Quarterly Workforce Report

Introduction

This is a new format for the existing quarterly workforce report which aims to raise awareness of the size and makeup of the workforce and of the issues that affect it. When appropriate it provides the opportunity to explore and discuss issues identified from analysis of the data arising from workforce transactions.

The first section of the new report will give the key observations from the data that has been analysed for the quarter. This will be followed by a themed commentary which will provide a deeper analysis and insight into a specific topic that is current for the council. The indicators at the end of the report will give an instant view of selected trends over the last year to see the wider picture of what is changing in the workforce. We are proposing the following key themes to be chosen when most relevant and applicable:

- Sickness absence
- Employee turnover
- Resourcing and recruitment
- Employee costings
- Apprentices
- Employee engagement
- Under25s/demographics
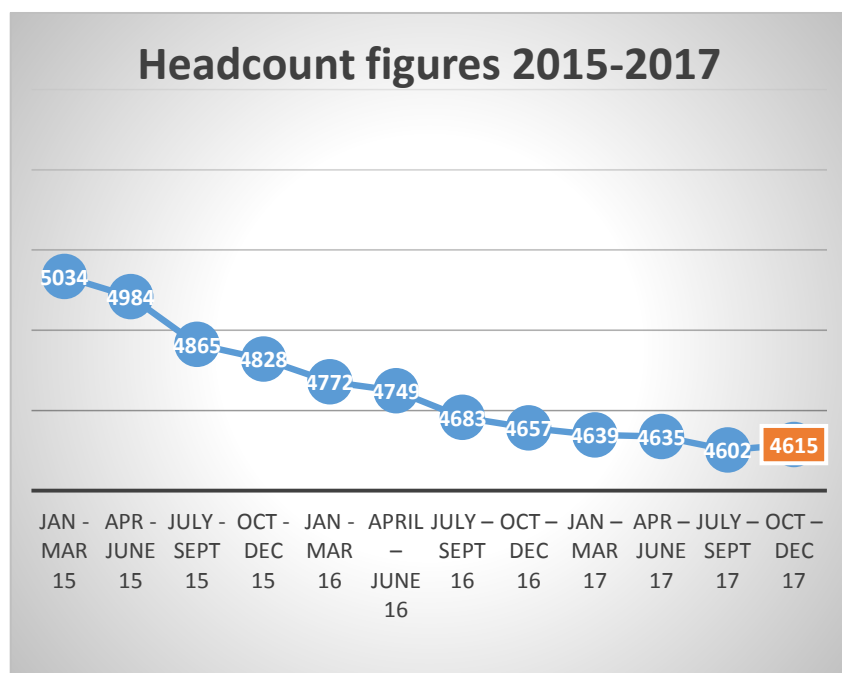- Agency

Quarterly Workforce Report

September – December 2017

Key Observations

The headcount figure has increased slightly this quarter; although only by a small number (+13), it is the first increase since the 2015 January-March quarter. This is reflected in the ratio for starters and leavers (1:0.8 for this quarter, i.e. less people leaving than starting).

This increase is not just due to new employees but also highlights contractual changes for existing staff: 22 employees previously on casual contracts are now on variable or permanent contracts, and a further 18 people have taken up a secondary post.

Headcount figures 2015-2017

5034	4984	4865	4828	4772	4749	4683	4657	4639	4635	4602	4615
JAN - MAR 15	APR - JUNE 15	JULY - SEPT 15	OCT - DEC 15	JAN - MAR 16	APRIL – JUNE 16	JULY – SEPT 16	OCT – DEC 16	JAN – MAR 17	APR – JUNE 17	JULY – SEPT 17	OCT – DEC 17

The use of agency staff sees an interesting change in this quarter, whereby the monetary cost of agency staff has increased but the FTE number has reduced slightly. Further analysis has shown that this relates to a higher than usual use of interim staff at a senior management level in this quarter, with four interim posts at grades HAYLEAD2 and above introduced during this quarter. Given the recent structure changes at tiers one and two of the organisation, this is not unexpected.

Over recent months, employee engagement has been a significant focus of activity for HR and the senior management team. A number of staff engagement initiatives have occurred during this time, with the crucial staff engagement forums taking place in this quarter. These efforts, allied with continual development of our employer brand, are likely to be contributing to positive changes in this quarter relating to the under-25 workforce and turnover rates. Specific figures can be found in the table at the end of this report, however notable decreases have been seen in overall turnover, under-25's turnover and turnover of staff within the first 12 months; these figures have not only significant dropped in this quarter but also show "across the board" improvements when compared to the equivalent quarter for the previous year.

Given these results and the current focus on engagement, a detailed analysis of the council's recent and planned engagement activities and their impacts forms the themed analysis for this Quarterly Workforce report.

Employee Engagement

In times of constant financial constraints and reducing resources, it is vital that we get the most out of the resources we have in order to still deliver the expected level of service. One factor in achieving this is the measurement and improvement of employees' engagement towards the organisation.

A recent report, 'Engaging for Success', written by David MacLeod and Nita Clarke for the Department for Business, Innovation and Skills comments that "as our public services face the reality of an end to the years of rapid growth in investment, it is hard to see how the quality of service we all aspire to see – employees and citizens alike – can be achieved without putting the enthusiasm, commitment and knowledge of public service employees at the forefront of delivery strategies".

Employee engagement is widely considered to be an indefinite concept, without an unequivocal definition; this results in engagement programmes meaning different things to different organisations, and therefore that it is not always measured in exactly the same way. However, one of the best ways we could find to describe it is:

"Engagement is about creating opportunities for employees to connect with their colleagues, managers and wider organisation. An engaged employee is aware of the business context, and works with colleagues to improve performance within the job for the benefit of the organisation. It is also about creating an environment where employees are motivated to want to connect with their work and really care about doing a good job… It is a concept that places flexibility, change and continuous improvement, in tune with the organisations mission, at the heart of what it means to be an employee and an employer in the twenty-first century workplace."

In the council's people strategy employee engagement is expressed as "*a person's sense of purpose and focused energy, evident in the display of initiative, adaptability, effort and persistence towards organisational goals*".

Sir Alan Jones, Chairman Emeritus of Toyota UK, reasons that the most valuable asset a company has is its employees, and argues that Toyota's people are their competitive advantage, and in in a world where competitive advantage is boiled down to small margins, employee engagement is the difference that makes the difference.

"Staff are our most valuable asset and could mean the difference in

"There is considerable evidence linking employee engagement to organisational performance"

There is considerable evidence linking employee engagement to organisational performance, with each source citing improved performance as a benefit of employee engagement. The 'Engaging for Success' report mentioned above is widely recognised as a key piece of literature around the concept. It states that outcomes of an improved level of engagement may include: lower accident rates, higher productivity, fewer conflicts, more innovation, lower numbers leaving and reduced sickness rates. This link to performance is particularly important in supporting the council to focus on generating income by adopting a more commercial approach to what we do, and is a key objective in the Business Plan 2017 – 2027.

In the context of the council, increasing staff engagement to achieve improvements in organisational performance would also offer opportunities to support delivery of further efficiencies, cost reductions and reduce risk. This view is supported by research from Gallup, a leading company in surveying and analysing workplace behaviour. A review of almost 24,000 organisations concluded that those with engagement scores in the top quartile (the top 25%) averaged 18% higher productivity.
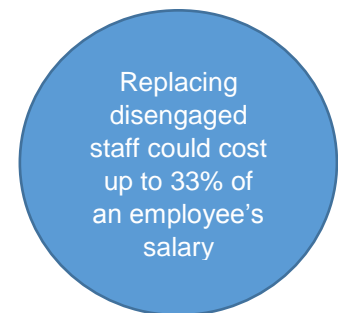
The Chartered Institute of Personnel and Development has stated that employee engagement is now widely accepted as an important factor in achieving performance in the workplace; Gallup went a step

further, finding that increased engagement is strongly related to higher levels of innovation, one of the key brand pillars in our people strategy and the Institute for Employment Studies (IES) argues that an engaged employee experiences a blend of job satisfaction, organisational commitment, job involvement and feelings of empowerment. A case study on The VT Group (identified in the Engaging for Success report mentioned previously) relays that VT's emphasis on engagement has led to improved team working, mutual support, greater personal responsibility, autonomy, collaboration and influences which are resulting in greater innovation. This reinforces our view that our employee value proposition is heavily linked to employee engagement.

Empowering people
Our staff are empowered to deliver services to our customers and are encouraged to find new ways of working to improve the customer experience.

Suggestions are welcomed and opportunities are explored in order to maximise service delivery.

Innovation
Our systems, practices and policies are progressive and enable our staff to have improved flexibility in their roles, transparent career opportunities and the ability to share knowledge and expertise with each other for the benefit of our communities.

Collaboration
We provide a supportive culture where we work together to achieve more. We listen to our staff, partners and communities and do things **with** rather than **to** them.

We use our strengths to help each other, and welcome new perspectives. Put simply, we know we can achieve much, much more when we work closely with, listen to and support others.

■2012 ■2014 ■2016

Our People Strategy 2017 – 2027 introduces three brand pillars that we identify as core values; empowering people, innovation and collaboration. All three of these brand pillars have strong links to employee engagement. Gallup found that 59% of engaged employees say that their job brings out their most creative ideas (against only 3% of disengaged employees). 78% of highly engaged public sector staff believe they can have an impact on public services delivery or customer service, (29% for staff identified as disengaged).

Studies have found that 54% of disengaged employees are considering leaving their present jobs (Gallup) and that replacing them costs up to 33% of an employee's salary (HR Dive). Disengaged employees are likely to be less productive and have higher levels of absence. Employees who are physically present at work but disengaged from what they are doing also have significant potential to adversely affect service provision.

Replacing disengaged staff could cost up to 33% of an employee's salary

Despite the ongoing financial pressures on Local Government and public-sector bodies, it should be noted that the council has seen a consistent increase in employee engagement at Wiltshire Council since 2012. In times where you would expect to see many people unsure of where they fit in the organisation, or concerned about restructures and job security, engagement is the highest it has been since we started capturing it in the 2012 Staff Survey. This suggests that the council has managed this wholesale change effectively, and that a focus on employee engagement and wellbeing has been maintained, acting as a contributory factor in achieving efficiencies without significantly affecting service provision.

Several sources suggest that engagement as a whole in the UK is going through a tough period. The Institute of Employment Studies (IES) suggests that the UK's current major productivity deficit is underpinned by a crisis in employee engagement. Engage for Success support this view, indicating that multiple surveys show only around one third of UK workers feel they are engaged (a figure which leaves the UK ranked ninth for engagement levels amongst the world's twelfth largest economies, ranked by GDP).

Given this information, we have concluded that significant benefits can be derived from improved employee engagement. Since greater focus has been placed on improving employee engagement at Wiltshire Council, including specific inclusion in the 2017-2027 People Strategy, an Engagement Lead role has been introduced within HR; the purpose of this role is to drive engagement within the council, working to a clear strategic direction with regards to engagement.

In this quarter, a number of engagement initiatives have been designed, introduced or planned. This have been achieved through close collaboration between the HR&OD team and service areas, and supported by the staff-led #EPIC engagement group.

Highlights include:

- The recently purchased Pulse surveys will be piloted in early January 2018, in preparation for roll out in Spring 2018. Pulse gives employees a voice and an opportunity to quickly and anonymously feedback their sentiments in three key areas ("Me", "Management" and "Company"), and helps us to identify cultural trends both within services and corporately. This is a key tool in identifying the effects and impacts of corporate engagement initiatives.

- HR business partners have been working very closely with services in order to tailor local engagement strategies. Through attending senior management team (SMT) meetings within services, Business Partners have been promoting the use of EPIC impressions as a way of saying thank you to staff, which has been well received and adopted.

- There has been a joint focus on engagement within Children's Services between HR and the service heads, including:

    o Business partners involved managers of all relevant services in the launch of 'Right Choice' (offering support services to all education advisors) to schools, to ensure that they were engaged in the brand and the approach taken. A member of our Organisational Development team in HR also ran a team building exercise as part of this.
    o The introduction of the family and children's transformation (FACT) programme newsletters, which are being produced and sent out across the service to keep all staff engaged in the transformation programme, including regular "day in the life of…" stories from individual workers.
    o The support and safeguarding service ran a manager away-day before Christmas for all team managers, assistant team managers and aspiring managers within the service, supported by staff in the OD team. Part of this was to conduct PPA profiling, in order to understand how people behave at work, in turn supporting collaborative and team working within the service and where/how to boost morale.
    o A health check survey is being developed and will be circulated to certain groups of staff in March/April 2018, to understand what motivates them at work and what could be improved.

- In more remote services feedback from the 2016 staff survey shows they often don't feel part of the organisation when not based in a main hub. HR Business Partners and the OD team are addressing this through:

    o 'Career is my asset' roadshows planned within highways and transport, showcasing learning and development opportunities available within the council, as well as identifying what support is available externally. A key outcome of this is that all employees will be encouraged to arrange a development discussion with their line manager.
    o Arranging for an external speaker from the Corsham Institute, Dr Charles Kriel, to hold a seminar on social media (see #EPICTalks below).
    o Change management workshops within waste and environment, ensuring managers have the right skills and knowledge to support staff during periods of change.
    o Focussing on building a stronger leadership team within waste services (following a recent restructure), helping to deliver the changes as well as build staff engagement and performance.

The #EPIC group is now in its 2nd year, with over 30 members from across all council services. The first meeting of the new cohort is in January 2018. This group gives staff the opportunity to formulate and deliver initiatives for the council, outside of the remit of their "day jobs". Some of the initiatives they have been working on include:

- The development of the #EPICTalks programme, an innovative scheme to support learning and expand knowledge through "TEDtalks" style events, with speeches from thought leaders and academics. The first event will take place on 26th March 2018.
- Modules relating to staff engagement have been included in the new leadership and management apprenticeship and in-house programmes, with delegates encouraged to join the #EPIC group for a period of time.
- An internal communications task force has been put together alongside the communications team to deliver "Ideas into Action", highlighting whenever employee ideas (from the staff forums, EPIC ideas and other channels) have been adopted by the council and what positive impact they have made.
- Collaborating with the internal communications team and customer services to deliver a visual way for the public to say thank you to individuals, teams or services.

- EPIC impressions allow staff to say thank you and congratulate each other with a digital badge and message – 4,712 impressions have been sent since the scheme was introduced. In this quarter, we also introduced a limited time Christmas pudding themed impression, in place of people sending Christmas cards or emails to colleagues. This was extremely well received, with 692 'EPIC Xmas badges' sent between the 18th and 22nd of December, representing around 15% of all impressions sent since July 2017.
- Producing #MeetOurTeams and #OurStories videos to highlight the diversity of roles and teams that do such great work, to be delivered on social media and the intranet.
- Working alongside the communications team and facilities management to deliver employer branding visibly throughout main hubs, displaying things like our employer promise, to unify and build a strategic narrative.

Staff engagement will continue as a key strategic theme for both HR&OD and the wider organisation throughout 2018 and beyond. Given the council's recent investment in both people and technology dedicated to supporting, measuring and identifying engagement, its drivers and its effects, we feel well placed to maximise the opportunities arising from improving staff engagement.

QUARTERLY WORKFORCE Measures

Quarter ended: 31 December 2017

Staffing Levels

Measure	Jan – March 17	Apr – June 17	July – Sept 17	Oct – Dec 17
Headcount	4639	4635	4602	4615
FTE	3527	3511	3489	3473
Agency worker use (equivalent number of FTE's used during quarter)	95.9	97.3	105.4	100.1
Ratio of managers to employees	1:10.2	1:10.3	1:10.4	1:10.2
FTE of managers	445	439	431	440
Number of redundancies made during quarter	25	19	19	17
Ratio of starters to leavers (FTE)	1:1.1	1:1.4	1:1.1	1:0.8

Sickness Absence

Measure	Jan – March 17	Apr – June 17	July – Sept 17	Oct – Dec 17	Oct – Dec 16
Working days lost per FTE	2.7 days	2.2 days	2.1 days	2.1 days	2.1 days
% of total absences over 20 days	42.9%	53.5%	49.4%	42.3%	47%

Health and Safety RIDDOR related injuries

Measure	Jan – March 17	Apr – June 17	July – Sept 17	Oct – Dec 17
No. of workplace incidents/injuries reported	2	0	2	3

New Disciplinary, Grievance and Absence Cases

Measure	Jan – March 17	Apr – June 17	July – Sept 17	Oct – Dec 17
Disciplinary cases	20	16	14	16
Grievance cases	2	3	3	2
Absence cases	202	131	183	153

Voluntary Staff Turnover

Measure	Jan – March 17	Apr – June 17	July – Sept 17	Oct – Dec 17	Oct – Dec 16
% staff turnover	2.2%	2.6%	3.3%	2.0%	2.4%
% <1 year turnover rate	3.2%	4.3%	5.9%	3.4%	4.8%
% Under 25's voluntary turnover	1.9%	5.1%	10.5%	4.0%	6.1%
Average leavers' length of service	8.4 years	8.1 years	7.2 years	7.8 years	9.2 years

Employee costs

Measure Relating to Quarter	Jan – March 17	Apr – June 17	July – Sept 17	Oct – Dec 17	Oct – Dec 16
Total paid in salaries to employees (non casual)	£25.08m	£25.23m	£25.25m	£25.19m	£25.68m
Total paid in salary to casual employees	£0.40m	£0.48m	£0.55m	£0.56m	£0.48m
Total salary pay	£25.49m	£25.71m	£25.80m	£25.75m	£26.16m
Total paid to agency workers	£1.15m	£1.06m	£1.10m	£1.11m	£1.43m
Median employee basic salary	£20,456	£20,661	£20,661	£20,661	£20,456

Why this is important: Clear budgetary constraints mean that keeping track of this information is vital. Whilst we are seeing a reduction in contracted employees we may see some services using **alternative resourcing options on a more regular basis such as agency workers, consultants or** casuals. This information will highlight whether this is happening or not.

Additional financial information

Measure (If the figure is negative a saving has been achieved)	Jan – March 17	Apr – June 17	July – Sept 17	Oct – Dec 17
Cost of sick pay	£0.85m	£0.78m	£0.65m	£0.68m
FTE change due to employee hour changes	-6.2	-4.6	-8.2	-7.3
Cost/saving of employee hour changes	-£165,370	-£125,180	-£210,079	-£200,654

Why this is important: Sick pay amounted to £2,989,600 across Wiltshire Council during the 2016-17 financial year and therefore this is a substantial area of spend that should be minimised whenever possible. FTE changes indicate where services may be looking to employees to work more hours than they previously have done to cover gaps where a reduction in the headcount of employees has been made. It could also be an indication that services are adopting a more positive approach to flexible working.

Employee Diversity

Measure	Jan – March 17	Apr – June 17	July – Sept 17	Oct – Dec 17	Oct – Dec 16
% < 25	6.7%	6.5%	6.0%	6.5%	6.5%
% 55 and over	24.9%	24.9%	24.9%	25%	24.7%
% Female	70.0%	70.2%	70.9%	70.6%	69.9%
% Part-time	43.6%	44.1%	44.2%	44.9%	43%
% Temporary contracts	5.5%	5.3%	5.7%	5.5%	5.5%
% Black or Minority Ethnic	2.1%	2.0%	2.1%	2.1%	2.1%
% Disabled	3.6%	3.6%	3.7%	3.7%	3.4%