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**To:** Personnel Committee      **Date:** 9 September 2014

**Subject:** Retention Strategy

**Classification:** Unrestricted

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**Summary:** The retention of employees with the right skills, knowledge and attitudes is critical to the transformation of KCC and the continued delivery of excellent services. This report outlines the information being gathered and the tools and techniques available for managers to help them retain staff.

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## **1. Background**

1.1 Following consideration at Personnel Committee on 4 June 2014 of the Annual Workforce Profile report, Members of the committee were keen to understand more about the reasons employees leave KCC categorised in the report under 'resignation' (51.4%) and 'other' (25.8%), which includes the end of fixed term, temporary and casual contracts. This report outlines KCC's retention strategy and how it is informed by understanding why some people choose to leave KCC.

## **2. Context**

- 2.1 The organisation is contracting and therefore some turnover is due to managed redundancies. As alternative service delivery models are introduced, it is very likely that the KCC workforce will decline further as a result of future policy decisions. This report focuses on resignations as despite a managed reduction in KCC workforce, it is crucially important that we retain the best people to provide our services, particularly in key areas.
- 2.2 It is important to know what factors may cause employees to leave so we can understand the key risks of losing employees we would like to retain. As noted at Personnel Committee on 4 June 2014, we have moved away from using exit surveys to new joiner surveys. The weakness of exit surveys is that this information is collected when it is too late to take action. In addition exit surveys are among the least reliable of employee surveys. New joiner surveys (known as on-boarder), which are more reliable, have been piloted and will be introduced more widely in the autumn. Crucially these surveys identify staff at risk of leaving when there is still time to do something about it rather than at the time of leaving.
- 2.3 Managers need to retain the right people in the right roles with the right knowledge, skills and attitudes, who will enable transformation and deliver services differently. We need to know where these staff are and the critical roles for the future. We are equipping managers to do this through workforce

planning. There are also key areas where we need to retain staff such as Specialist Children's Services and detailed work is being undertaken with these managers.

### **3. Turnover**

3.1 Turnover and retention rates are continually monitored and published in the Quarterly Performance Report. Turnover increased slightly in the last quarter (June 2014) to 12.9% but is well below the March 2013 peak of 18.3% (which was due to Commercial Services moving to an arms-length organisation). Importantly voluntary leavers are currently running at 7.5%, marginally higher than previous periods but still within acceptable margins. KCC currently has the lowest turnover for both "all employees" and "voluntary leavers" compared to Councils in the Southern England Regional Benchmarking Group. Further details, including resignation rates, are contained in Appendix A.

### **4. New Joiner 'On-boarder' Pilot – what the data is telling us**

4.1 During October to December 2013 employees who started work during the first half of 2013 and had been in employment for at least 6 months were surveyed. 276 employees responded to the survey, a 55% response rate. The key findings are:

- 23% were at risk of leaving
- 72% were engaged and not at risk of leaving
- 5% were leaving already (for reasons such as temporary contract).

4.2 The top turnover driver for those employees who are at risk of leaving was the perceived lack of potential for progression through the organisation and this report addresses this issue in particular. The pay and benefits package, the nature of the work, and the match between expectations and reality also featured. Further details including all turnover factors the 'at risk' group have identified and the retention drivers for the 'engaged' group are contained in Appendix B.

### **5. Workforce Planning – enabling managers to retain the right people in the right roles**

5.1 Work is well underway to support managers to workforce plan. An approach with managers has been piloted and tools developed that work for the business. These tools have been launched and HR is now working with Services on a planned basis. In addition to the business benefits this work provides further opportunities and potential for employees to progress. There are currently two key strands of this work.

#### **5.1.1 Succession Planning**

Managers are being supported to identify their critical roles – 'roles that are critical to the delivery of the business *and* are difficult to fill' - identify potential successors who will be developed to undertake these roles.

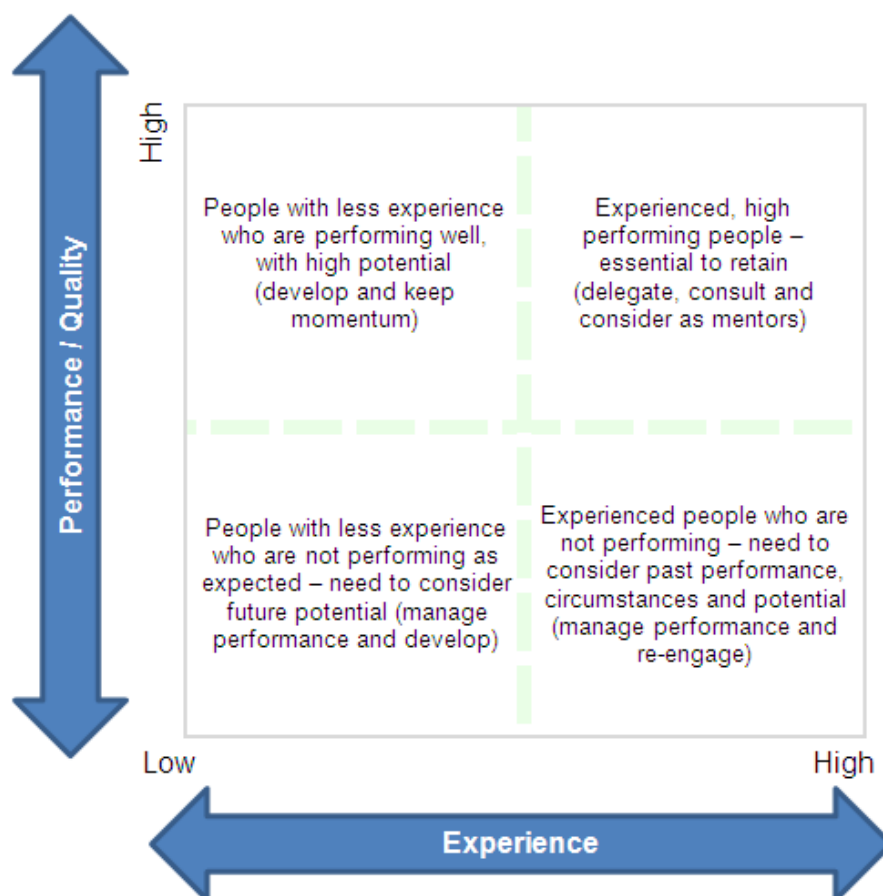
### 5.1.2 Talent Management

HR is also working with managers to identify the future skills, knowledge and attitudes that are required now and in the future to deliver their services differently, often through alternative delivery models. We are supporting managers to identify employees that have, or have the potential to develop these skills, knowledge and attitudes.

5.2 Fundamental to succession planning and talent management is the need for managers to understand the talents of their staff, how to develop them further and empower staff to be innovative and creative to deliver the best possible services at the lowest cost.

## 6. Retention Toolkit

6.1 A managers' toolkit has been produced with tips on ways of increasing retention. The toolkit includes recognising and rewarding staff (financial and non-financial), bringing new employees on board quickly through effective induction, ways to develop staff, providing effective performance feedback, and involving staff in change. As well as providing this support, the toolkit contains the model below to help guide managers on what elements of the retention toolkit are most likely to be effective.



## 7. Resilience and Retention

- 7.1 A resilient and motivated workforce that is comfortable with and welcomes change is fundamentally important to the future success of the Authority. It is important that employees are supported to remain resilient and healthy and a range of interventions, including an online tool to assess and increase resilience, health promotion activities and development to increase personal effectiveness, resilience and wellbeing are in place.

## **8. Developing our Employees**

- 8.1 An important part of any retention strategy is investment in the development of our employees for the future. Key elements include the Future Managers Programme, the Staff Development Framework, and continuing professional development for professional staff including social workers.

## **9. Conclusion**

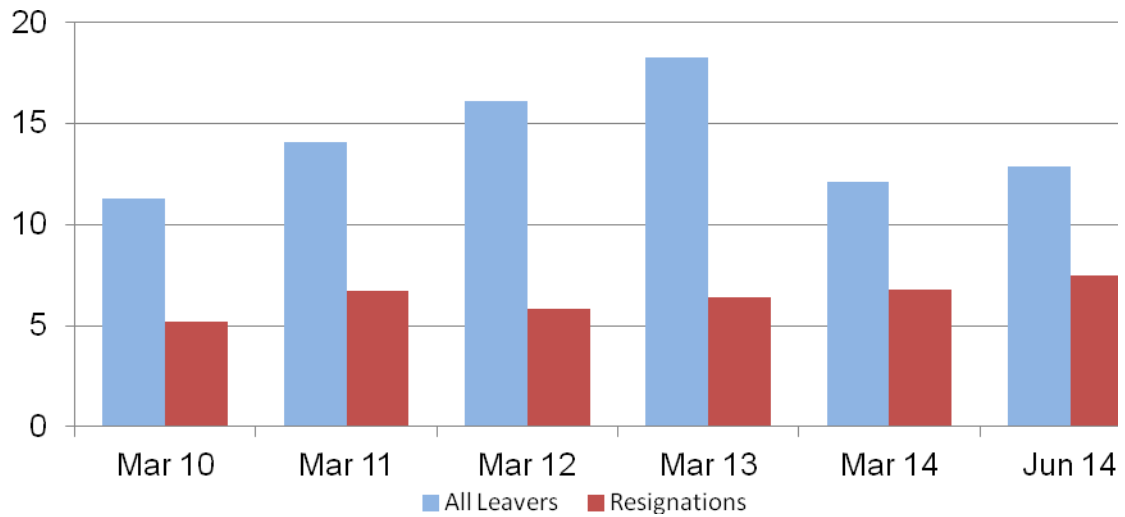
- 9.1 Voluntary turnover is healthy in the context of continued transformation but there are key areas where the Authority needs to retain staff. Detailed work is being undertaken with the relevant managers. HR will continue to develop the retention strategy working with managers in the business.

## **10. Recommendation**

- 10.1 Personnel Committee is asked to note and endorse the strategy and to indicate whether there are further ways in which Members would like the strategy developed.

## Appendix A

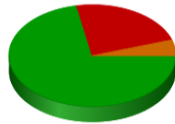
### KCC Non-Schools Turnover Percentage of staff leaving as a percentage of headcount



	Mar 10	Mar 11	Mar 12	Mar 13	Mar 14	Jun 14
All Leavers (exc. CRSS)	11.3%	14.1%	16.1%	18.3%	12.1%	12.9%
Resignations (exc. CRSS)	5.2%	6.7%	5.8%	6.4%	6.8%	7.5%

## Appendix B

### New Joiner 'On-boarder' Survey Results



**At risk of leaving 23%**

**Leaving already 5%**

**Engaged 72%**

#### **The Top Turnover Drivers for 'At Risk of Leaving' Employees (all answers above 25%)**

- Potential for progression through the organisation – **45%**
- The pay & benefits package – **38%**
- The nature of the work itself – **28%**
- The match between your expectations and reality – **27%**

#### **The Top Retention Drivers for 'Engaged' Employees (all answers above 75%)**

The nature of the work itself – **77%**

Relationships with your colleagues – **80%**

**Note: Employees who joined during the first half of the year were surveyed during November and December 2013 once they had been employed for at least 6 months.**

**286 Completed surveys (55% response rate)**

## Appendix B Continued

### Turnover Factors and Retention Drivers

The following table summarises the Turnover Factors that the 'At Risk' group have identified and the Retention Drivers for the 'Engaged' group.

	<b>Factor</b>	<b>Turnover Factor %</b>	<b>Retention Driver %</b>
1	The pay and benefits package	37.5	54.8
2	Potential for progression through the Organisation	45.3	65.8
3	Training and development opportunities	20.3	59.8
4	Work-life balance	20.3	59.8
5	Relationships with your colleagues	6.3	79.9
6	The nature of the work itself	28.1	76.9
7	Confidence in the organisation	21.9	42.2
8	The physical working environment	10.9	23.1
9	Relationship between employees and management	18.8	41.2
10	What we do as an organisation	7.8	49.7
11	The degree of autonomy in your role	9.4	37.2
12	Relationship with your line manager	17.2	53.3
13	The match between your expectations and reality	26.6	N/A
14	Harassment / bullying	1.6	N/A
15	Your vocational choice (made a mistake)	1.6	N/A

Score above 25%

Score above 75%