

Report to Scrutiny

6 December 2022

Subject:	Employee Engagement and Organisational Culture
Director:	Director of Business Strategy and Change Neil Cox
Contact Officer:	Victoria Lee Head of HR Victoria_lee@sandwell.gov.uk Kate Ashley Service Manager – Service Improvement Kate_Ashley1@sandwell.gov.uk

1 Recommendations

1.1 That the Board considers and comments upon:

- a) the approach taken to date to understand and improve employee engagement
- b) the actions taken as part of the Improvement Plan workstream (Phases 1 and 2) on Organisational Culture
- c) the Board considers the information and provides comments and views for the next phase of the organisational culture workstream.









2 Reasons for Recommendations

- 2.1 Organisational Culture forms an integral part of Sandwell's Improvement Plan and will be key to the future success of the Council.
- 2.2 There are clear links between culture and the key drivers of employee engagement.
- 2.3 Our organisation values and behaviours are central to customer experience and will both drive and be embedded through work on customer journey and around equality, diversity and inclusion.

3 How does this deliver objectives of the Corporate Plan?

- 3.1 Employee Engagement and Organisational Culture is fundamental to delivery of all corporate plan objectives.

	Best start in life for children and young people
	People live well and age well
	Strong resilient communities
	Quality homes in thriving neighbourhoods
	A strong and inclusive economy
	A connected and accessible Sandwell



4 Context and Key Issues

4.1 Employee Engagement Survey and Action Plan

- 4.1.1 The Employee Engagement Survey (EES) was conducted between February and March 2022 with a response rate of 61% of employees (2,374 responses from a staff population of 3,913). The survey remained broadly consistent with 2018 and previous years to enable past year comparisons. The survey was available via an email invitation and paper surveys were also available. An overview of the results is available at Appendix A. Where applicable, the results include the council's performance against the local authority benchmark and a direction of travel since the last survey in 2018.
- 4.1.2 The EES brings together a number of factors to calculate an overall employee engagement index. These factors include whether an employee is proud to work for the council and has a sense of belonging, that they are satisfied to work for the council and they would recommend it as a good place to work, and are motivated to contribute more than is normally required. Employee engagement brings benefits to organisations, including greater customer/client satisfaction, increased employee happiness and wellbeing, and increased productivity and creativity.
- 4.1.3 The results of the EES showed that employee engagement had fallen from 69% in 2018 to 63% in 2022. Whilst scores across all five factors were lower in 2022 than in the previous survey, Sandwell scored above the local authority benchmark in pride amongst staff (7 percentage points above benchmark) and recommending the council as a good place to work (8 percentage points above).
- 4.1.4 Key findings from the EES to address at corporate level are:
- Harnessing all the strengths of our staff, developing a culture of inspiring staff to innovate and do things differently
 - Visibility of Senior Leadership, and them living the council's values
 - Customer focus is not improving



- Pay and Reward/Recognition of hard work and dedication to the job
- Action to be taken in response to the survey

4.1.5 Corporate level results were presented to Leadership Team on 12 May 2022 and with staff via an All Staff Briefing on 26 May 2022. The results were also published on the intranet. Leadership Team were keen for action to address issues be developed with and by staff.

4.1.6 Directorate results were shared over June/July, and over the summer/early Autumn services conducted conversations with staff to further understand the results in their areas and identify key actions to address the findings based on good practice from across the organisation.

4.1.7 Key messages and suggested actions at corporate and directorate level were shared with Leadership Team on 30 August 2022. Directorates compiled the key actions to address the top three issues in their specific areas and the top three high performing areas to ensure good practice continued. These action plans were reviewed by Leadership Team on 18 October 2022, with the agreement that the action plans would be monitored corporately on a quarterly basis.

4.1.8 One in five respondents to the survey felt that action would not be taken as a result of the survey. A major factor in the council's ability to address the issues raised through the EES is our approach to internal communications. In the results feedback session in May, Leadership Team recognised that there was a need for a more collective approach to communications.

4.1.9 Through the development and implementation of the Communications and Corporate Affairs Strategy, the council's approach to communications is already being strengthened with dedicated resources allocated to this workstream within the recent restructure of the Communications Team. Current communications mechanisms that aim to address the key issues identified in the survey include:



- Team Talk including standard key corporate messages to be shared at team meetings and promotion of good/innovative practice across the council;
- SM Briefing and Teams channel – content directed by LT, aim to ‘tell us first’, Shout outs;
- LT Away Days including SMs/ADs on key agendas, e.g. residents’ survey findings, business planning, customer journey;
- All Staff Briefings – visibility of Leadership Team, Leader and Cabinet; opportunity to celebrate good practice and innovation;
- Co-ordinated activity across directorates (e.g. Live Events) to ensure a consistent level of communications, whilst enabling directorates and services the ability to shape messages and styles of communication to suit individual approaches.

4.1.10 A key next step will be the development of a formal Employee Recognition Scheme, to build on the informal staff recognition approaches that is being embedded at all levels. This will need to link with the organisation’s values and behaviours, build on best practice and incorporate staff feedback on what form recognition should take. A proposal will be developed over late 2022, linking with the outcomes of the Values & Behaviours workstream, and brought to Leadership Team for discussion and approval in early 2023.

4.2 Improvement Plan

4.2.1 The external reviews conducted in Autumn 2021 and early 2022 highlighted a number of cultural issues that were presenting the council from moving forward. In their Value for Money Governance Review from Autumn 2021, Grant Thornton highlighted a number of issues that needed to be addressed:

“The Council has seen deteriorating senior officer and senior member relationships over a number of years. This has resulted in a breakdown in trust, respect and confidence between those holding governance roles. This has limited the Council’s ability to look forward and manage the challenges and opportunities it faces. This breakdown in relationships between senior officers and senior members is central to the governance issues identified by this review...The Council has been



insular and siloed. Its focus has been on responding to external service-based challenges as well as managing the fallout from previous decisions or investigations. Senior officers and senior members have historically been unable to make the changes required to move away from this organisational culture and focus.”

4.2.2 The Improvement Plan that was developed in response to the three external reviews and the government’s intervention, acknowledges the importance of establishing the right organisational culture in enabling the council to deliver sustainable improvement. The Improvement Plan Theme of Organisational Culture includes a multi-faceted approach to developing and embedding a positive working culture in the council. This includes actions to address the findings of the Employee Engagement Survey, and the need to develop a set of Values and Behaviours that will underpin the Organisational Development Strategy going forward.

4.2.3 In order to establish the desired organisational culture for Sandwell Council, it was recognised that we needed a phased approach:

- Phase 1 - to engage with staff and start the conversation;
- Phase 2 - determining desired culture and creating the right environment for that organisational culture to thrive.



4.2.4 Phase 2 of the Improvement Plan will incorporate the key actions and milestones developed in response to the Employee Engagement Survey (as set out above) and listening sessions, in order to build the desired culture in a sustainable manner. This includes further work around equalities, diversity and inclusion, and the council's customer journey programme.

4.2.5 The Improvement Plan also calls for skill and knowledge development in key areas for managers that will embed the changes made to governance and decision-making arrangements. This includes financial management and procurement training linked to the revised Contract Procedure Rules, as well as project management and effective officer and member relationship training. The initial phases of this training are complete, and Appendix B includes a summary of the related learning completed.

4.3 **Organisational Culture – Phase 1 Update**

4.1.11 There are many definitions of organisational culture. It can be regarded as the climate that has an influence upon the level of employee engagement.

The culture of an organisation is its personality and character.

Organisational culture is made up of shared values, beliefs, and assumptions about how people should behave and interact, how

decisions should be made and how work activities should be carried

out. Key factors in an organisation's culture include its history and

environment as well as the people who lead and work for it (Chartered Management Institute, 2015)

4.1.12 Phase 1 Activity to date includes:

- Culture Working Group established, this includes representatives from across the council that can contribute to and provide constructive challenge to the approach, including leads on EDI and Member Development.
- Engaged specialist delivery partner to support with Phase 1 and 2 including the facilitation of a workshop with Leadership Team.



- Identification and appointment of Culture Champion volunteers (Appendix C culture champion role profile).
- Delivery of ‘train the trainer’ sessions to Culture Champions enabling them to undertake listening group sessions. The listening sessions are to seek qualitative feedback from employees about the current culture and what they believe should be the aspirational culture.
- Coordination and delivery of culture listening sessions to employees across the organisation via Learning and Development team.
- The development and launch of a survey which ran from 18 October to 4 November 2022 for employees who have not attended a listening group session.
- Collation and analysis of feedback via external partner completed on 18 November 2022.
- Feedback of the analysis provided to Leadership Team at a meeting on 22 November 2022.
- Development of a defined set of values and behaviours to be shared and embedded across the organisation.

2. Listening Sessions

4.2.1 The listening sessions took place between mid-August up to the end of October 2022 to offer the opportunity to all employees and the following processes have been used. In order to maximise the engagement of staff in this process and ensure responses were representative of the workforce population, the following approaches were used to encourage take up of the offer of involvement:

- Randomised selection and invitation of twenty percent of the workforce to attend a face-to-face session and a corresponding message to their line manager to support their attendance. This random selection was benchmarked to the equality data set to ensure representative sampling.
- Following the random selection approach an open invitation to employees to attend a session with a choice of face to face or virtual Teams sessions being offered.



- Targeted sessions being arranged specifically for the Disability Group to ensure inclusivity and accessibility. A specific session for the Trade Unions.
- Survey online for those who did not attend a listening session and paper-based versions available at frontline worker locations.
- Plans were developed to have local sessions for front line workers however cancellations were necessary on 19 September due to London Bridge including a session scheduled for frontline workers at Roway Lane. The availability of Champions was also affected due to requirements to deliver ceremonial related activity during this time.

5 External Partner

5.1.1 The external partner has provided objectivity and independence to the approach that has been used. They have delivered ‘train the trainer’ sessions and have been responsible for the collation of outputs from the listening sessions and surveys. This has assured anonymity to employees taking part.

2. Employees with no access to ICT devices

5.2.1 In addition to the above actions it should be noted that as communication is one of the key drivers of employee engagement and organisational culture approximately 600 employees have no access to corporate devices. A project led by ICT is at the exploratory phases to determine a full cost benefit analysis of providing different access options for frontline employees which will have a benefit of enabling better communication and engagement.

6 **Next steps – Phase 2**

1. As stated above, after starting the conversation and listening to staff, the next phase is to agree the values and behaviours that will then inform the activities to embed the culture we want to see. This will include the following actions:

- Leadership Team sign off the agreed desired values and behaviours.



- Develop a plan to promote and communicate values and behaviours.
- Embedding values and behaviours into HR practices, appraisals, and performance management, employee induction and the alignment to a management development programme.
- Embed values and behaviours as a foundation of the council’s workforce strategy and aligned with and to our work on Customer Journey and equalities, diversity and inclusion
- Consider the approach for frontline workers (link to ICT pilot see 4.11 below).
- Staff briefings and Leadership communications.

7 Implications

Resources:	The resources including budget are assigned as part of the Improvement Plan. The Improvement & Capacity Reserve approved by Council on 7 June 2022 included an allocation of £300,000 to fund the Organisational Culture Change Programme. To date, just under £50,000 has been spent, with the majority of the fund to be allocated to interventions required to embed the desired culture.
Legal and Governance:	<p>On 22 March 2022, The Secretary of State for Levelling Up, Housing and Communities issued Directions under Section 15(5) and (6) of the Local Government Act 1999 (the 1999 Act) in order to ensure that the council can comply with the requirements of Part 1 of the 1999 Act.</p> <p>Under these Directions, the council is required to develop and implement an improvement plan that includes “<i>actions to deliver rapid and sustainable improvements in governance, leadership and culture in the Authority.</i>” Failure to comply with these Directions may lead to further intervention measures for the council.</p>



	<p>Ultimately, the changes made through the Improvement Plan will enable the council to effectively deliver its strategic priorities and ensure it is delivering value for money for Sandwell.</p>
Risk:	<p>If the Council fails to take appropriate action to meet the requirements set out in the government Direction, or the Commissioners appointed by the Secretary of State do not have sufficient confidence that appropriate actions are being taken to implement and sustain the required improvements, then the council risks not having appropriate arrangements in place to comply with its best value duty under Part 1 of the 1999 Act. This could lead to further government intervention, increased costs and damage to reputation.</p> <p>Organisational Culture is included within the Improvement Plan Risk Register, recognising the importance of organisation culture to successfully implement the necessary changes and embed the improvement. The risk is currently rated as Amber, reflecting the impact should this risk materialise as well as the interventions already taking place to respond to the Employee Engagement Survey and future planned activities.</p>
Equality:	<p>The culture working group has ongoing visibility and steers the planning and delivery of actions related to employee engagement and culture. Membership of this group includes leads on EDI and member development to ensure strategies and activities are aligned.</p>
Health and Wellbeing:	<p>Employee engagement and a positive organisational culture brings benefits to organisations, including</p>



	greater customer/client satisfaction, increased employee happiness and wellbeing, and increased productivity and creativity.
Social Value:	The new values and behaviour will underpin work of the council, defining expectations for ways of working, and in turn directly influencing our delivery of social value.
Climate Change:	Current and future activities have been conducted virtually where this approach will achieve the desired outcome. This reduces staff travel to offices or other venues. However, in order to maximise the engagement of staff there is a recognition that face-to-face meetings, events and conversations will have more impact on developing and embedding the desired culture than virtual interactions. This will inevitably mean increased staff journeys which will generate carbon emissions.

8 Appendices

- A. Employee Engagement Survey 2022 Results
- B. Summary of Learning Interventions Completed
- C. Culture Champion role profile
- D. Communications Summary of Listening Sessions

9 Background Papers

[Sandwell Council Improvement Plan](#)

