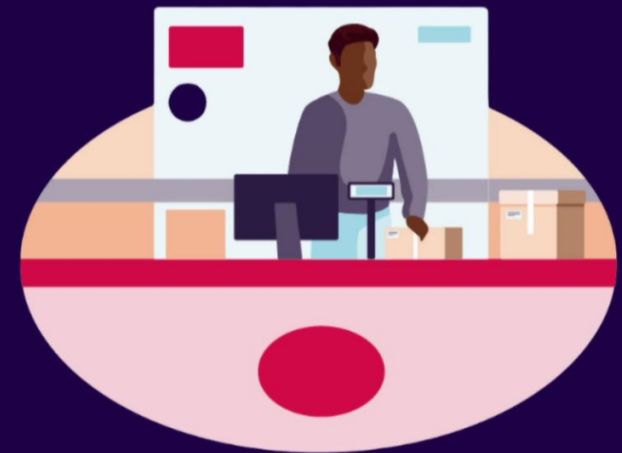


# Postmaster

## Survey Results

Internal Use Only



# Postmaster Survey Summary

## Overview:

- This year's annual Postmaster Engagement Survey ran between the 8<sup>th</sup> - 31<sup>st</sup> March 2024 and was our fourth annual survey.
- **1,917 postmaster responses were received** (+17% vs LY) and is the **highest completion rate** since the annual survey started in 2021.

## Methodology:

- The survey was managed by 'Quadrangle', an independent market research agency, who designed the questions following a large-scale piece of **qualitative research with postmasters**, to understand what drives their overall opinion.
- We have consistently measured overall postmaster sentiment via **two key questions**, both of which postmasters respond to on a 7-point scale (1 being low, 7 being high).
- Firstly, we ask how they would **describe the relationship they have with Post Office** and whether it is as a 'subordinate business partner' or a 'valued/equal business partner.'
- Secondly, we ask **how supported they feel by Post Office**, whether they feel 'unsupported' or 'very supported'. For both questions, the top two boxes (scores 6 and 7 respectively) are used as a proxy for strong sentiment, combining to give us an overall sentiment score.

Off the back of enhanced engagement initiatives, this year's results evidence improved metrics across both response rate and overall sentiment vs LY.

Metric	January 2021	January 2022	March 2023	Oct (Pulse) 2023	March 2024	March 23 vs 24
# of Survey Responses	1,767	1,313	1,642	1,751	1,917	+17%
Survey Response Rate*	25%	19%	23%	25%	27%	+4%
Overall Sentiment Score	22%	28%	22%	29%	26%	+4%
How would you describe the relationship you have with Post Office?	17%	25%	19%	26%	22%	+3%
How supported or not do you feel by Post Office?	26%	30%	24%	31%	29%	+5%

\*based on an average of 7,000 postmasters

## Postmaster Survey Key Takeaways

1

**Enhanced Engagement:** Our focused engagement initiatives have driven **improved metrics**, with **better response rates** and **overall sentiment** compared to previous years. Increased interaction with postmasters is proving to have a positive effect on sentiment, with accelerated activity to support greater engagement, especially with the involvement and visibility of senior leaders. Beyond our accelerated engagement initiatives, the business has made substantial improvements across other critical areas including the Branch Support Centre (BSC), training, field team support and quicker IT fix times, all contributing to the positive outcomes

2

**Influence of External Factors:** Despite these achievements, many **external factors have impacted our scores negatively**, highlighting the need for continued improvement. Key external events such as the cost-of-living crisis, Royal Mail strikes, cyber-attacks, and media coverage (ITV drama and inquiry) have negatively impacted sentiment scores.

3

**Fluctuating Sentiment Scores:** The sentiment scores have shown **significant fluctuations** over the past four years, influenced by both Post Office actions and external factors. Despite some improvements, there has been increased polarisation with more postmasters scoring at the extremes of the scale. (See next slide).

4

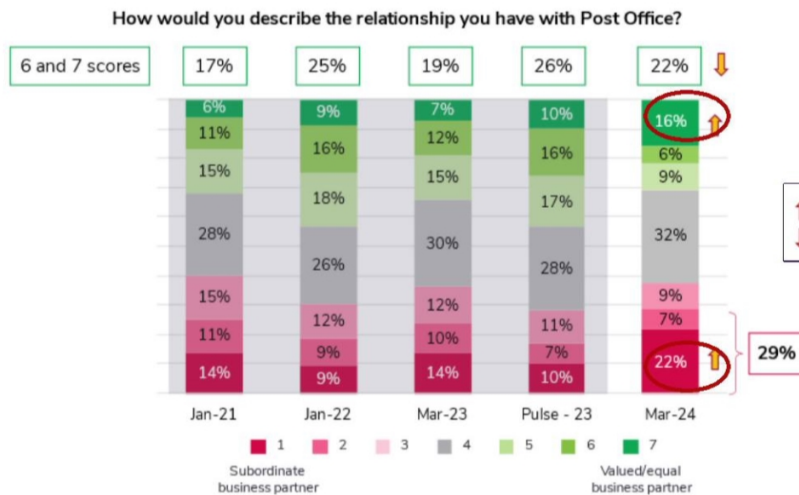
**Importance of Remuneration:** Satisfaction with remuneration is a **critical driver of positive sentiment** among PMs. Despite some increases, remuneration remains the top priority and the area with the lowest perceived improvement.

5

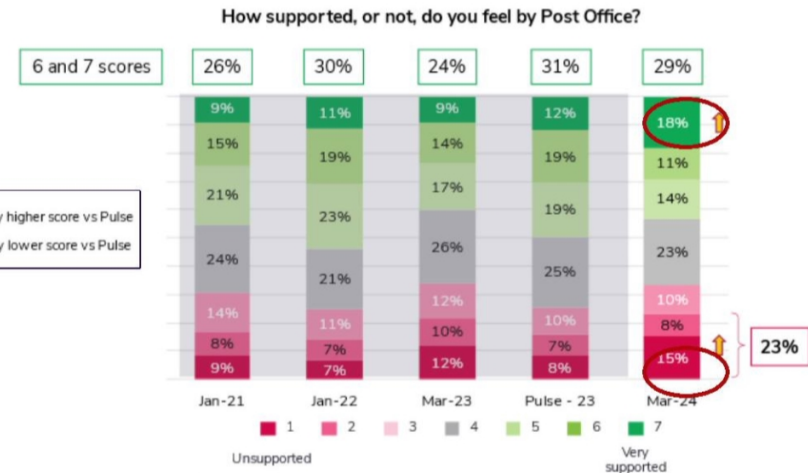
**Focus Areas for Improvement:** The main themes for improvement identified are **'leadership and culture'**, **'reputation and trust'**, and **'future strategy'**. Continuous engagement initiatives and feedback loops are planned to address these areas and further improve postmaster sentiment. Over the last 4 years we have increased the number of postmasters attending various listening groups and forums from 23 to 589, to help address underlying issues and create solutions.



Over the last 5 surveys, we have seen our relationship with Postmasters fluctuate, with a greater polarisation of views more recently.



B1 How would you describe the relationship you have with Post Office?  
Base wave 1: 1,767, wave 2: 1,313, wave 3: 1,642, wave 4: 1,751, wave 5: 1,917



B7 How supported, or not do you feel by Post Office?  
Base wave 1: 1,767, wave 2: 1,313, wave 3: 1,642, wave 4: 1,751, wave 5: 1,917

There appears to be 2 main reasons for the polarisation of opinion:

- 1) Firstly, PUDO seems to have divided the network – those postmasters who have PUDO services seem to be happier and positive about the future, whereas those who don't have the services are clearly aware of the services and the benefits that it brings but are frustrated that they cannot offer them.
- 2) Secondly, a culmination of the cost-of-living crisis, the ITV drama and inquiry, the various disclosures of bonus payments and the racial document have increased negative sentiment considerably.



## Postmaster Survey **Next Steps**

### Key Action Plan Themes

#### Leadership & Culture

- Inclusive project planning / involvement in decision making
- Specialised subgroups
- Community building
- Transparent communication
- Collaborative surveys
- Confidentiality guidelines and protocols
- Regional connectivity

#### Reputation & Trust

- Financial transparency
- Incentivised engagement
- Enhanced health & wellbeing support

#### Future & Strategy

- Comprehensive remuneration review
- Leadership strategy presentations
- Inclusive feedback mechanisms
- Collaborative NBIT development

### Built by Postmasters for Postmasters

**Postmasters have provided us with useful feedback on why sentiment might be low, and we are focusing on these key areas to drive action and improvement. From postmaster listening groups over the last 18 months, we are seeing a positive reaction to new approaches and therefore fully expect the underlying sentiment to improve.**

The action plan for 2024 has been built in collaboration with 20 postmasters, generating ideas to improve against the key themes highlighted in the survey.

Although we have made annual increases to remuneration, with a commitment to increase variable remuneration as a % of variable income, remuneration remains the top priority for postmasters – it is spontaneously mentioned as the main improvement postmasters would like to see and is the poorest performing of the top priority areas in terms of perceived improvements.

We plan to continue to hold listening sessions, as well as other ongoing engagement initiatives, ensuring a continuous feedback loop to ensure we understand postmaster's concerns throughout the year, such as Adopt an Area, Regional Forums, working groups and the Postmaster Experience Forum.

The next Postmaster pulse survey is planned for October 2024.

# Strategic Partner

## Survey Results

Internal Use Only



## Strategic Partner Survey Summary

### Overview:

- This year's annual Strategic Partner Engagement Survey ran between **26<sup>th</sup> February – 15<sup>th</sup> March 2024**
- It reflects the views of **70+ individual senior contacts** from across **26 partner companies**.
- There was representation from across **83% of our partners**, including 100% representation from our Tier 1 partners.

### Key headlines:

- **All metrics have slightly improved** since our last full survey in March 2023
- Our partners **highly rate the engagement** they receive from Post Office (scoring an average of 4.2 out of 5)
- They rate the engagement they receive from Post Office as **slightly better than other partners they work with**
- They continue to **value our Strategic Partner Quarterly Forums**, citing them as a valuable source of inspiring/honest information
- A new metric was introduced to measure the level of face-to-face engagement resulting in a score of 3.9 out of 5

### Key positive themes include:

- ✓ **Well-informed** via business comms and updates/forums – open and transparent engagement from POL Senior Leadership
- ✓ Engagement levels exceeds that from other corporate partners
- ✓ Supportive, collaborative relationships and engagement
- ✓ High quality Account Management with regular meetings/touchpoints

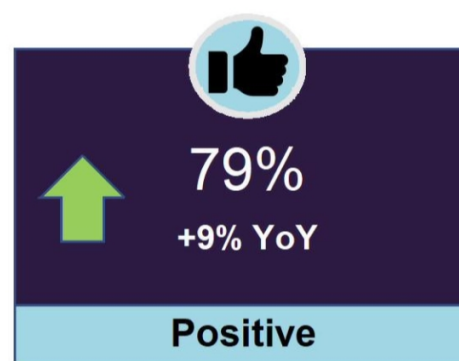
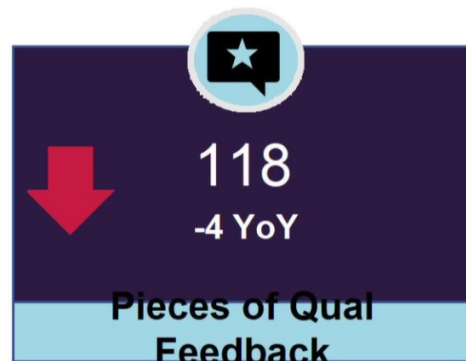
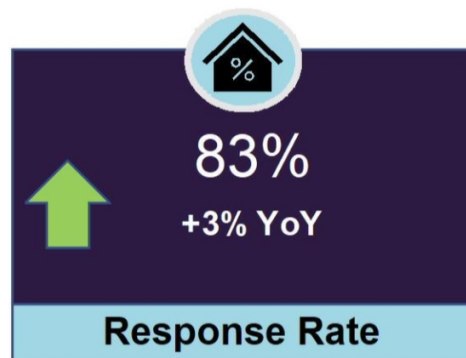
### Constructive themes/areas for consideration include:

- Improved forward planning of communications e.g. product launches
- Room to enhance consistency between POL field team messaging & SP team
- Work to be done to provide simpler, clearer reporting
- Wider business focused on Independent Postmasters – consideration needed at a business level of B2B requirements

Metric	Nov 2021	March 2023	March 2024	March '24 vs March '23
Partner Representation	75%	80%	83%	+3
Overall Engagement Satisfaction	3.9 out of 5	4.1 out of 5	4.2 out of 5	+0.1
Compared to Other Partners	3.1 out of 5	3.4 out of 5	3.9 out of 5	+0.5
Usefulness of SP Quarterly Forums	4.0 out of 5	4.0 out of 5	4.1 out of 5	+0.1



## Strategic Partner Survey **Performance**



## Strategic Partner Survey **Key Ratings**

- All previously measured ratings in March 2024 slightly improved vs 2023.



Overall satisfaction with  
the level of engagement  
they receive from POL



4.2 Average Rating **+0.1** vs 2023 (4.1)



How they rate the  
engagement they receive  
from POL vs other  
external partners



3.9 Average Rating **+0.5** vs 2023 (3.4)



How useful they feel  
our Strategic Partner  
Quarterly Forums are



4.1 Average Rating **+0.1** vs 2023 (4.0)

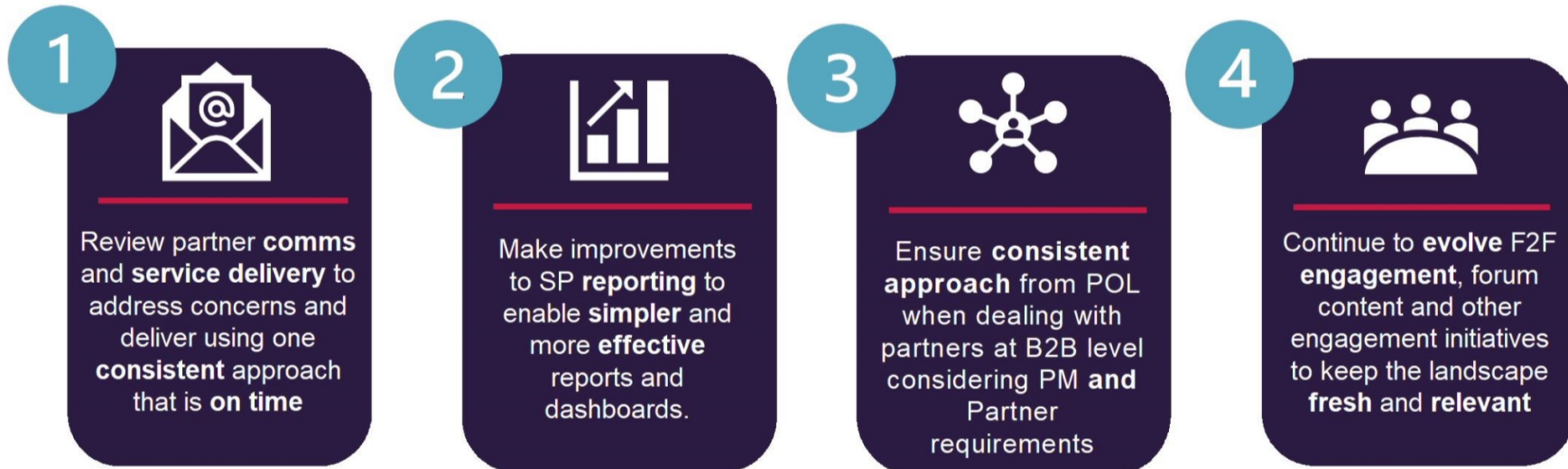


How happy they are  
with the level of face-  
to-face engagement



3.9 Average Rating (New metric)

## Strategic Partner Survey **Action Plan**





# Colleague Survey Results

Internal Use Only



# Colleague Survey Headlines

- 1 86% overall completion rate, this is +21pts from the 2023 Pulse (65%) and +50% from the 2022 Engagement Survey (36%).
- 2 Colleague engagement is down 11% to 57%.
- 3 This is driven by colleague pride being down 22% to 43%.
- 4 Colleagues are still more motivated to do their best at Post Office than employees in other businesses.
- 5 58% of colleagues intend to stay longer than 5 years.

# Colleague Survey **Key Takeaways**

- 1 43% of comments from colleagues on improving their experience at Post Office related to communications. Communications issues are undermining colleagues' confidence in the business and in senior leaders.
- 2 Colleagues are asking for a refreshed strategic intent beyond 2025 to be communicated.
- 3 Tech is less of a barrier for colleagues than it was previously, dropping by 17%, and colleagues' experience of their Line Manager has improved in 6 of 7 measures.
- 4 SLP and Band 4 colleagues describe Post Office as '*bureaucratic*' and '*political*' and are the most 'under strain' at 81% and 77%. Compared to Admin colleagues who describe Post Office as '*friendly*' and '*supportive*' and only feel 34% under strain.
- 5 Colleagues with a disability are least likely to feel included at Post Office, diverse ethnic background colleagues are less likely to be positive about career progression, and senior women are the most likely group to have received an unwanted comment.



# Colleague Survey Action Plan

Survey question	Result	Action title	Action description	Target result(s)	By date	Lead
The senior leadership have communicated a vision for 2025 and strategic priorities for Post Office	32% positive 42% neutral 26% negative	<b>Capability:</b> Post Office vision and strategy	The business to share the outcome of the Strategic Review when ready and allow teams to work their plans into the overall strategy.	<b>Target:</b> 62% positive (in line with UK norms)  <b>Leading indicator:</b> Strategic review outputs shared	March 2025  November 2024	Business led – CEO owned
Post Office is investing in its people	40% positive 36% neutral 24% negative	<b>Capability:</b> Investing in people, including a wellbeing focus	Line Managers will work with colleagues to build out on these plans such as create PDPs, access to L&D resources and succession plans as required.	<b>Target:</b> 44% positive  <b>Leading indicator:</b> PDP completion rate TBD	March 2025  November 2024	Business led – CEO owned
Any major barriers at work are effectively managed in order to allow me to do my job well	59% positive 24% neutral 17% negative	<b>Colleague experience:</b> Removing barriers	Teams across Post Office will be reviewing existing policies, processes and systems and auditing them during the review to improve them.	<b>Target:</b> 65% positive	March 2025	Business led – CEO owned
Multiple questions	N/A	<b>Inclusion:</b> Specific action plans for colleagues with different experiences of working at Post Office	Specific action plans developed focusing on inclusion for colleagues with disabilities, career progression for ethnic minority colleagues, and strain for senior leaders	Various – outlined in the specific Inclusion plans	March 2025	SEG Sponsors: Sarah Gray CP Karen McEwan



# Culture Indicators

Internal Use Only



# Culture Indicators

## Why

- Culture change is critical to the success of Post Office
- The Executive and the Board want better oversight of culture in Post Office

## What

- A single scorecard of indicators

## How

- The indicators were developed with the Institute of Business Ethics (IBE) to bring Post Office in line with best practice ethical culture reporting
- An updated scorecard of the indicators will be provided to the Executive every 2 months
- Board will get updates on culture twice per year. This will incorporate:
  - The culture indicators scorecard and trends
  - Updates from Postmaster and Strategic Partner Engagement or Pulse Surveys
  - Updates from Employee Engagement or Pulse Surveys



# Leadership Indicators May 2024

Metrics	Source	Frequency	Actual	Trend	Benchmark/Target	Commentary
Leadership						
Confidence in leadership	I have confidence in the Senior Leadership of PO	Bi-Annual	35%	↓ 5%	69%	Confidence in the leadership of the business is at 35% following the Colleague survey in February. This was down 5% from 40% in the 2023 Pulse Survey. This metric has been measured since 2021 and has remained broadly static over the last 3 years although the trend now is down with the highest level of confidence recorded in 2021 when the measure was at 41%.
Leadership behaviours	Senior Leaders lead by example and behave in line with our ways of working	Bi-Annual	38%	↓ 6%	69%	Senior Leaders lead by example scored 38% in the Colleague survey in February 2024, which was down 6% from 44% from Pulse survey November 2023, which was the highest score in the three years that it has been measured. This metric has been measured since 2021 and measured 43% in the culture survey in 2021, and has remained broadly static since.

# Control Environment Indicators May 2024

Metrics	Source	Frequency	Actual	Trend	Benchmark/Target	Commentary
Control Environment						
Enterprise & intermediate risks outside of tolerance with supporting remediation plans	Group Risk	Monthly	23	↑ +2	None	We have identified an increase in the residual risk against the following risks: i) <b>Moving the network from copper to fibre</b> risk increased due to failing to install rates remain high, due largely to a recognised gap in Postmaster communications across the programme portfolio, supplier communication issues, and site-specific challenges due to prior site assessments not being funded. ii) <b>Branches unable to process Paystation transactions</b> There is a Second Device project which will replace Paystations with the Second Device supporting a bespoke software solution also providing legacy pre-paid bill payment products. Funding has been agreed until June 2024 to purchase hardware and continued to development, the project delivery status is currently rated red. Concerns that the remediation plan will be achieved by March 2025.
Overdue internal audit actions >60 days	Internal Audit	Every 60 days	12	↓ -2	None	Last month was 14, dropped to 12 out of 75.
Speak up matters	Assurance and Complex Investigations	Monthly	11	↑ +4	None	The volume of Speak Up reports has remained fairly stable for the last 4 months.
Mandatory training completion	People	Monthly	94.1%		95%	<b>Group Mandatory Learning</b> Anti-Money Laundering 85.4% Modern Slavery 98.8% Post Office Scandal 97.9%
Mandatory training completion	Branch compliance	Monthly	94.9%		95%	<b>Branch Learning</b> Anti Money Laundering: 94.9% (this was only mandatory module completed over May)
Accountability	Where I work, people are held accountable for their performance and behaviours	Annual	63%	↑ 4%	64%	There was a 4% increase between the November Pulse and and a 25% increase on the 2022 survey in the 2024 Engagement Survey. This is 1bp behind UK norms.
Alignment to Purpose, Strategy & Values	The way PO does business is always consistent with our purpose, values, & strategy	Annual	42%	↓ 2%	None	There was a 2% fall in colleague's perceptions of consistency with the purpose, values and strategy. This is in line with the falls in the scores for the demonstration of Ways of Working from leaders and across the business. There were also verbatim comments asking for a refreshed strategy beyond 2025.

## Culture Indicators



# Postmaster Indicators May 2024

Metrics	Source	Frequency	Actual	Trend	Benchmark/Target	Commentary
Postmasters						
Overall Postmaster sentiment	How would you describe the relationship you have with PO? [top 2 box scores]	Bi-Annual	22%	↓ 4%	42%	The top 2 box scores fell 4% from 26% to 22% since the Pulse Survey in 2023. There was, however, improvement in the top box score - up 6% from 10% to 16%. At the bottom end of the scale, many more Postmasters are describing the relationship with Post Office as a subordinate business partner relationship, with 29% now in the bottom 2 box scores - up 12% from 17% in the Pulse Survey in 2023.
	How supported, or not, do you feel by PO? [top 2 box scores]	Bi-Annual	29%	↓ 2%	48%	Whilst the top 2 box scores fell from 31% of responses in the Pulse Survey in 2023, the percentage of respondents giving the top box score increased from 12% to 18%. This polarisation is also evident at the bottom of the scale, with the number rating the support they receive from Post Office as the lowest 2 box scores - 23% of responses were the lowest 2 scores versus 15% in the Pulse Survey with majority of the growth coming in the bottom box score.
Postmasters treated fairly (public perception)	Brand Tracker (agreement %)	Monthly	29%	↑ 3%	34%	The public's perception of Postmasters being treated fairly is at its highest point since January 2024. In February 2024, this was 25%, in March 28% and in April 26%.
Postmaster complaint resolution	Branch Support	Monthly	87.20%	↑ 5.2%	82%	331 complaints created for P2. 87.2% Resolved within the SLA of 82%. Top 3 complaints categories were 1. Parcelforce, 2. Royal Mail, 3 Incorrect opening hours advertised.
Postmaster remuneration as a share of PO income	Finance	Monthly	50%	↓ 2%	In line with budget	May P2 figures: Variable remuneration as a percentage of variable revenue in P2 is 50.2%, 0.3% up YoY despite the exit of Lottery, which accounted for ~1% of last years value, and is inline with budget.



# People Indicators May 2024

Metrics	Source	Frequency	Actual	Trend	Benchmark/Target	Commentary
People						
Advocacy - NPS	I would recommend PO as a great place to work	Bi-Annual	56%	↓ 11%	72%	We have seen a significant decrease of 11% in colleagues recommending Post Office as a great place to work in the 2024 Engagement Survey (56%) versus the Pulse survey in November 2023 (67%). There has been a declining trend in Colleague NPS. It was -8 in the 2021 Culture Survey, -14 in the 2022 Engagement Survey and is now -25 in the 2024 Engagement Survey.
Behaviours	I see the ways of working being demonstrated every day	Bi-Annual	53%	↓ 5%	None	There had been a progressive improvement in the recognition of the demonstration of the Ways of Working since it began to be measured in 2021. However, for the first time we have seen the positivity score decrease by 5% following the 2024 Engagement Survey with the score now 53%, down from 58%.
Turnover	People - Overall Turnover	Monthly	8.0%	↑ 0.5%	None	The business has seen 51 leavers and 31 new starters in the month of May 2024 leading to a 0.5% increase in turnover.
Stress related absence	People	Monthly	12.9%		None	12.9% of all absences were caused by stress. Over 70% of employees absent due to stress have been absent from the business for 15 days. People Team are currently investigating issues with the previous months' data to identify trends.
Grievances	Grievances & dignity at work case volume	Monthly	12	↓ -1	None	DaW = 6 Grievance = 3 DaW appeals = nil Grievance appeals = 3
Oversight	Where I work, people are held accountable for their performance and behaviours	Annual	63%	↑ 4%	64%	There was a 4% increase between the November Pulse and a 25% increase on the 2022 survey in the 2024 Engagement Survey. This is 1bp behind UK norms.

## Culture Indicators



## Employee Psychological Safety and Inclusivity Indicators May 2024

Metrics	Source	Frequency	Actual	Trend	Benchmark/Target	Commentary
Employee Psychological Safety & Inclusivity						
Psychological Safety Index	Where I work, people can share their opinions, ideas, feedback or concerns without fear of negative consequences	Annual	74%	→	70%	This metric remains static from the Colleague survey in 2022 to the Colleague survey in February 2024 with the positivity score remaining at 74%, 4bps ahead of UK norms.
	Where I work, people are treated fairly	Annual	73%	↓ 2%	72%	This metric has decreased slightly in the 2024 Colleague survey to 73% from 75% in the 2022 survey. When measured in 2021 the starting position was 46%.
	I believe my views are genuinely listened to when I share my opinion	Annual	71%	↑ 1%	None	This metric has slightly increased in the 2024 survey to 71% from 70% in the 2022 survey.
	Where I work, when mistakes happen, they are treated as an opportunity to learn rather than an opportunity to blame	Annual	68%	↑ 3%	None	This metric has increased 3% in the 2024 survey to 68% from 65% in the 2022 survey.
EDI target achievement	Senior Leadership Inclusivity - Gender SLP	Quarterly	38.8%	↑ 1.4%	50%	There has been an increase in the proportion of women in SLP roles over the last quarter. It remains below the benchmark set in the Post Office ED&I strategy.
	Senior Leadership Inclusivity - Ethnicity SLP	Quarterly	11.9%	↑ 1%	18%	There has been an increase in the proportion of colleagues from ethnic minority backgrounds in SLP roles over the last quarter. It remains below the benchmark set in the Post Office ED&I strategy.

# Customer Indicator May 2024

Metrics	Source	Frequency	Actual	Trend	Benchmark/Target	Commentary
Customer						
Customer sessions	Average weekly customer sessions	Monthly	9.12m	↓ 0.35m	None	Customer sessions fell from 47,359,979 in P1 to 36,466,443 in P2.

