



HM TREASURY

STAFF SURVEY 2006 SUMMARY OF KEY FINDINGS

Introduction

The fifth annual Staff Survey in the Treasury was conducted in December 2006, once again with the help of the external survey specialists ISR. A total of 801 staff completed the survey, giving a response rate of 69%. This is a somewhat lower response rate than in previous years. However, the response is still sufficient to provide findings that are statistically representative of the views of all staff in the Treasury.

Since the previous survey in December 2005, the Treasury's Workforce & Skills Strategy has been launched and is currently being implemented throughout the Department. New Treasury Values have also been launched, as has a set of Management Behaviours for all managers.

This summary provides an overview of staff views on how the Treasury has changed in the last year and how well the Department is managing change and its people.

ISR summarises:

Overview vs. 2005

At a thematic level, staff views have on average stayed the same since the last survey in December 2005 (no statistically significant shifts). However, looking in more detail at shifts in opinions on individual questions, there are some encouraging **improvements** on:

- Understanding of how performance is appraised (+6* - i.e. 6 percentage points higher than 2005 score on 'favourable' response. * = a statistically significant difference)
- Fairness and transparency of performance appraisal outcome (+11*)
- Regular and constructive feedback on performance (+11*)
- Management support for equality of opportunity for all staff (+6*), staff feeling treated with respect (+6*), and Team Leaders encouraging teamwork (+5*)
- Involvement of external stakeholders in policy developments and decisions (+11*)
- Treasury efforts to make the Department more efficient and cost-effective (+6*)
- Treasury as a family-friendly employer (+8*)
- Understanding how to reduce the impact of work actions on the environment (+10*)
- Having a sense of personal job accomplishment (+4*) and willingness to recommend the Treasury as a good employer (+6*)

It is particularly encouraging to see that the views of staff in Ranges A-C have improved significantly in a number of areas, and especially on feeling more informed about what is happening in their Directorates, and feeling that their personal contribution is recognised.

At an overall Treasury level again, a few individual questions have shown a small but statistically significant **decline** in favourable response vs. 2005:

- 1HGR facilities enhancing work effectiveness (-12*)
- Work pressure (-7*), and addressing the long hours' culture (-6*)
- Access to IT systems and support for work effectiveness (-7*)

KEY MESSAGE 1:

Overall staff views are very similar to last year, highlighting the importance of continuing to ensure that benefits from changes such as the Workforce and Skills strategy are realised.

KEY MESSAGE 2:

Range C views are significantly more positive this year than last – especially on feeling informed and recognised.

- Opportunities for personal development (-9*), and promotion of the most competent to management positions (-11*) - both higher '?' response vs. 2005
- Access to career guidance and information (-5*), and having good promotion prospects (-5*)
- Understanding of new Treasury values (-6*, higher '?' response vs. 2005)
- Effectiveness of Treasury Board at providing leadership (-7*) and communicating (-5*) – more rating as 'adequate' rather than 'good'.

Overview vs. External Benchmarks (Norms)

As in previous years, ISR has compared survey results with its external benchmarks or Norms of employee opinions in the UK nationally (including both public and private sector organisations).

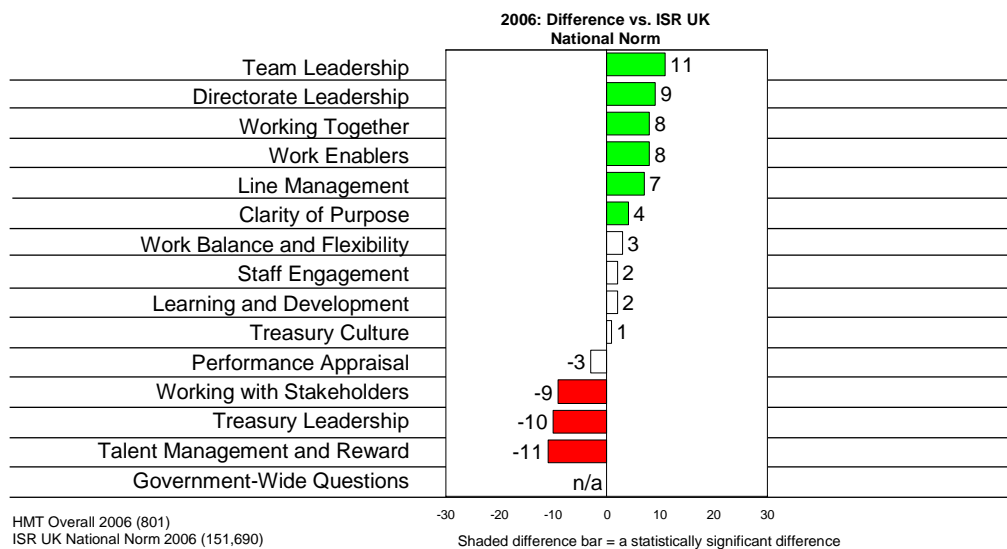
KEY MESSAGE 3:
Treasury staff views are at least as positive as the UK National Norm on 11 out of 14 categories

Staff views are typical for, or more positive than, the UK National Norm on 11 out of 14 themes (as last year) where comparative data are available, but score less positively on perceptions of Talent Management & Reward, Treasury Leadership, and Working with Stakeholders:



Comparison vs. ISR UK National Norm

The comparison highlights some clear strengths and areas for further improvement



Looking at Treasury staff views vs. a 'High-Performance' sub-set of organisations in the National Norm, they are at least as positive as this 'stretch' benchmark on a number of key topics:

- Clarity of Treasury, Directorate and Team aims, and how Teams contribute to Department objectives
- Consistency of Directorate management behaviours with new Treasury values
- Team Leadership effectiveness; Cooperation between Teams across Directorates
- Line manager communications, involvement and openness to ideas for change
- Climate of challenge, openness and trust, and sense of personal job accomplishment
- Staffing levels, authority and information to do the job
- Learning and development opportunities for current role and other positions.

However, in most other areas covered by the survey, staff views are significantly less positive than the UK High Performance Norm, indicating the importance now of rapidly implementing and embedding the initiatives laid out in the Workforce & Skills Strategy.

Change in the Treasury

About half of all staff think that the current pace of change in the Treasury is 'about right', while 13% say it is 'too fast', 15% say, in contrast, that it is 'too slow', and 25% give no opinion.

KEY MESSAGE 4:
Is there enough 'urgency' in the pace of change in the Treasury to meet the challenges of the coming year?

Those who say that the pace of change is too fast are much more likely to be unhappy about the level of communication and information they receive in the Treasury, so keeping people informed about changes as much and as often as possible may help some to feel better able to cope with change.

Those who say the pace of change is too slow are much more likely to be unhappy about the overall management of the Treasury and its efforts to be a more efficient and cost-effective organisation. Clarifying the Treasury's direction and plans regarding the CSR and Capability Review, and accelerating the implementation of WSS initiatives may help some others to feel that the Treasury is committed to taking action to meet the challenges of the coming year.

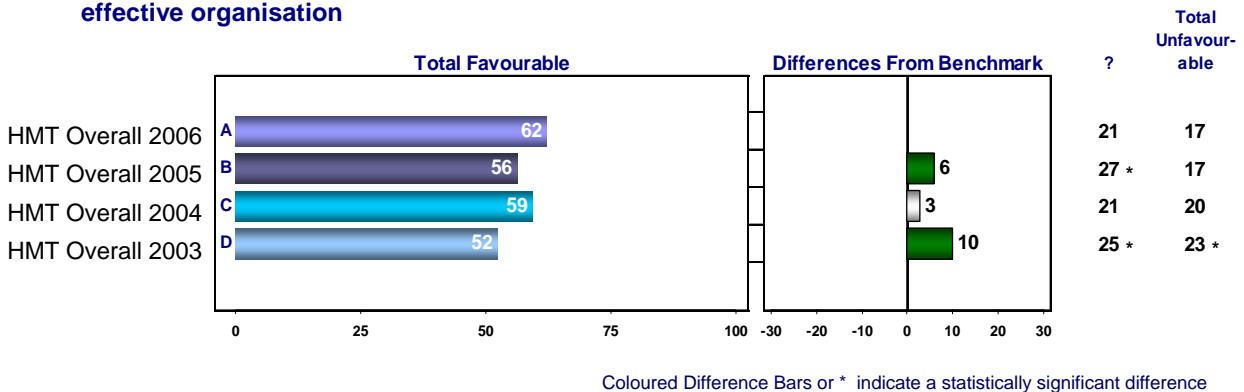
MDs and Directors have a rather different view about the pace of change, with 93% believing that this is 'about right' in the Treasury. Team Leaders are also more positive than the average about the pace of change (63% say 'about right') but nearly one in five also say the pace of change is 'too slow'.

Just under half of all staff think that, all things considered, the Treasury will stay the same in the next year. Since last year, views about change in the future have become somewhat less optimistic – now only 24% say think the Treasury will change for the better (vs. 31% in 2005), while 15% think things will change for the worse.

Treasury Performance and Leadership

Over the last 3 years, there has been a significant 10 percentage point improvement in the number of Treasury staff saying that the Department is making good effort to become more efficient and cost-effective as an organisation – a most encouraging trend result (see below):

45. Sufficient effort is being made to make the Treasury a more efficient and cost-effective organisation



However, staff are still keen to hear more information about how the Treasury is actually performing against its objectives, and just over half would like a clearer sense of direction for the Department from the Treasury Board.

Staff perceptions of Treasury Board effectiveness are that the Board is doing more an 'adequate' rather than a 'good' job in providing leadership and communicating with people.

A similar picture emerges when looking at views on EMG effectiveness although, perhaps surprisingly, people are less likely to be able to give a view on EMG effectiveness, indicating that the work of EMG as a team is perhaps still quite invisible to many below Director level.

KEY MESSAGE 5:
Leadership team visibility is a vital element of successful change leadership; some staff think that EMG could be more visible as a team.

Staff Engagement at the Treasury

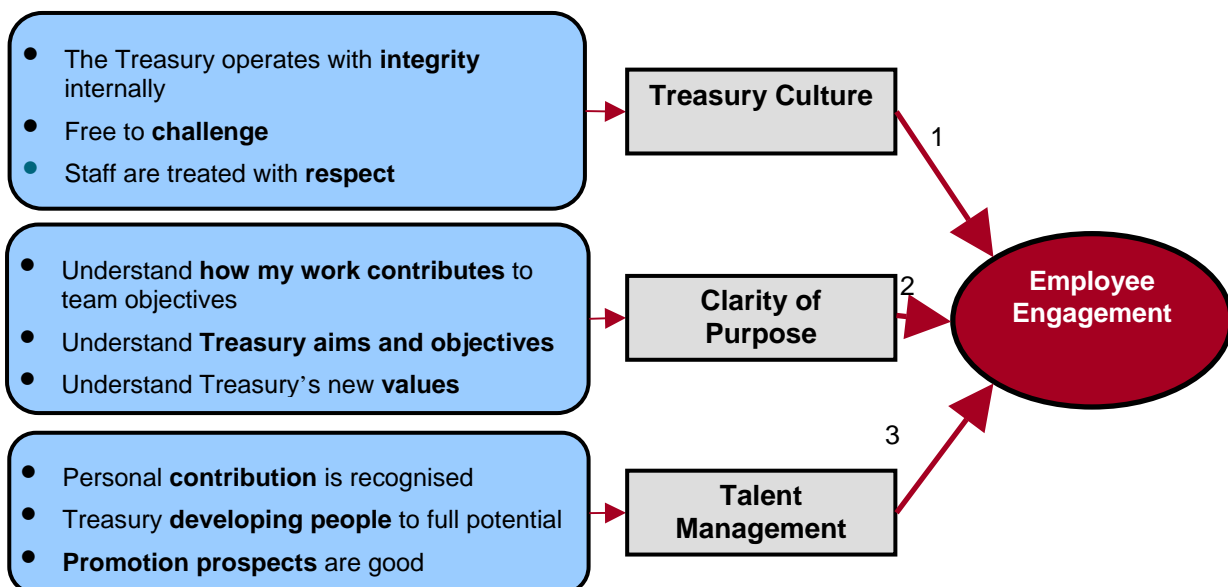
This year the survey included a new measure of staff engagement. ISR has developed and rigorously tested the measure that comprises 3 interlinked components:

- **Think:** Belief in and support for the goals/values of the organisation.
- **Feel:** Sense of accomplishment, belonging, pride, attachment to the organisation.
- **Act:** Willingness to make extra effort; Intention to stay with the organisation.

ISR research has demonstrated that high levels of staff engagement correlate strongly with successful organisational performance, so understanding the level of engagement in the Treasury and, more importantly, what 'drives' people's sense of engagement, can be critical for sustaining and enhancing Treasury performance.

Levels of staff engagement in the Treasury are on a par with the UK National Norm and slightly below the UK High Performance Norm. The 'Feel' aspect is particularly strong in the Treasury: staff are very proud to be a part of the Department (83%) and more people than in 2005 get a sense of accomplishment from their work and would recommend the treasury as a good pace to work. The 'Think' element is also well regarded, with 83% saying they fully support the Treasury's new values. Views are somewhat less strong on the 'Act' component: fewer than six in ten people say they often volunteer to take part in activities at work that are not directly related to their job (a measure of 'extra effort').

What encourages staff to feel engaged with the Treasury so that they can contribute to its success? A statistical regression or 'key driver' analysis conducted by ISR reveals three themes that are most strongly correlated with people's sense of engagement in the Department:



Clarity of Purpose

This is the second strongest 'driver' of engagement and it is very encouraging to see from the survey results that, when compared to external benchmarks, staff have a very strong understanding of the aims and objectives of the Treasury as a whole, their Directorate and their Team, and also of how they as individuals and Teams can contribute to the achievement of those aims. 71% of staff already have a clear understanding of the Treasury's new values.

Treasury Culture and Values – the most important ‘driver’ of engagement

Several of the questions in the survey implicitly measure the Treasury’s new values. Compared with 2005, staff feel more respected and say that there is more management support for equality of opportunity in the Treasury (**‘Appreciative’**). People are very positive about the internal climate of challenge (**‘Challenging’**), and most feel that they can openly express their views (65%) and that they are kept informed about what is happening in their Directorate (73%) (**‘Open’**). Staff also believe that they work in a **‘Collaborative’** way, with 65% saying that knowledge exchange is encouraged, and 83% believing that managers encourage their teams to work with others to achieve results that benefit the Treasury as a whole.

But some people question whether the Treasury is really developing a diverse culture: while acknowledging efforts made to recruit a diverse range of people, some doubt that the Treasury knows how to embrace that diversity in its behaviours.

KEY MESSAGE 6:
The internal culture has many high-performance aspects, but is it truly embracing diversity?

57% of staff think that the Treasury is improving its position and policies on diversity, but over three in ten (31%) also disagree that the Treasury is developing and delivering a diverse culture, with Ranges E and F even less positive.

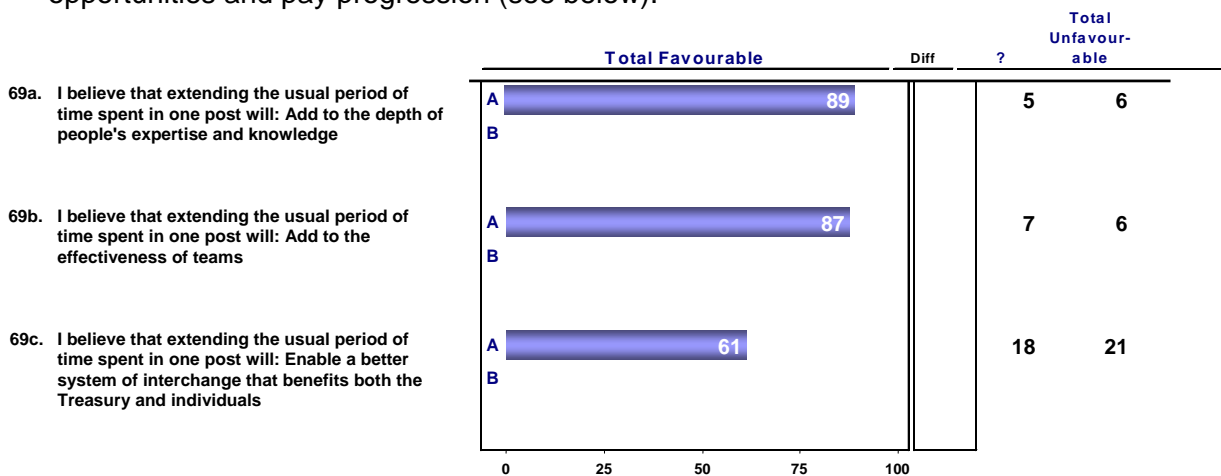
Talent Management & Reward

Staff perceptions of how talent is developed, managed, recognised and rewarded underpin much of their thinking about the Treasury as a good place to work. This third ‘driver’ of engagement contains many aspects that are to be addressed through activities under the umbrella of the Workforce and Skills Strategy developed after extensive consultation with staff. It is therefore to be hoped that many of the concerns expressed on this topic will be effectively addressed in the coming months as the strategy is deployed.

Key findings from the survey reveal:

- Only around one in three staff think that the Treasury is doing a good job of moving people resource to where it is most needed – no change vs. 2005.
- Continuing positive scores on opportunities to develop one’s current skills (75%) and develop skills for other positions (58%) – significantly above the UK National Norm.
- Access to career guidance and promotion prospects are still major issues – no improvement vs. 2005.
- People seem positive that plans for extending time in post will add to team expertise and effectiveness, but some see a potential conflict with their individual promotion opportunities and pay progression (see below):

KEY MESSAGE 7:
Are plans for talent management and retention in the Treasury ready for implementation to maintain the calibre of staff needed to meet future challenges?



- More people than in 2005 think that performance appraisal delivers a fair and transparent outcome for everyone (+11 percentage points vs. 2005), although this is still an issue for many (43%) who see the process as not living up to the new values or supporting a diverse culture.
- Properly addressing the pay competitiveness and pay-for-performance issues is seen as key for retaining top talent in the Treasury.
- Talent retention in the Treasury is seen as an issue by half of all staff, although MDs and Directors take a somewhat opposite view. Staff need to see a clear 'proposition' offered by the Treasury that will encourage top talent to stay longer in post and with the Department.

Strengths to Build on

In any organisation it is always important to sustain and build on the perceived strengths of the internal culture, and staff in the Department appreciate many good aspects of working with the Treasury:

1. Clear about Treasury, Directorate and Team aims, and how work contributes
2. Continuing efforts to make the Department more efficient and cost-effective
3. More involvement of external stakeholders in policy development and decisions
4. Internal climate of (improving) respect, openness and challenge, collaboration and team-working; inappropriate behaviours not tolerated
5. Team Leaders well regarded; Directorate management behaviours in line with new values, and line managers scoring well on most aspects of the new Treasury Management Behaviours
6. Good information and authority to do the job, and judgement trusted.
7. Work-life balance and flexibility, and Treasury seen as a family-friendly employer
8. Learning and development opportunities for skills improvement
9. Clear job performance objectives, contribution appreciated and recognised, and sense of work accomplishment
10. Support for the new Treasury values; and strong pride.

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