Leeds City Council

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Report of Chief Officer HR

Report to   Scrutiny Board (Resources and Council Services)

Date: 25th June 2012

Subject: Staff Engagement

Are specific electoral Wards affected? If relevant, name(s) of Ward(s):	☐ Yes	**X** No
Are there implications for equality and diversity and cohesion and integration?	☐ Yes	**X** No
Is the decision eligible for Call-In?	☐ Yes	**X** No
Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number: Appendix number:	☐ Yes	**X** No

Summary of main issues

1. The Council has committed to improving staff engagement, and the overall engagement index (currently 71%) is now one of the five Cross Council Priorities in the Council's Business Plan. It is also a key element in our ambition to be the "Best Council in the UK".

2. This report outlines the progress to date and the activities that are underway to continue with this work to deliver real and tangible improvements in staff engagement across the council.

Recommendations

3. Scrutiny Board (Resources and Council Services) are asked to consider the contents of this report and note the current council-wide performance against the three key measures (response rate; engagement index; and 'performance gaps').

4. The Board are also asked to comment on the arrangements outlined in the report for improving, measuring and reporting on levels of staff engagement.

1 Purpose of this report

1.1 To outline to the Scrutiny Board (Resources and Council Services) the work that has been undertaken to date to measure and improve levels of staff engagement across the Council, and to allow the Board to consider and comment on the methods that are being used to improve, measure and report on engagement levels in the future.

2 Background information

2.1 The Council's new approach to measuring staff engagement is based on the MacLeod Review. This review showed clear links between an engaged workforce and high performance, specifically in relation to four drivers of engagement:

- Strong aligned leadership,
- Engaging Managers,
- Staff voice and
- Values/Vision.

2.2 The Council's staff engagement survey was designed around these four drivers (see Appendix 1 for examples of the questions) to measure engagement, on a 'self-report' basis (based on employees' own feelings/perceptions). The questions measure how important each element is to the respondent, and then measures the respondent's perception of performance against each element on a scale of 1 to 10. This approach helps to understand which engagement factors are most important to our staff, and how well the Council is performing.

2.3 It is also possible to derive an overall 'engagement index' which is used to indicate the levels of engagement in the Council and each Directorate. This measures the extent to which the organisation satisfies what employees need to feel engaged.

2.4 The engagement survey is, therefore, quite different from previous staff surveys. Earlier surveys have attempted to cover a wider range of topics and whilst they have provided valuable information are not considered value for money in the current financial circumstances.

2.5 The new engagement survey was therefore intentionally developed with a narrower focus and to provide a tighter set of measures. These will be tested on a quarterly basis with one quarter of the workforce being invited to participate each time. This new approach is intended to help managers and staff identify and report on progress more regularly. The higher frequency of the survey will ensure a higher profile on staff engagement.

3 Main issues

3.1 The results of the survey are analysed at a Council-wide, directorate and chief officer level, using three key measures;

a) Response rate: In the November 2011 survey, the overall response rate was 39% (54% for online responses; 20% for postal responses). Contact with Core Cities who

have been able to provide information found response rates as follows: Newcastle 51%; Manchester 40%; Liverpool 36%; Bristol 43%. However the nature, length and frequency of the surveys may not be directly comparable. Staff feedback was that response rates may have been higher if the survey had been anonymous. The first quarterly survey will allow anonymous feedback and a number of other changes have been made to try and increase the response rates.

b) Engagement index: (currently expressed as a %): this measures the extent to which the organisation satisfies what employees need to feel engaged, based on the importance/performance scores. In the November 2011 survey, this was 71% Council-wide (see below for details of the breakdown by directorate). A Council-wide performance target for the next quarterly survey has been set at 73% with a target of a 2% increase for each Directorate from their baseline position.

Engagement index (November 2011 survey)

The engagement score measures the extent to which the organisation is satisfying what employees need to feel engaged.
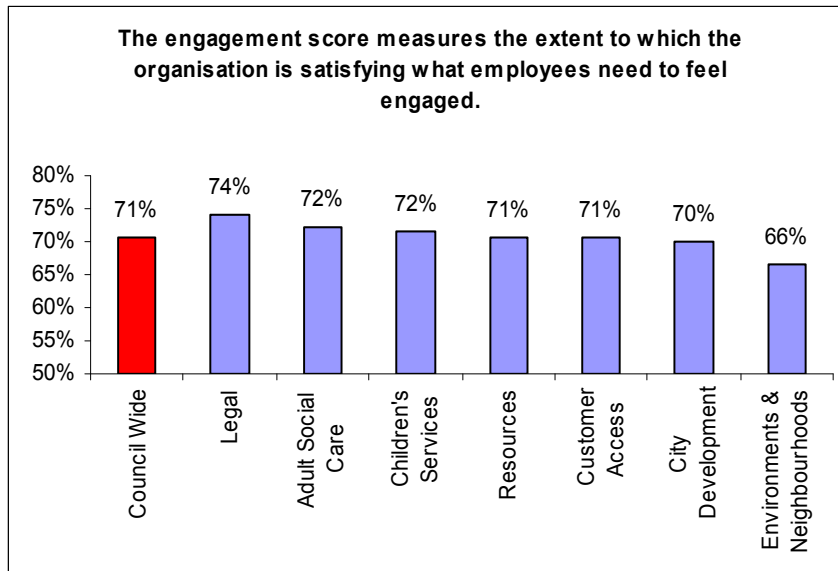
c) Performance 'gap': for each survey question the difference between the 'importance' score and the 'performance' score is compared. The smaller the gap for a particular question means the greater the extent to which employees feel that their needs are being met with respect to that topic. Council wide results are attached as Appendix 1.

3.2 In December 2011, the Corporate Leadership Team reviewed the results of the November 2011 engagement survey, and agreed the following three Council-wide actions:

- Embedding "Connected Leaders and Managers" – to ensure everyone gets the same high standard of line management and feels fairly treated.
- Quality 2 Way Communication – ensuring that the council supports line managers to communicate better and listen to staff.
- Effectively Managing Change – ensuring the council supports people through change and manages change better.

3.3 The results of the November 2011 engagement survey have been communicated to staff through a variety of media (colour posters displayed in work locations, a dedicated intranet page, discussions at team meetings etc), with each directorate leadership team being responsible for cascading the results to their staff. Feedback indicates that these different methods have generally been well received.

3.4 Each directorate leadership team has also been responsible for identifying actions within their own directorate which can deliver real improvements to the three Council-wide actions above, together with any other areas which the directorate leadership team believe to be important.

3.5 The accountability for delivering improvements in staff engagement rests with line managers within each directorate, and it is intended that these measures should routinely form part of each line manager's performance appraisal although further work is required to achieve this.

3.6 An 'Engagement Champions group' has been created to share best practice across the Council, and to facilitate and embed engagement work within directorates so it is truly owned by line managers.

3.7 In addition all directorates have implemented some tailored activities to improve levels of staff engagement as illustrated in Appendix 2.

3.8 Further planned actions rolling out the programme of quarterly surveys in May, August, November 2012 and February 2013; assessing the benefit of anonymising responses on response rates; costs/benefits of carrying out surveys on such a frequent basis; reviewing the content/relevance of questions; exploring ways of communicating the results and actions more quickly to all levels of the organisation; implementing an 'employee panel' to explore engagement topics in more depth (i.e. on a more qualitative basis);further work to maximise the numbers of staff who can access the staff survey electronically; using the current appraisal round to embed the 'Living our Values' behaviours, which underpin many of the actions that relate to staff engagement; continue to seek comparable external benchmark data on survey response rates.

4 Corporate Considerations

4.1 Consultation and Engagement

4.1.1 The trade unions have been consulted in the design and implementation of the engagement survey. The results have been, and will continue to be, discussed at Council and directorate JCCs.

4.2 Equality and Diversity / Cohesion and Integration

4.2.1 Equality data was available from the November 2011 survey which provided analysis of staff engagement across the different staff groups. However, this will not be available from the first quarterly survey as responses will be anonymous to try and improve the response rate.

4.2.2   The results have been reported to the Equality and Diversity Board and the Equalities in Employment Project Group and further work has been commissioned.

4.2.3   Consideration will be given to the balance of improving response rates, through anonymising surveys, at the 'cost' of equality data once the next quarterly survey results are available. However, given the quarterly surveys only include one quarter of the workforce, some of the equality indicators would in practice relate to small numbers of staff.

4.3   **Council Policies and City Priorities**

4.3.1   The engagement index that is derived from the staff engagement survey is one of the five Cross Council measures in the Council's Business Plan.

4.3.2   For each directorate, a 2% point increase from their 2011/12 baseline position will be the target for 2012/13.

4.4   **Resources and Value for Money**

4.4.1   All the costs of the survey have been met from within existing approved budgets.

4.4.2   However it is believed that costs will be more than met through increasing levels of staff engagement, morale, retention of key skills/staff within the organisation, and improved performance by actions taken as a result of the survey.

4.5   **Legal Implications, Access to Information and Call In**

4.5.1   No specific implications.

4.6   **Risk Management**

5.6.1   There is a risk that the frequency of carrying out the engagement surveys on a quarterly basis is too frequent giving little time t really embed and monitor improvement actions resulting in lower engagement/response rates due to 'survey fatigue' and staff not really seeing significant improvements/changes/actions between surveys.

5.6.2   There is a risk that managers may not fully use the opportunity offered by the forthcoming appraisals to really embed the things that will drive up engagement levels (e.g. embedding the Living Our Values' behaviours through effective self-evaluation and feedback on performance against the Values).

6   **Recommendations**

6.1   Scrutiny Board (Resources and Council Services) are asked to consider the contents of this report and note the current Council-wide performance against the three key measures (response rate; engagement index; and 'performance gaps').

6.2   The Board are also asked to comment on future arrangements for improving, measuring and reporting on levels of staff engagement.

7   **Background documents**- Nil

Appendix 1 Council-Wide Results (November 2011)

There are a number of reasons why the results of the survey draw attention to a particular issue:

- There is a high importance rating
- There is a low performance rating
- There is a large gap between importance and performance
- ratings

> The table shows which driver group each statement relates to, in the first column:
> 1 = Engaging Managers
> 2 = Staff Voice
> 3 = Strong Aligned Leadership
> 4 = Values/Vision
> 5 = How you feel about your job

Driver group	Statements	Importance rating	Performance rating	Performance gap	Order of importance	Order of performance
4	I am treated fairly at work.	9.3	7.3	-2.0	1	6
1	I am clear about what I'm expected to achieve in my job.	9.2	7.6	-1.6	2	3
4	I feel that the work I do makes a difference.	9.2	7.7	-1.4	3	2
5	My job makes me want to do the best work I can every day.	9.1	7.8	-1.3	4	1
3	In my service, we work well together for the people of Leeds.	9.1	7.3	-1.8	5	7
5	I feel proud to work for my service.	8.9	7.5	-1.4	6	4
5	I enjoy my job because it lets me do things I'm good at every day.	8.9	7.3	-1.6	7	9
2	I feel safe to challenge the way things are done at work.	8.8	6.4	-2.4	8	16
1	I know my manager keeps me up to date with important information from my service and the council.	8.8	6.9	-1.9	9	12
1	I get a say in how I organise and do my work.	8.7	7.3	-1.4	10	5
3	I feel that my work benefits from good leadership.	8.6	6.8	-1.9	11	13
2	My opinions matter at work.	8.6	6.3	-2.3	12	17
5	I feel proud to work for Leeds City Council.	8.6	7.2	-1.4	13	11
1	I get regular, helpful feedback from my manager about how I'm doing my job.	8.6	6.7	-2.0	14	14
2	I am asked about issues that are important to me at work.	8.6	6.4	-2.1	15	15
3	In my experience change is managed well at work.	8.5	5.9	-2.6	16	18
4	I recognise the Values in how my colleagues work.	8.4	7.3	-1.1	17	8
4	The Values influence how I do my job.	8.3	7.2	-1.0	18	10

Notes:

1) The 'statements' were those that were used in the November 2011 survey – respondents were asked to rate how importance each statement was to them (on a scale of 1-10) and how well the organisation performed in that respect, by asking 'in reality, how far is this true where you work' (again on a scale of 1-10).

2) The 'performance gap' is the numerical difference between the 'importance' and 'performance' scores (both out of 10).

3) The 'order of importance' (4th column) represents the rank order (1-18) which employees gave to the 18 different statements. Overall, all the issues included in the survey questions were seen as relatively important by employees, with the top average importance score of 9.3 being only 1.0 above the lowest (8.3). This suggests all issues play a relatively important part in making employees feel engaged.

Appendix 2"You said…we did"

Summary of actions taken following the November 2011 council-wide engagement survey

Staff Engagement - "You said….. We did…."

We want all of our staff to feel 'engaged' with their work – that is, to feel that work provides them with the things that are important to them in a job. We are measuring how well we achieve this through our regular staff engagement surveys. We carried out an all-staff survey in November 2011, and are now starting our regular, quarterly surveys, with one quarter of the workforce each time, to see how we are doing.

An important part of this will be helping you understand what the surveys have told us, and more importantly, what we've done about what you've told us!

We will therefore produce some information from each survey about:

- What you told us, and how this compares to previous surveys
- What we've done as a direct result of the survey, along the lines of "You said…. We did…." (for example, this may be starting something, stopping something, or deciding to carry on with something which we think is working well)

The November 2011 survey told us there were three main areas we needed to improve:

1) Consistency of approach in our managers, in terms of values and behaviours
2) Communications, so they are much more 'two-way' rather than just 'telling you things'
3) The way we manage change

Since then, services have been really taking time to understand the survey results in detail and looking at how they can improve in these three areas. The information below describes some of the activities that services have been working on.

"You said….. We did….."	
Feedback on the survey itself	
• Concerns about survey anonymity	• The survey responses are completely anonymous. For the online survey, there is now no requirement to log in with personalised details. For the postal survey, the bar code is identical on each survey, and is simply there to help the scanning system 'read' the responses accurately.
• More of you wanted to do it online (rather than by post)	• The survey can now be accessed from any computer, not just at work (e.g. at home, a library etc). It is also being sent electronically to other work email addresses (not just leeds.gov.uk)
• Postal survey was difficult to identify as 'important' in the post	• Survey envelope is branded so it stands out from normal post
• 'No-one ever tells us the results of surveys'	• Posters of results sent to each work location; results sent out via the intranet and also paper copies for managers to discuss with their staff
• "Nothing ever changes as a result of surveys"	• Please read on!

A summary of some of the activities that have already happened, or are underway within different directorates, to improve staff engagement

- Survey results communicated to staff through posters, via email/intranet, information given out at team meetings etc
- Discussion of results with all Chief Officers/Heads of Services to identify areas for improvement
- Focus groups with some staff to understand the results in more detail
- Services developing 'engagement action plans', and monitoring these at senior management meetings
- Introducing regular 'Time to Talk' sessions with staff, with dedicated time for staff to raise any issues they want to discuss
- Undertaking a large service-wide communication event, inviting Tom Riordan and elected members to attend
- Introducing a directorate-wide communication/engagement programme, led by the director, at a number of different locations, with an emphasis on top-down communication and listening to staff views
- Introduction of newsletters and videos to improve communication
- Assessment of different communication methods alongside engagement scores to see what works/doesn't work
- Quarterly reporting (as part of the normal quarterly reporting process) on specific actions implemented to improve staff engagement
- Engagement scores being incorporated into appraisal discussions for line managers