

Engagement Survey 2022





Methodology



The margin of error for the overall results is 2.2%

Explaining this report

- Most questions asked colleagues to express their agreement on a scale of 1 ('strongly disagree') to 5 ('strongly agree'). Reported percentages represent the proportion responding positively ('strongly agree' or 'agree').
- Comparisons are made where available to the 2021 Post Office Culture Survey. Questions in this survey used a 6-point scale (Strongly Agree - Agree - Slightly Agree - Slightly Disagree -Disagree - Strongly Disagree). Comparisons are made to those who responded Strongly Agree or Agree. A Because of the different scoring scale, comparisons should be treated with caution.
- All comparisons are calculated using unrounded data, meaning figures may differ by +-1pt to unrounded comparisons.
- Proportions of Positive, Neutral and Negative may not sum to 100, also due to rounding.

Responses by Grade



* Middle Management includes grades 2A, 2B and 3B.

Using this report

No grade data available

- In October 2022, Post Office undertook colleague survey to assess its areas of strengths and identify areas where improvement was required.
- This report highlights the key insights and trends emerging from this data at an overall Post Office level.
- To provide further context, the report includes comparisons where available - against a UK average. This benchmark provides clarity on how other organisations (from all sectors but operating in the UK market) are performing. It helps to define which trends are being felt in the wider workforce.

3%

12%

148

Responses by function



| | # of responses | % of responses | Response rate | Margin of error |
|--|-------------------|-------------------|------------------|--------------------|
| Retail – Postmaster excl. DMBs | 307 | 25% | 57% | 4% |
| Retail – DMBs | 186 | 15% | 18% | 6% |
| Retail – Supply Chain | 135 | 11% | 17% | 8% |
| Legal, Compliance and Governance | 128 | 10% | 71% | 5% |
| Finance | 107 | 9% | 65% | 6% |
| Commercial | 99 | 8% | 55% | 7% |
| Technology | 72 | 6% | 41% | 9% |
| People | 56 | 5% | 62% | 8% |
| Retail – Network | 46 | 4% | 81% | 6% |
| Strategy and Transformation | 32 | 3% | 74% | 9% |
| Enterprise Cloud and Transformation | 23 | 2% | 36% | 16% |
| Corporate Affairs and Communications | 23 | 2% | 82% | 9% |
| [Contractor] Post Office Management Services | 14 | 1% | 54% | 18% |
| Chief Executive Office | 1 | <1% | 33% | n/a |

Due to high margins of error and / or low response counts, Chief Executive Office, Post Office Management Service, Enterprise Cloud and Transformation and RemCo have been excluded from any function and grade breakout reporting in this report.

Executive summary

Focus on building trust in senior leadership

- There is widespread lack of confidence in senior leaders at Post Office (39%) and how well they have communicated an inspiring vision for 2025 (44%).
- Confidence in leadership is the second strongest driver of engagement at Post Office and is also associated with feeling a strong sense of belonging.
- Senior leaders are much more likely to have a negative cultural experience, defined by words such as hierarchical, political and risk averse.

Key fact

51%

Strategy & Leadership Index positivity

What you should consider

 Senior leaders can build colleague confidence by focusing on key behaviours including leading by example and holding others to account, plus role-modelling the organisation's Ways of Working.

Support people managers to host quality - not just frequent performance conversations

- Feeling able to achieve one's career objectives is the strongest driver of engagement, yet only 47% are positive on this metric.
- Managers play a key role in driving positivity by hosting frequent, high-quality performance conversations, although fewer than half of colleagues are having this experience.
- Colleagues are +29pts more positive about career progression when managers support them through change and help them access learning opportunities.

(c>) Key fact

more positive on achieving their career objectives if their manager supports +39^{pts} their career development

What you should consider

Colleagues are

• How can managers be supported to find a better balance of wellbeing, change and learning-focused performance conversations to ensure important development needs are being met?

Psychological safety essential for ensuring the right behaviours practised and decisions made

- Most colleagues experience high levels of psychological safety. Positivity on speaking up without fearing negative consequences leads the UK benchmark at 74%.
- However, experiences vary the SLP and Retail populations do not share the same high levels of psychological safety.

Key fact

%

What you should consider

Immediate focus is needed on populations

with low psychological safety due to the

on 'staying under the radar' rather than

seeking innovation or improvements.

implications of poor decision-making based

 Findings show that colleagues experiencing high levels of psychological safety tend to make decisions based on what they believe to be right rather than what will draw least attention.

Psychological

Safety Index

Operational and behavioural barriers driving down engagement and fuelling feelings of strain

- Half of colleagues have felt under constant strain in the last few months. rising to seven in ten among the SLP.
- Just two in five colleagues feel that major barriers at work are effectively managed. Difficult workplace environments and poor communication have the strongest negative impact.
- Colleagues who agree a working pattern with their manager (58%) that suits both them and their role are much more likely to feel they have a suitable work-life balance.

(c>) Key fact **47**%

of colleagues have not agreed a working pattern that suits them

What you should consider

• What can be done to address the feeling that, for some, navigating complex and bureaucratic processes in a difficult working environment may have become a default setting?

While colleagues feel highly motivated to contribute, just three in five feel a strong sense of belonging

| Key fact |
|---------------------------------------|
| 3in 5 |
| SIND feel a strong sense of |
| belonging to Post Office |

What you should know

- At 68%, engagement is relatively strong, though 3pts below the UK Norm. However, this does not align with the overall eNPS of -14, a disconnect which is more pronounced in some functions than others.
- The engagement / eNPS 'gap' widens further by Grade, with colleagues at the PO/Admin and SLP levels recording notably lower engagement.
- Looking at individual Index metrics, although colleagues are motivated to do their best for Post Office, many do not feel a strong sense of belonging, and one in five are neutral/unsure.

What you should consider

- Analysis shows that to build belonging, senior leaders must consistently role-model the Ways of Working – what additional support do they need to achieve this?
- Belonging is also driven by feeling able to develop at Post Office, a metric which currently has low positivity. Is a genuine lack of opportunities to blame, or is the visibility of opportunities a barrier?

Engagement Index



Key: Above average Below average Negative NPS but ahead of POL Average

| By Function | Engagement | eNPS |
|--------------------------------------|------------|------|
| Finance | 75% | +17 |
| Legal, Compliance and Governance | 74% | -18 |
| Retail – Network | 73% | -22 |
| Strategy and Transformation | 69% | -19 |
| Retail – DMBs | 67% | -8 |
| Commercial | 67% | -22 |
| Technology | 67% | -17 |
| Retail – Postmaster excl. DMBs | 67% | -18 |
| People | 65% | -16 |
| Corporate Affairs and Communications | 63% | -43 |
| Retail – Supply Chain | 61% | -18 |
| By Grade | | |
| PO/Admin | 64% | -13 |
| Middle Management | 72% | -6 |
| Band 3A | 67% | -21 |
| Band 4 | 72% | -22 |
| SLP | 59% | -51 |







Compared to the 2021 wording 'Post Office inspires me to do my best work every day'
Compared to the 2021 wording 'I feel proud to work for this organisation'

Just one key engagement driver scores above 70% positivity

What you should know

key drivers score 50% or less

Key fact

- Of the seven drivers with the most influence on colleague engagement, only one ('Where I work, people are treated fairly') scores above 70%.
- The remaining drivers score between 39% and 64% positivity, revealing wide scope for improvement.
- Two low-scoring drivers with a strong impact on engagement warrant immediate focus. 'I feel able to achieve my career objectives at Post Office' scores 47%, while 'I have confidence in the Senior Leadership of Post Office' sits at 39%. These scores lag the benchmark by 11pts and 33pts respectively.

What you should consider

- Retail and Corporate Affairs and Communications have the lowest positivity across at least three of the key drivers. What unique challenges are in play in these functions?
- The two lowest-scoring drivers relate to leadership perceptions. What plans are in place to address this? Do senior leaders have the support they need to communicate effectively and follow through on their commitments?

| nfidence in Senior Leaders and jectives are high priority areas | d feeling | g able to achieve career | | | | | | |
|--|-----------|--|------|--|-------|-------------|--|---|
| Lower priority focus areas Moderate impact, high positivity | | Focus on maintaining High impact, high positivity | 4 | Items with high impact but low Focus on these for the biggest g | | | | |
| | 3 | | Rank | | Score | vs. UK Norm | Lowest in | Highest in |
| | | | 1 | I feel able to achieve my career objectives at Post Office | 47% | •11 | Retail – Postmasters Excl. DMB Retail – Supply Chain | Finance People |
| 5 | | | 2 | l have confidence in the Senior Leadership of Post Office | 39% | ● 33 | Retail – Postmasters Excl. DMB Retail – DMBs | Central Functions |
| | | | 3 | Where I work, people are treated fairly | 73% | 01 | Retail – Postmaster excl. DMBs | Retail – Network Legal, Compliance and Governance |
| 9 | | 0 | 4 | l see the Ways of Working being demonstrated everyday | 50% | N/A | Corporate Affairs and Communications Retail – Network | Retail – DMBs People |
| 0 | | | 5 | At Post Office, how we do things is as important as what we do | 64% | N/A | Corporate Affairs and Communications | Retail – DMBs Retail – Network |
| 6 | 2 | | 6 | Senior leaders lead by example and behave in line with our Ways of Working | 39% | ● 27 | Corporate Affairs and Communications People | Legal, Compliance and Governance Finance |
| Medium priority focus areas | | gh priority focus areas | 7 | There is good teamwork and co-operation between departments at Post Office | 44% | ● 16 | Corporate Affairs and Communications Technology | Legal, Compliance and Governance People |

Impact on engagement

Three in ten colleagues have a low understanding of how their role contributes and connects to Post Office strategy

Key fact opts

Strategy & Leadership Index lags behind external benchmark

What you should know

- Overall Strategy & Leadership positivity is relatively low (51%) despite colleagues' strong understanding of how their role contributes to Post Office's overall strategy (70%).
- · Additionally, levels of strategic understanding and motivation do not always align. 28% of colleagues are not motivated by the strategy despite having a good understanding of it.
- When colleagues have both high levels of understanding in their contribution and are motivated by the future vision, engagement rises to 87% - 19pts higher than average.

What you should consider

- Colleagues in Retail Supply Chain and Retail - DMB are more likely to experience low understanding and low investment. Are communications not reaching these populations, or are the messages not meaningful for them?
- · Is there a way to harness 'ambassadors' in Strategy and Transformation, Corporate Affairs and Communication and People to amplify strategy and future vision communications?

Strategy & Leadership Index

SLP

PO/Admin

Band 4

SLP



| Index below average in | |
|--------------------------------------|-----|
| Retail – DMBs | 35% |
| PO / Admin | 41% |
| Retail – Supply Chain | 41% |
| Index above average in | |
| Corporate Affairs and Communications | 67% |
| Strategy and Transformation | 65% |
| Retail – Network | 64% |
| Legal, Compliance and Governance | 60% |
| Band 3A | 60% |
| Band 4 | 59% |
| Commercial | 59% |
| SLP | 59% |
| | |

87% of colleagues who understand and are invested in the strategy are engaged



motivates me

* Due to a very small base size (n=26) for the Enthusiast population, no function breakouts have been provided

Above average in: Strategy and Transformation Corporate Affairs and Communications Retail - Network People Band 3A Below average in: Retail - Supply Chain Retail - DMBs

PO/Admin

Bystander Deep dive

Bystanders are characterised by their lower confidence in how the organisation behaves. Such as: 14pts less likely to have confidence in Senior Leadership, 12pts less positive in how these Senior Leaders lead by example, or whether Post Office's actions match its words. Further qualitative data enriches this narrative as they – Bystanders – feel that the organisation does not make strategic decisions that reflects their daily experience - which heightens their feelings of being unheard or undervalued.

Colleague confidence in leadership is essential for driving higher levels of engagement

Key fact

2 in 5 have confidence in the Senior Leadership

have confidence in the Senior Leadership

What you should know

- Two in five colleagues have confidence in senior leadership. This figure rises to one in two in Finance and Legal, Compliance and Governance but drops to just one in three in Retail.
- Overall Retail sentiment remains low, but there is some variation. Retail – Network positivity sits at 43%, compared to 25% within Retail – DMBs.
- By Grade, colleagues in Band 3A have the highest confidence in senior leaders, followed by those in Middle Management. Surprisingly, colleagues in SLP and PO/ Admin are closely aligned, with only one in three feeling confident.

What you should consider

- Positively role-modelling the Ways of Working, actively listening and demonstrating integrity and accountability all serve to drive greater confidence in senior leaders.
- Are senior leaders visible enough across Post Office for colleagues to be able to make an informed judgement, especially Retail colleagues, who show some of the lowest levels of confidence in leadership?

Senior Leaders must be seen to lead by example to inspire confidence



Only one in three colleagues in Retail have confidence in senior leadership - this falls to one in four in DMBs

I have confidence in the Senior Leadership of Post Office - by function

| Legal, Compliance and Governance | 52 % |
|--------------------------------------|-------------|
| Finance | 51% |
| Commercial | 49% |
| Technology | 46% |
| Corporate Affairs and Communications | 43% |
| Strategy and Transformation | 38% |
| People | 36% |
| Retail | 32% |
| | |
| Retail – Network | 43% |
| Retail – Supply Chain | 34% |
| Retail – Postmaster excl. DMBs | 33% |
| Retail – DMBs | 25% |



Seeing Ways of Working in action is associated with enablement and confidence in Post Office's future

Seeing the Ways of Working embedded consistently

across all work contexts is key to unlocking their

benefits for the colleague experience Key: • The Senior Leadership have communicated a vision for 2025

does business is

always consistent with

our purpose, strategy

and values



- Colleagues are particularly negative around co-operation, with three in ten saying they do not see good teamwork and co-operation between departments. This question scores 16pts below the UK norm.
- When all three of the aspects of Ways of Working are experienced positively, colleagues are around +30pts more likely to feel positively about organisational strategy and barriers to effectiveness.

What you should consider

- How can the large neutral population be positively influenced? Is communication/ sign-posting an issue?
- What is preventing Ways of Working from being implemented evenly and effectively? Consider sharing more tangible, real world examples of behaviours so colleagues can build their understanding of how Ways of Working translate to their every day.



Senior leaders lead by example and behave in line with our Ways of Working



* Compared to the 2021 wording 'I see Post Office's Ways of Working being demonstrated everyday'

Focusing on supporting career development is key to building engagement

| Key fact | |
|--|--|
| 47 % | |
| feel able to achieve their career objectives at Post Office | |

What you should know

- While positivity on feeling able to progress at Post Office has increased (47%, +15pts* vs. 2021), it is 11pts behind the benchmark, and one in three colleagues are unsure.
- By Grade, positivity is lowest among those in PO/Admin and SLP roles, though both have improved since last year. By age, positivity is lowest among those aged 35-44 years.
- Correlation analysis shows that when colleagues have access to development and feel supported through change, they are almost twice as likely to say they can achieve their career objectives than if they were only positive on one of these metrics.

What you should consider

- Are colleagues able to see and hear from others who have progressed within the business, and are all opportunities to progress communicated, such as lateral moves, secondments and job shadowing?
- What resources are available to managers to support their teams through organisational change? Are people managers fully aware of their critical role in change management?





* Compared to the 2021 wording 'I believe there are good career opportunities for me at this company'

[†] Compared to the 2021 wording 'I have access to the learning and development that I need to do my job well'

Check-ins and wellbeing concerns may take manager focus from development and collaboration



While frequent conversations are important, so is quality - only one in two are enjoying the benefits of both

Key fact

are having performance conversations monthly or more frequently

What you should know

- The majority of colleagues (65%) are having performance conversations monthly or more often, though these tend to focus on a few topics, such as wellbeing and performance.
- Fewer managers provide clarity on how to deal with barriers that occur in an individual's role, on how changes impact colleagues, or challenge them to develop their skills - a key topic given the link between development conversations and overall engagement.
- · Colleagues who benefit from both frequent and high-quality conversations are much more engaged and feel more positive about achieving their career goals.

What you should consider

- Do managers need support in expanding their behavioural toolkits to cover all elements of the colleague experience that colleagues wish to discuss?
- The SLP population are less likely to have frequent, high-quality performance conversations, as are colleagues who, based on performance rating, are targeting improvement or development - why is this?

How often do you discuss performance with your line manager?

Key: Weekly or less Between every 2-4 weeks Quarterly Between every 6-12 months Annually Less often than annually l l do not have regular check-ins with my manager

| 22 % | | 43 % | 20% | 8% | 4% |
|----------------------|-----------------------------|--------------------------|----------------------------|----|----|
| In a performance che | ck-in, my people manager (% | % Always or Frequently): | | | |
| | Gives me clarity on | Provides clarity | on how Provides clarity on | 1 | |

| Cares for me and my wellbeing | Gives me clarity on my goals, objectives and performance | Connects my role with the business's strategy | Provides clarity on how to effectively deal with barriers in my role | Provides clarity on how business-wide changes impact me | Challenges me t develop my skill |
|----------------------------------|--|---|--|---|-------------------------------------|
| 75% | 67% | 61 [%] | 59 % | 58% | 54% |

One in two are having both frequent and high-quality performance check-ins

59%

65%

of colleagues

have performance

(Monthly or more often)

conversations frequently

of colleagues have high-

quality performance conversations (At least 4 of the 6 above

behaviours are present frequently or always)

| | 12% | | | 47 % | quality perfo conversation |
|---------|--|-----------|-----|--|---|
| | E | ngagement | | | More common i Retail - DMBs People |
| | I feel able to achieve my career objectives at Post Office | | | I feel able to achieve my career objectives at Post Office | Band 3A Middle Managemen |
| | 56% | 71% | 79% | 64% | Performance Rating Exceeds Expectation |
| | l feel able to achieve my career objectives at Post Office 22 % | 49% | 59% | I feel able to achieve my career objectives at Post Office 30 % | Less common in Corporate Affairs an Technology Strategy and Transf Retail - Supply Chai |
| | 23% | | | 18% | SLP PO/Admin |
| Quality | Infrequent, low quality | | | Frequent, low quality | Performance Rating Some Improvement Development requir |

nance

ommunications ation

56%

n=264

• 77%

Engagement

I want to retire early

12%

Four in five colleagues plan to stay with the business for the next three years or longer

5%



15% 25% 35% 45% 55% Engagement Score

65%

Post Office has a respectful, friendly and supportive culture, with pockets of bureaucracy, fragmentation and inefficiency



Technology and complexity key barriers, though communication impacts engagement more

Key fact 42% say major barriers are managed effectively to enable effective working (+7pts vs. 2021)

What you should know

- Only two in five colleagues feel that major barriers are effectively managed to enable them to do their job well, and a large proportion are unsure.
 Commonly experienced barriers are tech / IT systems (mentioned by 59%), too much complexity / bureaucracy (51%) and conflicting priorities (50%).
- However, these barriers do not have a strong negative impact on engagement. Of the barriers that do, lack of sufficient communication emerged as a prominent theme, alongside a difficult working environment.

What you should consider

- Consider how communications are currently shared and why they are seen as inefficient. Have colleagues been asked how they would like to receive their communications (via which channels) and what information they need?
- Low levels of enablement and empowerment are likely to amplify any feelings of dissatisfaction caused by other factors, driving engagement further down.

Any major barriers at work are effectively managed in order to allow me to do my job well



* Compared to the 2021 wording 'Most of the systems and processes here support us getting our work done effectively'

High levels of psychological safety promote decision-making based on 'doing the right thing'

| Key fact |
|---|
| 3in4 |
| |
| say people can share their views without fear of negative |
| consequences (+4pts vs. UK Norm) |

What you should know

- Findings point to a psychologically safe environment within Post Office.
 Most colleagues feel able to share their opinions, ideas and feedback, and a similar proportion feel fairly treated.
- However, the overall view masks variance across the wider business. The SLP population, as well as Retail, are not experiencing the levels of psychological safety seen elsewhere.
- Psychological safety and autonomous decision-making are closely linked. Colleagues who feel free to make decisions in their job are 42pts more positive on psychological safety than those who are less certain.

What you should consider

- High psychological safety enables colleagues to make decisions based on doing what is right rather than what draws the least attention – of critical importance following the Enquiry.
- Do leaders need more support in rolemodelling the right behaviours, such as encouraging team members to give honest feedback, listening to concerns without judgement and building trust by delivering on promises?

Psychological Safety Index



Band 4

PO/Admin

SLP

| | | By function | |
|-----------------------|-----|--------------------------------------|-----|
| | | Legal, Compliance and Governance | 80% |
| | | Technology | 77% |
| | | Strategy and Transformation | 76% |
| | | Corporate Affairs and Communications | 75% |
| erage 🔳 Below average | | Commercial | 74% |
| | | Retail - Network | 73% |
| | 79% | Retail - DMBs | 72% |
| ent | 74% | Finance | 72% |
| | 73% | People | 71% |
| | 63% | Retail – Supply Chain | 68% |
| | 61% | Retail – Postmaster excl. DMBs | 63% |
| | | | |

The index consists of an average of the following four questions:

| | Score | vs. UK Norm | vs. 2021 |
|---|-------|----------------|--------------------------|
| Where I work, people can share their opinions, ideas, feedback or concerns without fear of negative consequences | 74% | •4 | N/A |
| Where I work, people are treated fairly | 73% | 01 | 0 27 [†] |
| l believe my views are genuinely listened to when I share my opinion | 70% | N/A | N/A |
| Where I work, when mistakes happen they are treated as an opportunity to learn rather than an opportunity to blame | 68% | N/A | N/A |

Psychological safety is highly correlated with the freedom to make decisions:

I am provided with the freedom to make appropriate decisions in my job UK Norm



Psychologically safe^{*} colleagues are far more likely to make decisions based on doing the right thing

What influences decision-making in your part of Post Office?

Key: • Doing what is believed to be right



* Levels of psychological safety were assigned based on how many of the Psychological Safety Index questions they answered positively to. Those who answered positively to all 4 are considered to have high psychological safety. Those who answered positively to 1 or 0 are considered to have low psychological safety.

* Compared to the 2021 wording 'Everyone is treated fairly at Post Office'

Half of all colleagues have felt under constant strain recently - rising to seven in ten of the SLP

Key fact



Improved pay / benefits and internal communication are top asks to make Post Office a better place to work

Key fact

in 5

What you should know

and progression opportunities.

and better technology / IT.

Finally, what one thing would you improve to make Post Office a better place to work? n=895 Paid in accordance 11% 10% 20% Speed up the decision with inflation and making process, too roles available for anyone much seems to have to go Improve pay and benefits Streamline processes and Improve training and would improve pay and benefits that is looking to progress." to the highest level and is reduce bureaucracy progression opportunities procrastinated over. Trust people to make more decisions so the business can work at pace.' Colleagues most want to see improved pay / benefits and internal communication in order to make Post Office a better place to work. COMMUNICATE! Make Leading by example • 11% of comments related to the sure that every rule, - Senior Leaders theme of streamlining processes 8% regulation and practice is know following processes, systems 8% 8% and reducing bureaucracy, while from the top person all the way and procedures set out for 10% highlighted improving training General comments 19% to the cleaners! Every problem the whole organisation, not Hire more staff / Improve that happens in PO comes expecting to bypass them or have do more to retain collaboration / and IT · Further down the list, colleagues would from miscommunication." someone else do it for them." Ensure pay is fair 4% current talent reduce silos like to see increased headcount, more for all colleagues / better recognition and collaboration More support during the 3% cost of living crisis Review pay Other themes included: 1% What you should consider more regularly More empowerment / accountability / ownership 6% · Are there opportunities to commit to an 6% Treat all colleagues fairly and equally ongoing dialogue on pay and benefits, 12% with transparency around what is We need to become more agile and efficient 6% 8% possible and not and the reasons why? Improve internal communication 5% Tackle overworking and improve work-life balance • Taking action post-survey will be key in 6% 6% 4% More recognition / Improve colleague morale / motivation building leader trust. Can action plans to praise for colleagues address daily challenges, such as technology 4% More clarity on our goals and strategy General comments would like more Better equipment or processes, be shared, with progress 7% about internal and tools support from Reassess where company finances are distributed 4% updates and any course corrections, so communication managers colleagues feel they are being heard? 3% Allow more home working / flexible working options Listen to and consult 3% 3% More focus on diversity and inclusion colleagues more 2% I do not need any additional support / I am happy here Be more honest and 2% 1% transparent Tackle blame / bullying culture