

AGENDA ITEM

8

COMMITTEE: Administration and Regulation
DATE: 17th June 2020
SUBJECT: Update on Exit Interviews
REPORT BY: HR Business Manager
CONTACT OFFICER: Andrew Williams 01582 547741

IMPLICATIONS:

LEGAL	✓	COMMUNITY SAFETY
EQUALITIES		ENVIRONMENT
FINANCIAL	✓	CONSULTATIONS
STAFFING	✓	OTHER

WARDS AFFECTED: NONE

PURPOSE

1. To provide an update of Exit interviews of employees conducted between the period April 2018 and April 2020 and highlight action that has been taken to address issues raised.

RECOMMENDATION(S)

2. The Committee is recommended to note the information in the report.

BACKGROUND

3. Employees who leave the council are asked to voluntarily complete an exit interview questionnaire. This is presented at two points during an online exit process. First with the employee's manager when the online leaver form is being completed. If this is not a suitable time or the employee has requested to complete the employee section of the form separately, the manager is able to send the form directly to the employee via email which allows the form to be completed at their own convenience. The manager is required to provide a

leaver reason when completing a leaver form which ensures a 100% completion rate of the first part of the exit process. The information provided allows main trend analysis. The employee exit questionnaire provides further detailed information direct from leaving employees. Employees are encouraged to complete the questionnaire by their manager but not all forms or questions within the online form are completed. Employee exit analysis is therefore not always based on a 100% completion rate.

4. The exit interview was moved to an online process in February 2018 which resulted in a 34.6% increase in the completion rate of exit interviews. The online form also has the additional benefit of allowing a more structured analysis of the information provided. Employees are also provided with a free form section to enter additional feedback if they wish to do so.
5. All forms that are completed are monitored on a monthly basis by HR Business support in case any dissatisfaction feedback is required to be acted on urgently and the appropriate management alerted. Trend analysis of exit data is conducted by Human Resources on a longer term basis to inform input into corporate initiatives or identify and recommend corrective measures that may need to be applied to areas of the council.
6. The online form has been designed so that it does not take too long to complete to ensure employee engagement and cooperation. However, the existing form has been restricted by the number of data fields that are available in the HR database (iTrent) and the link to the digital form currently being used. Additional information has been identified that would be useful to receive from an exit interview. Further work is being planned to expand the existing questionnaire. Areas that are being considered for inclusion are; information relating to the operation of the council's core values, the operation of the equalities policy, and the operation of flexible working/ work life balance across the organisation.
7. A further area of improvement that is planned is the ability of front-line employees to have access to the on-line forms. At present if employees do not have access to the intranet via any kind of device they are reliant on completing the form with their manager or if necessary completing a paper version. Forward plans are to make self-service access to the HR database and relevant on-line forms available by phone but this is dependent on an HR system upgrade and contract negotiations with the supplier which are currently in process. Exit information is analysed by leaver reasons and personal responses provided by employees from the on-line exit questionnaire.

REPORT

Scope

8. The report focuses on those employees who left the organisation in the years 2018/19 and 2019/20. During this period 853 employees left the council, 397 employees during the period 1st April 2018 to 31st March 2019 and 455 employees from the 1st April 2019 to 31st March 2020

Summary

9. The voluntary turnover rate has remained the same over two years.
10. There is hardly any difference in the breakdown of the leaver numbers across the council (by type of contract, Grade, Age profile, length of service), although the number of female employees leaving over the period has increased.
11. The highest frequency of leaver reasons were for career change, better career opportunities, better pay and conditions, and retirement.
12. Compulsory leavers increased in the year 19/20. However this included a large number of employees leaving as result of a TUPE out exercise. If the figures are adjusted to take this into account it can be seen that there were small increases due to reasons of sickness and compulsory redundancies. There was also a decrease in leavers as a result of disciplinary and end of contract.
13. The highest frequency of leavers were from the grade ranges L3 and L4-L7. The main reasons cited for leaving were for career change and better opportunities. As the grade range increases the frequency of reasons for leaving for better pay and conditions becomes more frequent.
14. The highest frequency of leaver were from employees with a lower number of years of service. A high number of employees out of the total leavers are leaving with service under two years.
15. From the responses provided most employees who are leaving for another job are still working for a local authority or within the public sector.
16. Employees leaving gave consistent high ratings for relationship with colleagues, job security, accessibility of manager, and responsibility given. Lower ratings were given for training and development, management of department, and manageable workloads. Although relationships with managers consistently receive a high rating each year there was a noticeable increase in poor and unsatisfactory ratings during the period indicating variable standards of management across the council.
17. From the responses provided more employees indicated they would be willing to work for Luton council again than not.
18. The following issues identified by the exit data (in conjunction with information from other sources such as employee surveys) have been focussed on:
 - Finding-Increase in females leaving/also leaving without an immediate job but not up giving up work
 - Finding- Career change/ better opportunities remains the highest frequency of reason for employees leaving
 - Finding- A high number of employees leaving with under two years' service
 - Finding - Pay and conditions remains a high frequency reason for employees leaving

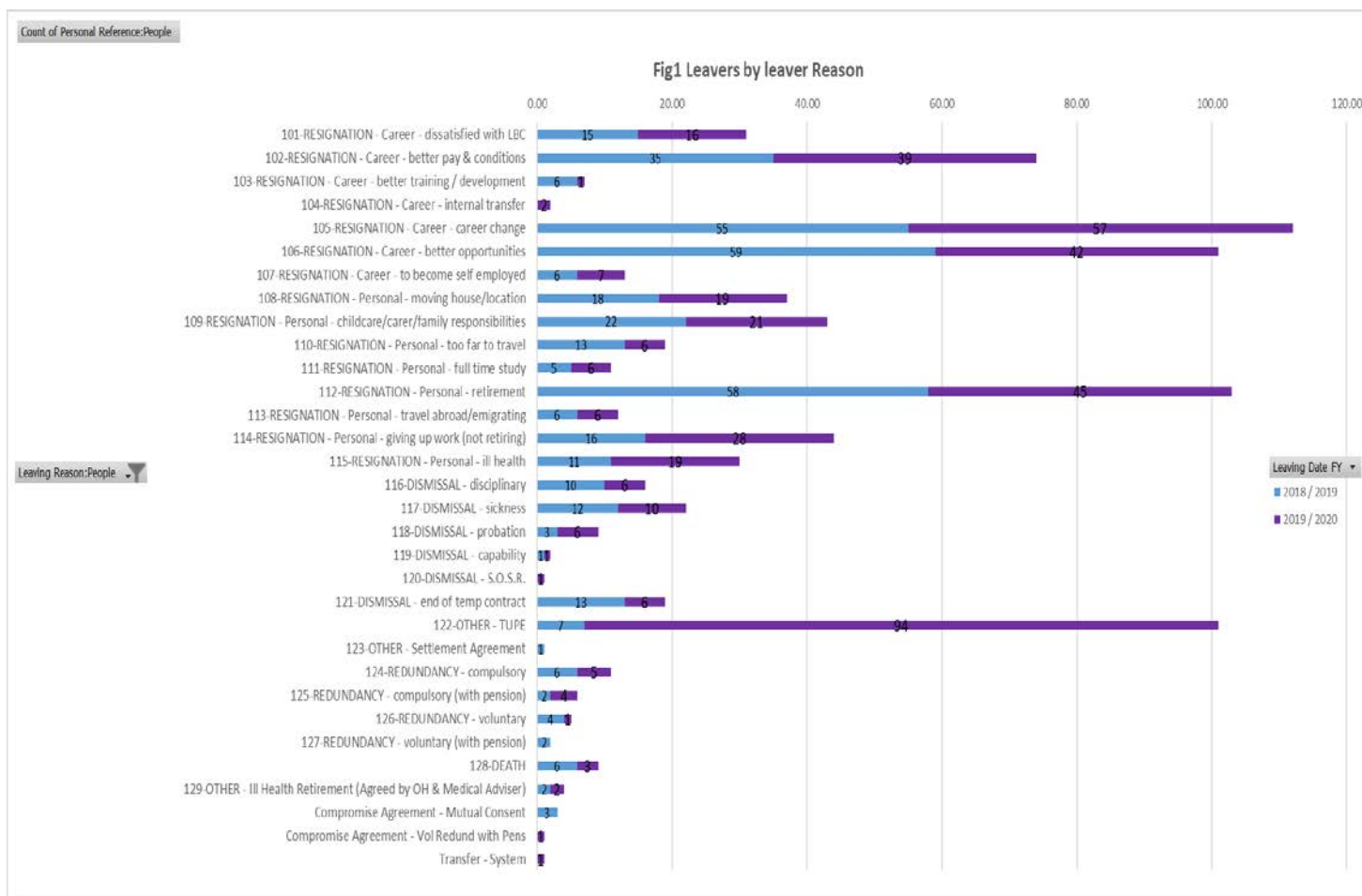
- Finding – continued Low Ratings for Training and Development
 - Finding - Increase in Unsatisfactory Ratings for 'Relationship with Managers' and Low Rating of 'Management of Department'
19. The following initiatives have been put in place to address the above:
- Retention actions to be considered by the People Plan Governance Board
 - Launch of 'Check-ins,' a different approach to performance management
 - A career pathways programme introduced
 - Continual development of employee benefits
 - A drive to utilise the apprenticeship levy to finance a range of professional qualifications
 - Improving accessibility of the council's learning and development programme through online resources and modules
 - Launch of a new leadership and management framework
 - Increase of the coaching and mentoring capacity within the organisation

Employee Turnover Rates

20. The table, Leavers by Reason and Year - (Appendix 2, table 1) - provides a detailed analysis of the numbers of voluntary resignations and compulsory leavers for the years 2018/19 and 2019/20. The main factors affecting the employee's decisions for leaving Luton Council are analysed by 30 different factors, 15 factors for voluntary leaving and 15 factors for compulsory leaving.
21. The overall employee turnover rate for Luton Council, which includes compulsory leavers increased over the year from 12% to 15%. However, the increase does reflect a TUPE out exercise that affected 94 employees compared to 7 employees in the previous year otherwise the rate would have remained flat. As a comparison the Local Government workforce survey last published in September 2019 gave an average national percentage rate of 13.8%.
22. The voluntary employee turnover rate of 10.5% was the same for both years.

Main Reasons for Leaving-Voluntary

23. The reasons for leaving and a comparison between the years 18/19 and 19/20 are detailed in the graph, Leaver by Leaver Reason.



24. The reasons most cited over a two year period provided as a percentage of the total in each year are summarised as below:

Reason for leaving	Years	
	18/19	19/20
Career Change	16.00%	18.00%
Retirement	18.00%	14.00%
Better Career opportunities	18.00%	13.00%
Better pay and conditions	11.00%	12.00%

25. Career orientated reasons and better pay and conditions have consistently been given as the main reasons for leaving over the two year period, followed by retirement.
26. The next most frequent reasons are more evenly spread but the next highest frequency reasons for leaving are summarised as follows;

Reason for leaving	Years	
	18/19	19/20
Family responsibilities	7%	7%
Giving up work not retiring	2%	2%
Moving House/location	6%	6%
Dissatisfied with LBC	5%	5%
Ill Health	3%	6%

Main Reasons for Compulsory Leaving

27. The most frequent reasons over a two year period provided as a percentage in each year are summarised as follows;

Compulsory Leavers	Years		
	18/19	19/20	
TUPE	10%	66%	13%
Dismissal-Sickness	17%	7%	18%
Dismissal-disciplinary	14%	4%	11%
Dismissal- end of contract	18%	4%	11%
Redundancy-compulsory	11%	6%	17%
Death	8%	2%	5%

28. The TUPE out exercise for a large number of catering employees in the year 19/20 does distort a comparison exercise. If the years figures are adjusted to assume the TUPE numbers were flat (7 each year) then the numbers as a percentage of the year's leavers are not significantly different. (Refer to the shaded column in the table above)
In 19/20 there were small increases for reasons of dismissal due to sickness and compulsory redundancies.
There were also decreases in dismissal due to disciplinary and end of contract.

Leavers by Contract Type

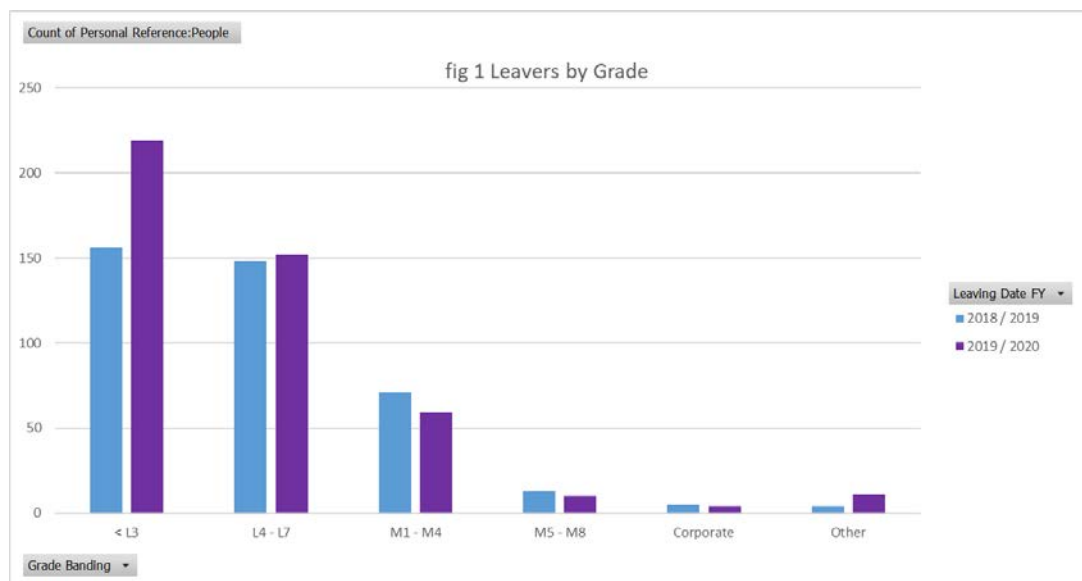
29. The reasons for leaving and a comparison between the years 18/19 and 19/20 are detailed in the table; Leaver Reasons by Contract and Grade - (Appendix 2, table 2). The reasons most cited over a two year period provided as a percentage of the total in each year are summarised as follows;

Full-time Leavers	Years	
	18/19	19/20
Better Pay and Conditions	14%	17%
Retirement	16%	17%
Career change	15%	15%
Better opportunities	15%	13%
Giving up work (not retiring)	7%	8%
Dissatisfied with LBC	0%	7%

Part-time Leavers	Years	
	18/19	19/20
Career Change	14%	22%
Better Opportunities	22%	14%
Retirement	20%	11%
Childcare	9%	11%
Giving up work(not retiring)	2%	10%
Ill Health	4%	10%

30. There is little difference over the two year period between the reasons given by Full-time and Part time employees for leaving. The most common reasons for leaving for both contract types were career change, retirement, and better opportunities. The main difference of significance in both years was that full-time employees left more frequently for better pay and conditions and retirement while for part-time workers the emphasis was on career change and better opportunities.
- In 19/20 more full time workers left due to being dissatisfied with Luton council while there was an increase in part-time workers giving up work (not retiring) and ill health reasons.

Leavers by Grade

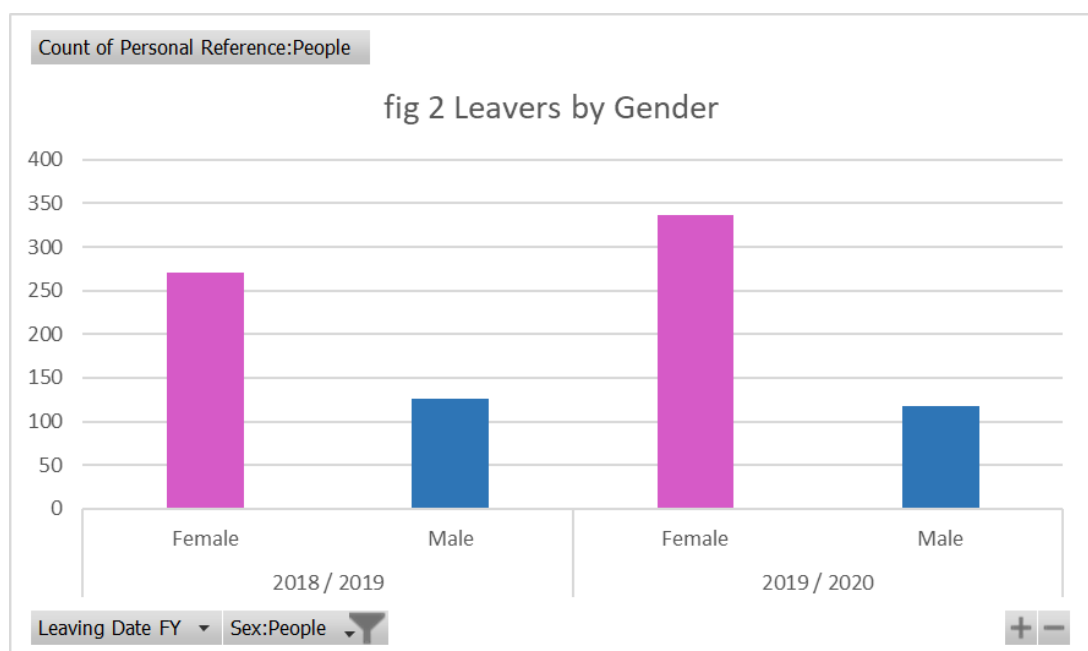


31. A comparison of the numbers across the grades between the two years shows there is hardly any difference in the numbers of employees leaving from each grade for both full-time and part-time employees.

Grade	Number of leavers by year			
	18/19		19/20	
	Full- time	Part- time	Full-time	Part- time
L3	38	94	32	88
L4-L7	81	28	87	37
M1-M4	48	10	42	12
M5-M8	12	0	8	0
Other	0	4	5	4
Corporate	5	0	4	0
Total	184	136	178	141

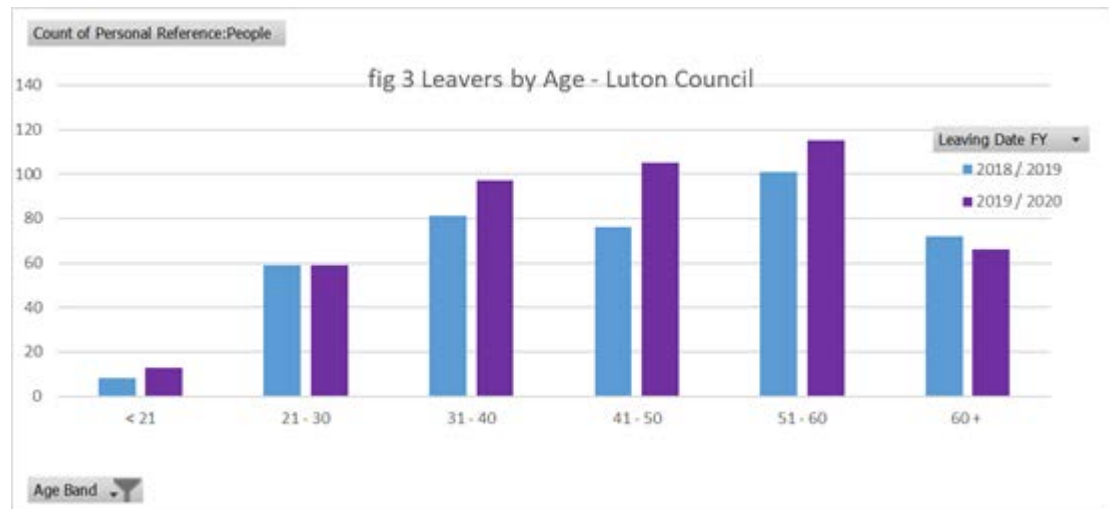
32. The table - Leavers by Reason by Contract and Grade – (Appendix 2, table 2) provides a detailed analysis of leaver reasons by grade. A summary of the main highlights from the table are as follows;
33. Grade L3 – the highest frequency of voluntary leavers is from the L3 grade range part time employees. The highest frequency of reasons cited for leaving in 18/19 were for career change and better opportunities. The frequency of other reasons were evenly spread out.
34. In 2019 the highest frequency of reason cited were still career change and better opportunities. However, there was a significant increase in the frequency of reasons cited for; retirement, giving up work (not retiring). The highest frequency of reasons cited for full-time employees were for career change over both years. Other reasons being evenly spread out.
35. Grade L4-L7- the second highest frequency of leaver is from the L4-L7 range. Full-time employees left over both years for reasons of; career change, better opportunities, better pay and conditions and retirement.
36. Part-time employees in 18/19 gave reasons that were mainly for retirement, moving house with lower numbers for career change and better opportunities. In 19/20 the number of leavers for part –time workers fell and the reasons were more evenly spread with the highest frequency of reason given being career change and house move.
37. Grades M1-M4, M5-M8, and Corporate - All grades consistently cited reasons of better pay and conditions and better opportunities. The M1-M4 grade range also had a high frequency of reasons for retirement.

Leavers by Gender



- 38 A higher percentage of female employees and also increasing over the two year period left the council compared to male employees - (fig 2). The higher number of females reflects the higher percentage of female employees within the workforce as well as the fact that the TUPE out exercise in 19/20 affected catering where again the workforce was made up of a high percentage of women.

Leavers by Age

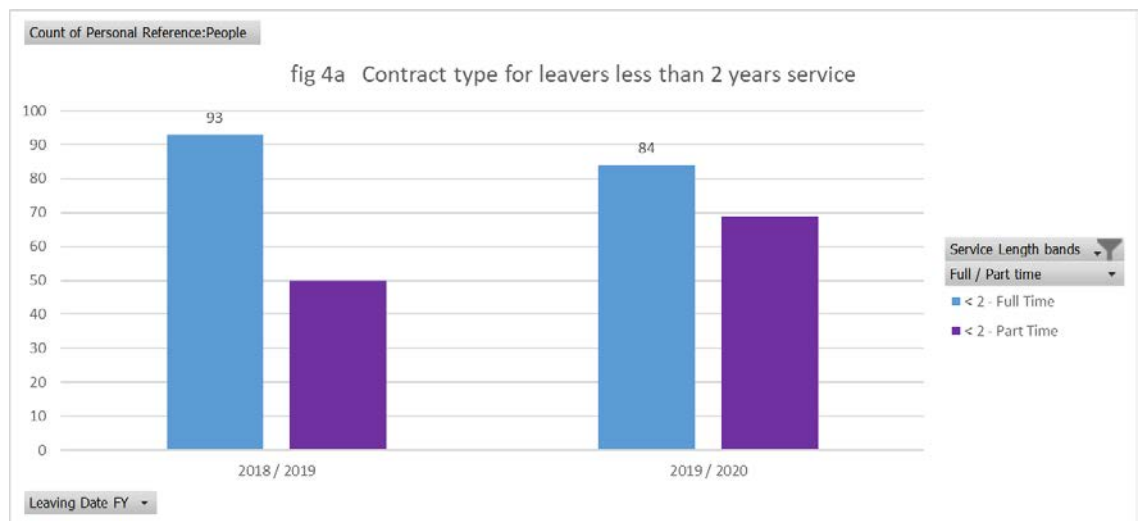


39. The age profile of leavers from Luton council - (fig 3) very much reflects the age profile of the organisation. A workforce analysis conducted in April 2020 showed that 47% of council employees were aged 50 and above with about a third of employees falling into the 50-59 age range. Employees aged 47-59 made up more than half (56%) of the workforce.

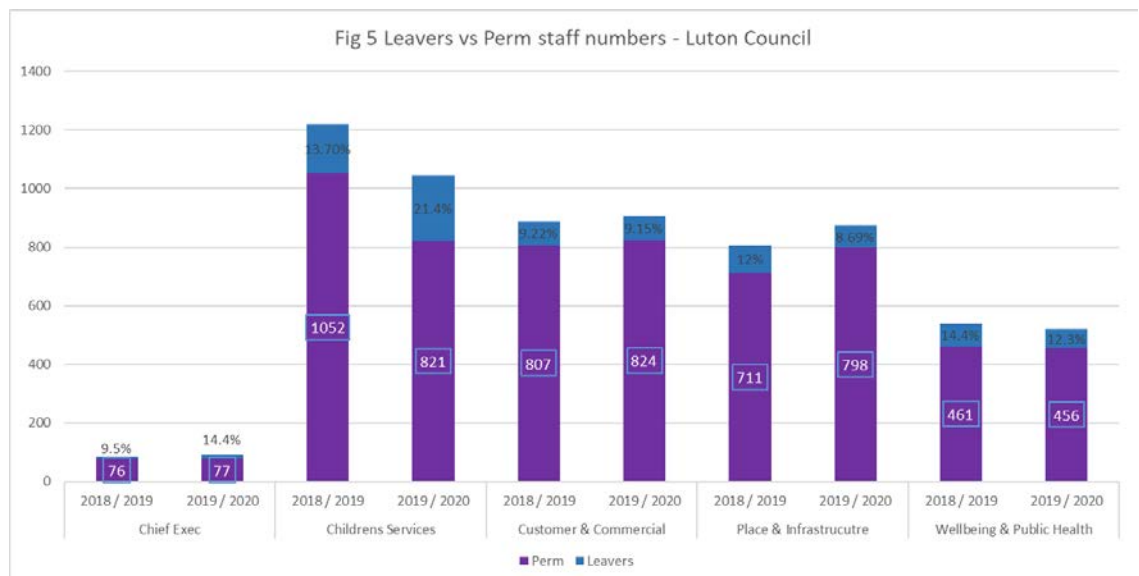
Leavers by Length of Service



40. The highest frequency of leavers fall in the under 2 years and the 2 to 5 years' service ranges - (fig 4). Although these Service ranges include employees working on short term contracts there is indication that there are higher numbers of full time employees leaving employment in the first two years than would normally be expected. (Fig 4a).



Leavers by Destination



41. The highest number of leavers – (fig 5) are from service areas which have the higher number of lower graded positions such as in Education, Housing and Adult Social Care.

Leavers by Destination



42. From the information received provided by employees (Appendix 1 fig 6) most employees leave Luton council for positions in other Local Authorities or the Public sector.
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Personal Experience Responses

44. Leaving employees were asked to rate a variety of aspects of their working experience at Luton council. These include:
 - Relationship with manager
 - Relationship with colleagues
 - Accessibility of Manager
 - Interest in level of work
 - Job security
 - Responsibility
 - Management of your department
 - Communication
 - Manageable workload
 - Training and Development
 - Appraisal/Supervision
45. The results of employee responses are detailed in (Appendix 1 fig 7). The following aspects of work received the highest combined rating of either 'Excellent' or 'good' when rated by employees for the year 19/20.

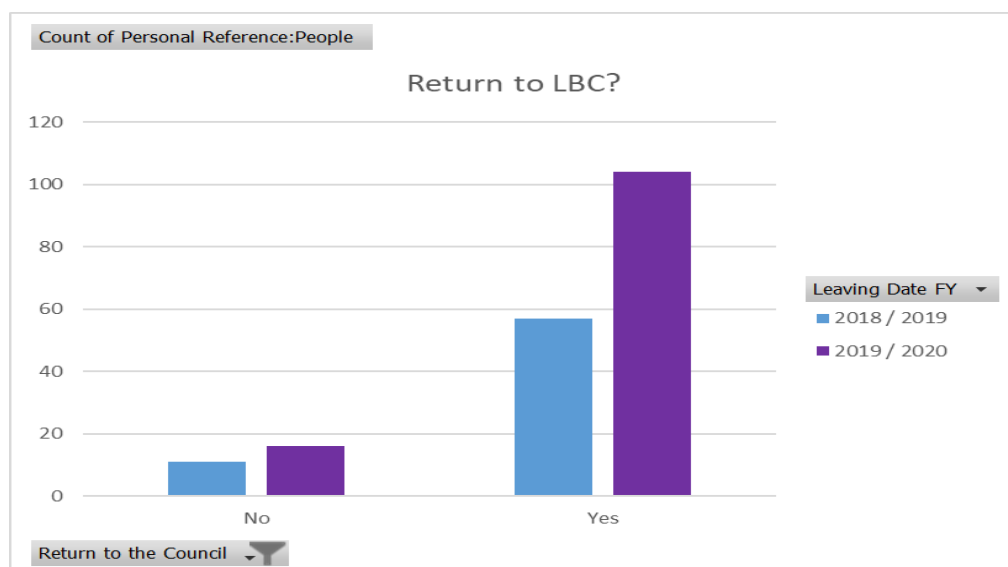
Aspect of work	Percentage
Relationship with colleagues	89%
Job security	89%
Accessibility of Manager	86%
Responsibility Given	83%

46. Relationship with colleagues scored highly for the year 18/19 but the score in the 'good' category for this aspect of work increased significantly in the year 19/20.
47. The following aspects of work received the highest combined rating of either 'Poor' or 'Unsatisfactory' when rated by employees for the year 19/20.

Aspect of work	Percentage
Training and Development	21%
Management of your Department	16%
Manageable workload	14%
Relationship with Manager	14%

48. The 'Excellence' score for Training and Development increased from the year 18/19 which may reflect a number of training initiatives implemented throughout the year. However, the Training and Development aspect of work still received a high frequency of lower scores.
49. The 'Poor' and 'Unsatisfactory' scores for 'management of your department' have not changed from the year 18/19. Although the score for 'relationship with manager' has a consistently high 'Excellent' score over the period the score for both 'Poor' and 'Unsatisfactory' increased from the year 18/19. Combined with other factors such as the high turnover in the under 2 year service employees this would imply that aspects of management supervision and induction require improvement. Also further improvements to the recruitment process may be necessary to ensure as much as it is possible candidates are recruited for LBC for the long term.
50. Although 'Manageable workload' of 'Good' increased from the year 18/19 the continued less positive responses indicate that high workloads remain an issue across the council.

51. Return to Work for Luton Council



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Action Taken from Exit Data.

52. Exit data is reviewed on an ongoing basis and referenced against other data sources such as staff survey's and feedback from managers and employees. Areas where there has been follow up actions in relation to the exit data findings are as follows;
53. Finding-Increase in females leaving/Leaving without giving up work:
 - The increase in female employees leaving combined with an increase in L3 employees leaving without giving up work requires further investigation. Evidence from other sources such as a recent employee survey with service less than 18 months suggests flexible working practices are not always being made available or is difficult to implement for front-line staff. However, 77% of managers surveyed in connection with this report indicated they would consider flexible working. Employee retention proposals are scheduled to be discussed at the People Plan Governance Board.
54. Finding- Career change/ better opportunities remains the highest frequency of reason for employees leaving:
 - A new approach to performance management, 'Check- ins' was launched in April 2019 which replaced the annual appraisal with regular conversations. The aim and core objective of the new scheme is to encourage and facilitate regular, good quality, coaching-style conversations to help bring out the best in people. The 'Effective Conversations' training model supporting the scheme aims to develop coaching skills recognised by the International Coaching Federation, to facilitate rounded discussions about what's going well, what could be better and what is needed to make the most of any opportunities. The conversation allows focus to be on the individual covering Success, Issues and Health & Wellbeing – it is timely and ensures staff and managers use the quality time to discuss what is needed, target specific areas where guidance and support is needed and provide a process to discuss health & wellbeing. The scheme also provides the opportunity to discuss development opportunities and career aspirations and how the council can help with that through learning, apprenticeships, career pathways and other initiatives.
 - Launch of the Career pathways programme. Career Pathways is a 'grow our own' initiative that supports employees with ambitions to further their career, through promotion or a move into a specialism or even switching to a totally new area. The programme offers opportunities for employees to develop the knowledge, skills and experience they need to progress within the Council. It also offers access to a wide range of learning and development activities, as well as providing support to achieve necessary qualifications.
55. Finding- A high number of employees leaving with under two years' service:
 - As part of the focus on employee retention by the People Plan Governance Board it is clear that the implementation of robust induction

programmes for new employees is not consistent across the council. The employee new starter survey identified that 1 in 6 employees had not received any communication from their manager on the first day. Immediate action is being taken where areas of concern within the council have been identified. Further proposals are being recommended to ensure managers are accountable for implementing a comprehensive induction programme for new employees.

- The implementation of the 'Check-ins' performance management also supports the resolution of this area by encouraging on- going employee engagement.

56. Finding - Pay and conditions remains a high frequency reason for employees leaving:

- Addressing pay and conditions concerns is dependent on market surveying and budgetary restrictions. Where it is possible employee benefits are being introduced to support the main terms and conditions available to employees.
Schemes introduced or are in progress of implementation include; Financial loan scheme, A salary sacrifice AVC scheme, cycle to work and green car scheme, various discount offers.

57. Finding – continued Low Ratings for Training and Development:

- A drive to utilise the apprenticeship levy has allowed managers to approve qualifications for staff that may not have been financially viable previously. This has widened the range of professional qualifications available for staff within specific areas as well as enhancing broader skills in Business Administration, Project Management Social Care and Leadership and Management.
- Currently there is focus on improving accessibility to the council's learning and development programme for all staff – ensuring it is flexible, relevant and available when and how staff need it. This is being achieved by increasing the availability of online resources and modules which allows staff to access learning from any device, anywhere, anytime. Mandatory and corporate events have been converted to e-modules, webinars and workbooks to ensure staff can access at their convenience in the workplace or at home. This has reduced the reliance on attending classroom events for lengthy periods of time and has also supports agile working arrangements.

58. Finding - Increase in Unsatisfactory Ratings for 'Relationship with Managers' and Low Rating of 'Management of Department':

- Launch of new leadership and management framework which identifies the expected skills, behaviours and qualities of the council's managers and aspiring leaders. The framework is underpinned by a value-based leadership approach and has a development pathway identifying learning opportunities including Luton specific masterclasses and nationally recognised qualifications at level 3 – 7 to support the development of a

consistent approach to management which is honest, trustworthy and competent.

- A drive over the last 12 months has been implemented to increase the coaching and mentoring capacity within the organisation. This is being achieved by growing the internal pool of coaches that are available to provide a range of experienced colleagues available to support and develop staff at all levels who are seeking a coach for any aspect of their professional performance.
- The Check-in scheme (a replacement to the performance management process) also uses coaching methodology as the foundation of the conversation helping to grow this approach throughout the organisation.

FINANCE IMPLICATIONS

59. There are no direct financial implications arising from this report, as agreed with Dev Gopal, Service Director Finance on 2nd June 2020.

LEGAL IMPLICATIONS

60. There are no legal implications arising from this report as agreed with Josen Jasbir, Senior Solicitor Legal Services on 1st June 2020.

HR IMPLICATIONS

61. There are no other HR implications other than those covered in the main body of this report. Agreed with Angela Claridge, Service Director (HR) and Monitoring Officer on 1st June 2020.

APPENDICES

The following appendices are attached to this report:

Appendix 1 Graph (fig 7) displaying Personal experience responses for the year 18/19 and year 19/20

Appendix 2 Table 1 Leavers by Reason for the Year 18/19 and Year 19/20

Table 2 Leavers by Contract and Grade