

Workforce Information

Update on levels of employee engagement

Purpose of the report

1. The purpose of this report is to provide Staffing Policy Committee with an update on current levels of employee engagement based on the information and data available.

Background

2. Employee engagement is crucial to the success of the council and the delivery of the council's vision and the new business plan, and is an indication of the level of staff morale in an organisation. HR already monitors employee engagement and uses the national "engage for success" motion (started by the MacLeod Report, 2009) to support this. This is a central government initiative and gives the evidence for monitoring and improving engagement and is referred to throughout this report.
3. Recently, concerns about the current levels of employee engagement have been raised by some members and the branch office of UNISON, against a backdrop of significant change including a recent council wide voluntary redundancy programme and increases to senior manager pay.
4. At a meeting of Overview and Scrutiny on the 8th October a review of staff engagement and morale levels using an external provider was proposed and discussed. It was agreed that instead the data available internally should be used to provide an update on current employee engagement levels to Staffing Policy Committee.
5. It is important to understand the context around the initiatives that have taken place to maintain employee engagement and the challenges that the council has faced since it became a unitary in 2009. These challenges have included:
 - Doubling the size of the workforce by bringing together five councils
 - Placing over 2500 employees at risk of redundancy since 2009
 - 820 redundancies as a result of over 83 service reviews and a council wide voluntary redundancy programme
 - Bringing together five cultures, behaviours and terms and conditions
 - Deleting the chief executive post and implementing a new leadership model for the council
 - No annual pay award for Hay graded staff since 2008, and all other staff since 2009.
 - A freeze on the payment of increments for all staff since April 2010.
 - Introduction of new ways of working, including hot desking, and a requirement for staff to work more flexibly.
 - An increase in senior manager pay as a result of a review of market pay for jobs at the same level in the public and not for profit sector, the first such review since 2008.
 - A council wide voluntary redundancy programme, resulting in 253 further redundancies
 - A recent senior management re-structure resulting in the realignment of services and a reduction in senior management posts.

6. Each of these challenges has and will continue to shape initiatives aimed at reducing the impact on staff to ensure employee engagement can be maintained during unsettling periods for staff.

Steps taken to monitor and understand levels of employee engagement

Workforce data

7. The transformation that has been taking place at the council since 2009 highlighted the need to monitor levels of employee engagement and in 2011 the first Wiltshire Council staff survey took place. In addition other steps were taken at the same time to ensure effective processes were in place to collect data that could reinforce the results of the staff survey. This included adapting the exit interview questionnaire and introducing more robust and effective monitoring of sickness absence levels and turnover. All of this data help us to understand the levels of employee engagement, and where appropriate enable the council to take action to address any issues.
8. Both the staff survey, which was repeated in 2012, and the exit interview questionnaire monitor engagement levels by asking six questions that monitor the three elements of employee engagement. The following questions are based upon ORC International's employee engagement model which is the product of 25 years of experience and development:
 - i. I am proud to work for Wiltshire Council
 - ii. I would recommend Wiltshire Council as a good place to work
 - iii. I feel a strong sense of belonging to Wiltshire Council
 - iv. I feel committed to the organisations goals
 - v. Working for Wiltshire Council makes me want to do the best job I can
 - vi. Wiltshire Council motivates me to do more than is normally required in my role
9. Please see Appendix 1 to view the results of these questions during both 2011 and 2012.
10. Using the statistics from the answers to these 6 questions has enabled the identification of engagement levels and the areas where improvements can be made.
11. Sickness and turnover information has also helped to monitor possible changes in employee engagement by looking at the levels of absence and turnover and the reasons for absence, particularly stress related absence.

Steps taken to maintain and improve levels of employee engagement

12. Enablers for maintaining and improving employee engagement are defined in "engage for success" the government initiative for monitoring and improving engagement. There are 4 enablers and the council has taken action against each. This has included:
 - i. Visible, empowering leadership providing a **strong strategic narrative** about the organisation, where it's come from and where it's going.

Actions taken:

- New business plan (2013 – 2017) which clearly defines the councils priorities and the outcomes required
- People Strategy (2012- 2015) which provides the rationale for further change and acknowledges the workforce as the council's most important asset.

- Hub visits, staff & manager forums, to provide staff with leadership visibility and raise the profile of the councils priorities and the role of staff in delivering them
- Management blogs & the use of social media, to keep staff informed
- Behaviours framework launched in 2012 to define how we expect staff to behave

ii. **Engaging managers** who focus their people and give them scope, treat their people as individuals and coach and stretch their people.

Actions taken:

- New and revised HR policies and procedures to provide managers with information that clearly defines their role and responsibilities
- Management matters courses to develop core people management skills
- 76 coaches trained, to reinforce and develop effective leadership skills
- Embedding the behaviours framework in policies, procedures, learning & development, appraisals and staff awards.

iii. There is **employee voice** throughout the organisation, for reinforcing and challenging views, between functions and externally, employees are seen as central to the solution.

Actions taken:

- Hub visits, staff & manager forums, giving staff to ask questions and challenge the information being provided.
- Staff surveys & the use of new social media for staff to feedback their views
- Staff survey action plans developed by staff in each service area in reaction to staff survey results
- Opportunities to join staff user groups to support and influence the transformational activities (travel, agile working etc)
- Introduction of monthly and annual employee awards to recognise contribution, aspirational behaviours and “can do” attitude

iv. There is organisational **integrity** – the values on the wall are reflected in day to day behaviours. There is no ‘say –do’ gap.

Actions taken:

- Introduction of a behaviours framework to clearly define the expected, desirable and aspirational behaviours required from staff, and embedded in policies, procedures, learning & development, appraisals and staff awards.
- Implementation of a new electronic appraisal solution focused on future performance and behaviour
- Monthly and annual employee awards assessed against the behaviours required and defined in the framework and recognising aspirational behaviour
- Hub visits, staff and manager forums, information cascaded reinforces the behaviours required
- New business plan which clearly outlines the importance of behaviours and the culture on delivery of the council’s priorities

Employee engagement analysis

13. The following section identifies our employee engagement levels based upon the analysis of staff survey results, voluntary turnover & exit interviews and sickness absence

Staff surveys

14. Staff surveys took place in February 2011 and October 2012.
15. Despite the challenges facing the council throughout this period (over 400 redundancies, deletion of the chief executive post) the 2012 results showed that significant improvements had been made in the following sections:
 - 'Managing Change' saw a 32% increase
 - 'Management and Leadership' saw a 10% increase
 - 'Employee Engagement' saw a 19% increase up to 51% (engage for success suggest only 33% are engaged across the country)
 - Questions regarding workload stayed consistent
 - 12 of the 14 questions used in both surveys saw increases in positive responses, the highest being for 'Wiltshire Council manages change effectively' where positive responses almost doubled.

Voluntary Turnover & Exit Interviews

16. Voluntary turnover decreased between the 2009/10 and 2010/11 financial years by 1.6%.
17. Since then though voluntary turnover has increased by 0.6%, and turnover for the current year is above the local government benchmark. The main reason given for leaving the council is "resignation for alternative employment. Despite this, analysis of the data from exit interviews shows that:
 - a. 90% were happy in their team
 - b. 65% left because they wanted a change in their career
 - c. 20% left due to better terms and conditions
 - d. 10% left due to a lack of job security and work life balance, which is a reduction when compared to 2009 when 20% gave this as the reason for "resignation for alternative employment".
18. The fact that job security and work life balance as a reason for leaving has reduced is an indication that the council has been able to manage effectively the changes that have taken place, including 274 redundancies so far in 2013.
19. This data suggests that employee engagement has not been a cause of voluntary turnover. This is reinforced by the results of the staff surveys in February 2011 and October 2012 which showed an increase of 19% in employee engagement.

Sickness Absence

20. Sickness levels were high during the first year of unitary (2009/10), with 9.4 days of absence per full time equivalent (FTE) but this dropped to 8.7 days during the following year, (2010/11).
21. Since then the levels of sickness absence has remained constant with little variation. However despite this the level of sickness absence attributed to stress has decreased by 15% in 2012/13 compared to 2009/10.
22. The fact that stress related sickness absence has decreased indicates that the cause of work related stress are being managed well despite the challenges being faced by the council and the impact of those challenges on the workforce.

Peer Review

23. The data analysis and the actions taken to maintain and improve employee engagement during a period of significant change is supported by initial feedback from the peer challenge which has been extremely positive on staff and culture. The peers were impressed by the council's positive and community focused organisational culture. They found that the council has a highly engaged workforce with a real sense of pride in the organisation, a clear understanding of the council's vision and purpose, an emerging single view of change, strong leadership and trusted relationships between officers and councillors. They concluded that this reduces the risk of failure of the transformation and will also ensure that robust decisions are made by the council and resources are allocated to ensure delivery of the business plan.

Summary

24. The report highlights that, although the council has been through a lengthy period of change and faced many challenges that have had an impact on the workforce; employee engagement has improved with the information suggesting that employees are more engaged with the council now than when the monitoring began in 2011.

25. The report also highlights the actions that have been taken to maintain and increase employee engagement across the council, recognising its importance in delivering the council's vision.

26. The analysis of all of the data available shows that concerns about staff morale cannot be substantiated. The conclusion is that all of the data available suggests that despite the changes taking place and the challenges being faced that employees are engaged.

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The following unpublished documents have been relied on in the preparation of this report: None

Appendix 1 – Staff survey employee engagement results

| | | | % Positive | |
|---------------------------|----|--|-------------------|-------------------|
| | | | Wiltshire 2012 | Wiltshire 2011 |
| Say | 38 | I am proud to work for Wiltshire Council | 55 | 49 |
| | 39 | I would recommend Wiltshire Council as a great place to work | 45 | 34 |
| Stay | 40 | I feel committed to the organisation's goals | 66 | 55 |
| | 41 | I feel a strong sense of belonging to this organisation | 43 | 34 |
| Strive | 42 | Working for Wiltshire Council makes me want to do the best job I can | 57 | 51 |
| | 43 | Wiltshire Council motivates me to contribute more than is normally required in my work | 38 | 33 |
| Employee Engagement Index | | | 51 | 43 |