an appraisal.
 - Continuing to explore how engagement, performance and capability can be improved, the enablement and management of performance indexes found a distinct need for improved access to training and development (17% points below the benchmark), as well as appropriate tools/equipment (14% points below the benchmark). Dealing with poor performance was also identified as a critical factor for improvement for enabling high performance and innovation.
 - Another key driver of employee engagement is that of employee perceptions of openness and honesty and transparency in the communications of senior managers and these are not performing well relative to other measures.

4.5 Promoting diversity and fairness

In keeping with the Council's commitment to fairness and diversity, the survey requested that respondents entered data in respect of protected characteristics. Sample sizes were, in some cases, too small to report and cannot be included here since this may lead to identification of individuals. However the key results which may be reported are described below, in the main there was little difference identifiable by characteristic.

- As a whole, staff who identified as BME are more positive (42%) that there are opportunities to develop their career in the Council than non BME staff (29%).
- BME staff are more satisfied with their present job (65%) and more feel proud to work for the Council (64%) than non BME staff (60%). This is reflected in that BME staff feel more motivated (69%) to do a good job for the Council than non-BME staff (66%).
- BME staff (54%) were more positive than non-BME staff (44%) in having access to training and development, but less positive (63%) in respect of their skills being utilised than non BME staff (70%).
- BME staff are more positive (68%) that line managers deal with poor performance effectively than non BME staff (59%).
- As a group, staff who declared they had a disability were generally less positive of the Council than the wider workforce. In addition to feeling less proud to work for the Council (48%) than staff with no declared disability (67%), less than a quarter (24%) said they felt valued and recognised for the work they do when over half of the wider workforce (51%) were.
- Staff with a disability feel less comfortable working in an unpredictable environment (31%) than staff without a disability (51%).
- Management of disciplinary action was an area that 71% of staff with a disability felt could be improved. However, more staff with a disability felt sickness absence was managed effectively (58%) than staff without a disability (46%).
- Lesbian, Gay and Bisexual (LGBT) staff felt they had less opportunity to carry out their job using their own initiative (67%) than heterosexual staff (82%).
- Lesbian, Gay and Bisexual staff feel more of a responsibility for helping make change happen (77%) than heterosexual staff (66%) and 2/3 of LGBT staff (66%) have been involved in identifying ways to make their service/work area more efficient.
- When asked if their line manager treats them fairly, 75% of LGBT staff responded positively, rising to 83% of BME staff and 84% of staff with a disability.
- The age of employees had little impact on the results. There were few differences noted between age groups, with most responses falling into similar areas. Exceptions to this were when staff were asked how respectfully they felt they were treated at work and whether they had a positive future ahead of them at the council. Staff aged 16-35 were more positive in these areas by 10% and 22% than the wider staff population.

5. Key findings in detail

5.1 Employee engagement

Overall engagement levels have remained stable at 58% since 2012. However, of the measures which contribute to overall engagement, motivation has improved, but feeling valued and advocacy have declined and are both the lowest scoring components of engagement.

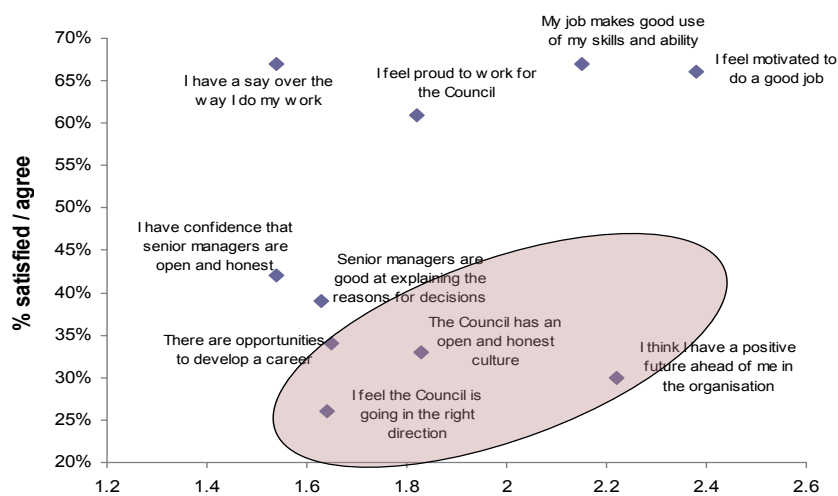
- 5.1.1 There is a clear inter relationship between engagement and a number of other factors, with engagement being 'driven' up or down depending on the experiences that staff have in the workplace. For example, whilst 79% of staff that say they have an opportunity to develop their career at the Council are also engaged, levels drop to 39% where staff do not feel they have an opportunity. Engagement levels also increase when staff have confidence in senior managers (76%), are kept informed (73%) and get regular feedback (69%).
- 5.1.2 Of the factors which are most likely 'driving' levels of engagement at the Council, BMG identified, through 'key driver analysis', where engagement can be 'driven up' by focusing efforts on improving those factors:

- The level to which staff are motivated to do a good job has the greatest impact on engagement (2.4 times the average),
- in addition, measures concerning the future staff feel they have ahead of them in the organisation,
- whether their job makes good use of their skills and ability,
- and the availability of career development at the Council are all important drivers of engagement.

BMG identified that career development was the most important driver at Lewisham (16%) followed by senior management / communications (11%).

- 5.1.3 Through key driver analysis, BMG built a prioritisation matrix based on the level of importance the measure is as a driver against the extent to which its current standing in the survey is positive or negative.

The prioritisation of factors that impact on employee engagement



- 5.1.4 Those measures that are high in terms of importance as a driver of engagement, but may not be performing well relative to other measures are those that require the greatest attention and prioritisation. The priorities for Lewisham Council in relation to employee engagement then are:

- To address staff feeling they do not have a positive future ahead of them at the Council
- To work with staff to develop their careers
- Improve perceptions of openness and honesty, particularly communication from senior management

5.2 Performance

BMG created two indexes in order to identify how staff are 'enabled' to perform, and whether 'management' are effective at managing performance and engagement.

- 5.2.1 Four measures are included in the 'Enablement' index: whether staff have:

- the tools they need to do their job,
- access to the training and development they need,
- whether their skills are being utilised
- and can they use their initiative?

- 5.2.2 The overall Enablement score is 61%, with the score being driven up by staff

believing they can use their own initiative (80%). However the 'Enablement' score is being driven down by less positive reactions from staff regarding the tools/equipment they need to do their job, as well as access to training and development.

- 5.2.3 Staff were given the opportunity to recommend one change that would have a positive impact on their job. These comments were grouped into common themes.
- 5.2.4 By far the most commonly provided improvement suggested is to the working environment (including IT, facilities, processes, car parking, air conditioning) (18%). This was also an area that came out strongly within the pre-survey focus groups, particularly in terms of the IT provision. A further 9% mention a need for better resources, including staff, salary, and therefore better workload management, and a further 9% wish to see more transparent communications (including listening to staff). This latter point has been shown to be important as a driver of employee engagement.
- 5.2.5 The Management of Performance index also uses four measures to calculate how effective managers are at managing performance; including engaging staff to improve their performance through regular feedback and recognition, and also dealing effectively with poor performance. The overall score is 59%, however there are variations across the indicators that make up the index. Line manager recognition and encouragement score relatively highly (67% and 63% respectively), however the overall score is driven down by perceptions of how poorer performing employees are managed by managers (48%).
- 5.2.6 Just 48% of employees reported having an appraisal in the last 12 months. This is compared to the assessment of around two thirds of employees having an appraisal in 2012.
- 5.2.7 The issue of managing poor performance came up in pre-survey focus groups, and is further highlighted as an issue in the open text comments following a question on to what extent respondents agreed that their line manager dealt with poorer performing employees effectively.
- 5.2.8 Employees were asked a supplementary question exploring what specific performance related issues are evident. By far the most common issues relate to motivation (76%), and a lack of skills and knowledge (75%). A further two thirds (65%) feel improvement in performance over time needs to be dealt with, and over half (56%) feel levels of effort of colleagues could be improved. These staff were then given the chance to state any other performance-related issues apparent in their service. Some examples include:
- Lack of understanding of roles and responsibilities, linked to adapting to change
 - Knowledge sharing to reduce risk
 - Training, including on IT
 - Time management
 - Managers not enabled to deal with poor performance
 - IT
- 5.2.9 Engaged staff are the most likely to score highly in terms of how their performance is managed (86% compared to 4% who are disengaged and 45% who are partially engaged). As are those who feel valued (77%), and those who feel they have an opportunity to develop a career (78%) and have had an appraisal (71% compared to 48% who have not had an appraisal).

5.3 Transforming the talents and capabilities of our people

5.3.1 Change management, communication and involvement in Council changes

Employees are more likely than in 2012 to feel a responsibility for making change happen and 70% are committed to the Council and the challenges that lie ahead. 81% say they are motivated to go the extra mile beyond their job description.

5.3.2 BMG created an adaptability index as a means of assessing the levels of adaptability of the workforce to change. It included thirteen measures, which can be themed under connection, resilience, attitude, supportive / empathy and confidence / self belief. Employees have been found to be more adaptable than the average with 71% of respondents defined as very adaptable. This compares very positively against the benchmark of around 50%.

5.3.3 A comparison of employees defined as 'very adaptable' compared to those defined as 'moderately adaptable' shows that 'very adaptable' staff are also more likely to:

- be engaged with the organisation (71% cf 26%),
- speak highly of the Council as an employer (67% cf 14%)
- be motivated to do a good job (79% cf. 36%)
- believe senior managers are good at explaining the reasons for decisions (51% cf. 15%)
- believe the Council is going in the right direction (31% cf. 1%)
- feel comfortable working in an unpredictable environment (60% cf. 16%)

5.3.4 All staff were given the opportunity to state in their own words what they think the Council could do to more effectively manage change. Whilst the largest proportion (38%) did not provide a suggestion, and 10% felt that nothing needed to be done to more effectively manage change, there is clearly a desire for greater transparency and honesty in communications (17%). A further 15% of staff would like to see greater involvement of staff (and public) in decisions regarding change; which is another message coming through strongly in the data in this section as a whole.

5.3.5 Fewer employees feel informed about what is going on across the Council than they do within their Division/Service, with just 46% of employees feeling fully or fairly well informed about the Council or their Directorate. 20% feel they are not told much at all about what goes on in the Council (20%) or their Directorate (21%). However, this is also just 1% point lower than the local authority benchmark. Amongst staff who feel they get limited or no information about what is going on in the Council, just 16% feel the Council has an honest and open culture.

5.3.6 Whilst there have been notable positive changes in attitudes towards change and how it is managed, there are still enhancements which could be made in relation to changes taking place as a result of budget reductions. Whilst the majority of employees (84%) understand why the Council has made budget reductions, and there has been an 8% increase in employees feeling involved and consulted in decisions, more could be done to ensure employees feel involved and consulted in decisions and identifying ways of making their work area more efficient.

5.3.7 Whereas a majority of employees believe the ongoing changes are important for its success, a sizeable minority do not feel the Council is going in the right direction for them and this decreases amongst employees who say they do not feel comfortable working in an unpredictable environment and employees who say they do not feel informed about what is going on across the Council.

5.3.8 Employee ideas on how the Council could make savings in their area

All respondents were asked to provide their ideas on how the Council could make savings in their area. Whilst ideas are varied, the key themes emerging from staff suggest that savings could be made by:

- Investing in better equipment (IT in particular) to enable staff to work more efficiently and reduce the time spent on individual tasks. For example, an IT system that enables teleconferencing would prevent the expenditure of people travelling for meetings;
- Allowing for more flexible working patterns;
- Collaborating with other authorities; (e.g. between teams, with other councils, the Police)
- Reduce the reliance on temporary staff and external consultants in favour of making better use of permanent members of staff;
- Streamlining management (particularly in the smaller service areas);
- Increasing the use of online methods and reduced use of hard copies of documents.
- Improved communication and management
- Look at staff numbers/salaries
- Energy and resource management (e.g. energy efficient lighting and recycling)
- Income generation e.g. introduce/increase charges for some services
- Accountability/performance management
- More control over non-centralised spending
- Invest in services
- Improved procurement practices/contract reviews
- Offer voluntary redundancy and redeployment to other staff
- Focus on a good, basic service
- Change to rents
- Reduce opening hours

5.3.9 Personal development

73% of staff feel the experience they gain from their job is valuable for their future. A further two thirds (67%) believe their job makes good use of their skills and ability and this is in line with the BMG benchmark (66%). However, only 48% of employees say they have access to the training and development they need, 17% points lower than BMG's benchmark, and as high as 30% feel they do not get the training and development they need. There is an inter relationship between training and development opportunities and engagement: amongst staff defined as engaged, 67% agree they get the training and development they need. However, just 12% say this amongst staff who are disengaged.

5.3.10 In addition, amongst staff who do not feel they have an opportunity to develop their career at the Council, just 27% have had the training and development they need. This compares to 73% who feel they have a career at the Council. Opportunities to develop a career at the Council can drive employee engagement levels, and this is one of the poorest scoring areas across the survey. However, putting this in context, the proportion agreeing they have an opportunity to develop their career is only marginally lower than the BMG public sector benchmark (37%). Staff groups least likely to feel they have an opportunity to develop their career are: part time (27%); in service for 20+yrs (23%); with a disability (23%); Grades SC6-SO2 (27%).

5.3.11 These findings may be as a result of the disinvestment in training and managers have not been equipped managers to focus on career conversations.

5.4 Communication from senior managers

Confidence that senior managers are open and honest about changes taking place due to budget reductions has improved since 2012, yet there is still a third (34%) of the workforce who do not have sufficient confidence. Only a quarter (24%) of employees who do not feel informed about what is going on in the Council have confidence in senior managers; however, of those who do feel informed, confidence levels more than double to 62%.

- 5.4.1 More than half (55%) of the workforce would like to engage more with senior management. To help understand how senior managers could better keep staff involved and informed, an opportunity was given to staff to provide their ideas on this. The most commonly used phrases are regular meetings briefings, managers, open, honest and decisions.

Some more specific ideas were:

- 'Ask the Director' drop-in sessions
- Directorate based briefings or communications from the Executive Director. To provides the opportunity for 2 way comms.
- Regular briefings and information cascaded down through team managers
- Communicate the challenges ahead – by more frequent written communication, or being more visible to front line staff.
- Through more frequently feedback with staff sessions on its performance. Strategic direction: challenges: more interactive consultation with staff via its webpage - 'you told us we did.' Demonstrable evidence on how Lewisham Council compares to its statistical neighbours in terms of v/f and staff satisfaction.

- 5.4.2 The survey identified another factor that appears as not only low scoring, but a key driver of employee engagement, is that of employee perceptions of openness and honesty, and transparency in the communications of senior managers. Employees have been asked for and contributed their ideas for how senior managers could better keep them involved and it is recommended, that to increase involvement and engagement, some of these ideas are implemented to offer staff opportunities for two-way discussion; and on a more day-to-day basis, formal channels are out in place for information to feed through managers into team briefings, with also an opportunity for staff to feed upwards.

6 Legal Implications

None applicable

7 Financial Implications

None applicable

8 Equality Implications

Refer to paragraph 4.5 about diversity and fairness.

9 HR Implications

The entirety of this report is taken up with human resource matters which are followed up in the conclusions below.

10. Conclusions

- 10.1 One of the most important areas of focus concerns career development. It is the top key driver of engagement. A number of other measures are intertwined with this, but it is key to develop managers and give them the skills they need to have the

conversations with staff about their performance and how to improve and develop within the organisation.

- 10.2 Linked to this, half of the workforce report that they have not had an appraisal. Amongst staff who have had an appraisal there are clear benefits. These sessions are critical in order to begin to address the priority of developing staff, their careers and their performance; and ultimately building capacity.
- 10.3 The enablement and management of performance indexes found a distinct need for improved access to training and development (17% points below the benchmark), as well as appropriate tools/equipment (14% points below the benchmark). Dealing with poor performance is also important for enabling high performance and innovation. Therefore developing managers' skills and confidence will be key to addressing these areas.
- 10.4 Another factor that appears as not only low scoring, but a key driver of employee engagement, is that of employee perceptions of openness and honesty, and transparency in the communications of senior managers. Employees have been asked for and have contributed their ideas for how senior managers could better keep them involved and it is recommended, that to increase involvement and engagement, some of these ideas are implemented to offer staff opportunities for two-way discussion; and on a more day-to-day basis, formal channels are put in place for information to feed through managers into team briefings, with also an opportunity for staff to feed upwards.
- 10.5 The key to developing an adaptable workforce that feels comfortable working in an unpredictable environment is to communicate more openly and transparently on the changes and their potential impact, to develop trust and confidence, and to involve staff in decisions being made. The relationship between these factors is very prominent in the results, particularly in terms of engaging staff in the direction in which the Council is going. Recent research indicates that in organisations where there is a solid foundation of trust and confidence in leadership at all levels, change efforts are much less likely to go off-track.

11. Recommendations

- 11.1 The following recommendations were agreed at Mayors Briefing and a HoS/EMT meeting.

Career Development

- Develop manager's skills and confidence to have the necessary conversations with employees about their career development'
- Create an online career development portal for employees to access and utilise
- Change employee career expectations – i.e. focus to be about developing themselves so that they have 'transferable' and 'portable' skills

Performance Management

- Create greater link between corporate and employee performance management
- Improve appraisal (PES) usage and monitoring
- Develop managers' abilities to manage performance

Communication and Engagement

- Improve exposure to executive directors
- Feedback themes and actions from Talkback
- Develop regular staff briefings

11.2 **Actions required to implement recommendations**

The following actions have been undertaken to date to implement each of the recommendations.

Career Development

Content has been incorporated in Management Development training initiatives which are being rolled out later in 2016. An online career development portal for employees to access and utilise is being investigated and further support in changing employee's career expectations – i.e. focus to be about developing themselves so that they have 'transferable' and 'portable' skills – is being incorporated in further training and development support available from June 2016.

Performance Management

A more specific link between service planning, KPIs and the Council's appraisal process has been developed. This will incorporate a brief of what managers with people accountability need to do to provide greater clarity on managing performance. In addition, a review of the PES usage and guidance will take place in 2016. Managers' abilities to manage performance is being incorporated in the Management Development Programme activity.

Communication and Engagement

To improve communication and engagement with senior managers, lunchtime briefings by the Senior Management Team and a 'You Asked – We Did' poster campaigns are to be developed. In addition, regular staff briefings through monthly/quarterly newsletters, email bulletins by the Senior Management team and wider team meetings are being developed.

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