



POST OFFICE LIMITED

BOARD REPORT

Title:	Ethos and People Update	Meeting Date:	28 th November 2023
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Input Sought: Noting

The Board is requested to:

- i. Note the primary aim of the Ethos programme and the activity underway across the business;
- ii. Note the initial considerations for the Strategic People Plan; and
- iii. Note the initial results from the colleague engagement pulse surveys.

Executive Summary

The Ethos programme is providing oversight and coordination to help accelerate outputs that drive and assure the culture of Post Office. Since the last Board update, progress has been made across the core workstreams identified in the September Board paper – assurance, ethics, governance, people, Postmasters and the Group Executive.

The Strategic People Plan will be presented at January Board. Work has started on defining this plan with input from across the business being taken to ensure it is a plan that delivers both for the business and for its people.

The latest colleague engagement pulse surveys have shown improvements in the focus areas identified in the last full survey in November 2022. Whilst this progress is positive, we remain clear, from a wide range of data sources and inputs, that there is still significant work to do on the people strategy and the culture of Post Office.

Report

Ethos

1. The primary aim of the Ethos programme is to act as an accelerator for activity across the business that will evolve and assure the culture of the business. The programme will provide oversight and coordination of these activities, ensuring they align to the Group Executive's shared culture ambitions.
2. A few highlights of activities in train, or already completed since the last Board update, follow.
3. The programme is working with Businessfourzero, a specialist external provider, to develop workshops for the Group Executive in January. These workshops will set the



Group Executive up to lead the evolution of the business' culture and ensure alignment on the shared cultural ambitions.

4. Post Office has continued to work with the Institute of Business Ethics (IBE) in two key areas since the last Board update:
 - a. A workshop was held with the Group Executive on 24th October covering the IBE's findings on ethics maturity in Post Office and to outline potential next steps for implementing an ethics strategy within Post Office.
 - b. The IBE has helped the Ethos programme to develop a set of indicators to measure culture in the business. These indicators are being finalised and will be a key element of assuring the culture of the business going forwards.
5. Grant Thornton completed a deep dive audit of Post Office's approach to equity, diversity and inclusion (ED&I), the results of which were presented to the Group Executive on 8th November. There was particular praise for the ED&I policies, networks and initiatives that Post Office has developed, with the next stage of maturity being identified as moving from a characteristics-based approach led by the People team, to an inclusive approach as an overarching business strategic objective. The planning for the next stage of the ED&I strategy forms a key part of the Strategic People Plan, as noted above.
6. A new tool has been introduced in SuccessFactors to capture feedback on Ways of Working for SLP and GE-grade colleagues. This was used for the first time in mid year reviews that were completed by 17th November. The tool has been introduced in response to the feedback in the November 2022 colleague engagement survey that senior leaders' behaviour does not align to the Ways of Working. As noted above, this engagement survey metric moved forward 4bps in the latest pulse surveys.
7. A new platform, supported by Reward Gateway, for colleague benefits and recognition was launched on 29th September. Account activation has reached 70%, with over £155k being spent on employee discounts and over 3,140 recognition e-cards sent. The capability to give public recognition through the platform is new for Post Office and will continue to form a key part of the awards and recognition framework for colleagues.
8. Grant Thornton has also started its governance review and will report to management in January, with the remuneration governance report due imminently.
9. Work has started on developing a training module for all Post Office employees and contractors that broadens the experience of restorative justice beyond the Group Executive members' planned meetings with victims. The aim is to enable everyone working at Post Office to understand the human impact of the scandal, while identifying the cultural conditions and behaviours that led to the failings. To ensure sustainability, this is planned to be e-learning rather than face-to-face learning and work is currently underway within the Remediation Unit to identify some victims who may be willing to share their stories direct to camera as part of the training. The initial draft storyboard for the training is complete, with the module expected to go live in early 2024.
10. Reporting on improvements required by the Common Issues Judgment and Schedule 5 of the Group Litigation Settlement Agreement continues through the Improvement Delivery Group (IDG).



Strategic People Plan

11. Work has started on the development of a Strategic People Plan that will be presented at January Board.
12. Input from across the business is being sought in developing the plan with the topic having been covered at the November Townhall and a People Plan priorities session held with members of the Senior Leadership Group on 20th November.
13. Some of the priority areas identified so far for inclusion in the People Plan are:
 - a. an organisational clarification of roles and accountabilities;
 - b. a leadership behaviours framework;
 - c. an assessment of the capabilities of the existing leadership team against the leadership behaviours framework;
 - d. the design of targeted development for the leadership population considering the outputs of the assessment against the leadership behaviours;
 - e. a model for identification of potential;
 - f. a set of transparent job families and a supporting career framework; and
 - g. a 3-year inclusivity strategy and plan.
14. The People Plan will be the most critical component of developing and changing the culture of the business, and will work in lock step with the Ethos programme.
15. It is critical for both the Ethos programme and the People Plan that traction and momentum are built. To this end, we expect to have completed the activity outlined in paragraph 13. a-c above by the end of January to coincide with the completion of the Group Executive workshops.

Colleague engagement pulse surveys

16. Pulse surveys were completed with employees across the business in a phased (function by function) approach from 21st August through to 23rd October 2023.
17. The response rate, when compared to the full survey in November 2022, grew 29bps to 65%. The low 2022 response rate was largely driven by Union instruction to PO grades to not complete the survey whilst industrial action was taking place at the time.
18. The pulse survey was designed to deep dive into the areas being focused on in the action plan from the November 2022 survey. The action plan was set up to drive the metrics that were identified as the key drivers of engagement.
19. The results of the pulse survey show an improvement of 1% in the headline engagement index which is 68%.
20. Progress has been made in the areas of key focus from the action plan:
 - a. Perceptions of being able to achieve career objectives moved forwards 6bps;
 - b. Ways of Working being demonstrated every day moved forwards 8bps;
 - c. Improved internal 2 way communication was a new measure in the pulse survey with 50% of colleagues saying that communications are open and honest, 11bps ahead of UK norms;
 - d. All measures related to removing strain, bureaucracy and inefficiencies moved forwards, with teamwork and cooperation up 6bps, effective management of



barriers up 5bps, and a 5bps improvement in those feeling under constant strain; and

e. Confidence in senior leaders moved forwards 1bp and senior leaders demonstrating the Ways of Working moved forwards 4bps.

21. A full overview of the results will be taken to the Group Executive on 29th November, with further analysis of how the action plan has driven improvements. Results will be shared with the wider business after that.
22. The next full survey is in February 2024 and the People team's focus will be on driving participation in the survey to further improve the response rate from the pulse surveys.