



SIGNED OFF BY	Chief Executive
AUTHOR	Kate Brown, Head of Organisational Development
TELEPHONE	Tel: 01737 276092
EMAIL	Kate.Brown@reigate-banstead.gov.uk
TO	Employment Committee
DATE	Monday, 29 July 2019
EXECUTIVE MEMBER	Portfolio Holder for Corporate Direction and Governance

KEY DECISION REQUIRED	N
WARDS AFFECTED	(All Wards);

SUBJECT	Organisational Development Approach
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RECOMMENDATIONS
(i) That the Employment Committee endorses the presented approach to Organisational Development.
REASONS FOR RECOMMENDATIONS
Endorsing the approach to Organisational Development will help us shape our culture, develop our leaders and ensure we are the best organisation we can be, with the best people, skilled to deliver our ambitious Corporate Plan priorities.
EXECUTIVE SUMMARY
This report and annex provides the Employment Committee with an overview of what Organisational Development is and why it is key to help deliver the Council's ambitions. Outlined within this report is the suggested approach that the Council takes towards Organisational Development in terms of developing its Great People.

BACKGROUND
1. Following the recent Governance/Constitution review by the Governance Task Group, a number of recommendations were approved relating to changes relating to the

Council's committees, including the Employment Committee.

2. The following was agreed by the Council –

To ensure the Employment Committee makes a positive input to strategic recruitment and cultural development, the following roles and responsibilities be added to the terms of reference for the Employment Committee:

- a. Oversight and engagement (with relevant Officers) in respect of the development of the Organisational Development Strategy – which includes the talent attraction/development/ retention strategy for staff and the Council's Management Structure.
- b. Establishing a critical friend role in relation to ensuring the Organisational Development Strategy is on track and fit for purpose. This should include consultation around the annual Service and Financial Planning process and Pay Policy Statement.
- c. That the application of a. and b. (above) be detailed in an annual work programme to be agreed at the start of each Municipal Year by the Employment Committee.

KEY INFORMATION

Organisational Development Strategy

1. Organisational Development is a new, explicit function area for the Council. The "Head of Organisational Development" position was created as part of the organisational structure review in the summer of 2018.
2. What is Organisational Development (OD)? One way of defining OD is as a systematic approach **to improving organisational effectiveness** – one that aligns strategy, people and processes.
3. OD can enable an organisation to be ready for the future by taking steps which create an environment that allows employees to understand, embody and deliver the organisation's objectives.
4. OD involves both "hard" issues – strategy, policies, structures and systems – and "soft" issues those that develop appropriate skills, behaviours, attitudes, culture and a style of leadership that will enable organisations to deliver optimum performance.
5. The Head of Organisational Development has drafted a suggested approach for OD at the Council (see Annex 1), which has Employee Engagement as the key outcome. Great People = Engaged People. The approach or strategy is represented in a diagram form at this stage on one page. It has the outcome of Engaged People in the centre, with enablers (i.e. what helps make people engaged at work), in the boxes around the centre.
6. Research shows that organisations with high levels of employee engagement are more efficient and effective and that highly engaged employees:
 - are more **customer focused**, find they are more **creative** at work, and **take less time off sick**;
 - care about the future of their organisation and put in **greater effort** to help it meet

its objectives;

- feel proud of the organisation they work for and are inspired to **do their best** and **motivated** to deliver the organisation's objectives.
 - This approach to OD will help shape our culture, develop our leaders and ensure we are the best organisation we can be, with the best people, skilled to deliver our ambitious Corporate Plan priorities.
 - Engaged organisations have strong and authentic values, with clear evidence of trust and fairness based on mutual respect, where two-way promises and commitments – between employers and employees – are understood and fulfilled.
7. If the Employment Committee support and endorse the approach, officers will scope and develop explicit programmes and/or projects to deliver this agenda, engaging with the Portfolio Holder for Corporate Direction and Governance accordingly as well as providing updates to the Employment Committee as work progresses.
 8. It should be noted that this OD approach needs to sit alongside our new Reigate & Banstead 2025 objectives – it is key to develop and improve the organisation in order to deliver our ambitions. It is therefore envisaged that this approach runs to 2025 (and beyond following any reviews).
 9. Any OD programmes/projects will be reported to the officer Organisation Board and activity managed and monitored accordingly. In turn, regular updates on project progress will be provided to Members via the Organisational Panel meetings.
 10. It is suggested that initial next steps will include some 'baselining' activity – i.e. checking in with staff to get their views on the organisation, what is working well, what in their view would make working at RBBC better, how they perceive leaders and managers in the organisation, their individual motivation levels and ultimately how engaged they currently feel at work. It is suggested that a combination of engagement methods are utilised to compile baseline data including running a staff survey and data gathering through team meetings run by Heads of Service. There will be a mix of quantitative and qualitative data obtained during this baselining exercise.
 11. Also suggested as part of this baselining exercise is 'organisation re-visioning' – for all staff to consider and input into our organisation values and behaviours – what is important to who we are, our core organisational values. We need to review and make sure our vision, values and behaviours are still understood and accepted through the organisation.
 12. Analysis of the baseline data will inevitably influence how we prioritise our OD work – listening to the views of staff in the organisation and where it is practicable address the issues raised.
 13. Each OD project will have its success measures but in terms of overall success measures for the OD approach, we would continue to measure and expect to see lower/healthy turnover rate, lower/stable sickness levels, fewer employee relation issues, productivity increases, higher motivation amongst staff and engagement scores (should we choose regularly measure this with the workforce) increase.
 14. Measurement of success is difficult though as many benefits are intangible/unquantifiable – it is around influencing our organisational culture. Consider that 'Employee Engagement' is about:

- our employees feeling pride and loyalty working for us, being a great advocate of the organisation to our clients, users and customers, going the extra mile to finish a piece of work, loving coming to work.
- drawing on our employees' knowledge and ideas to improve our services, and be innovative about how we work.
- drawing out a deeper commitment from our employees so fewer leave us, sick absence reduces, accident rates decline, conflicts and grievances go down, productivity increases (can be measured – as outlined above).
- organisation actions that are consistent with the organisation's values. It is about kept promises, or an explanation why they cannot be kept.
- influencing our Employer Brand – helping us attract talent.

15. The Employment Committee are asked to consider this information and the approach outlined in the Annex, to be discussed further at the Committee meeting on 29th July 2019.

CONSULTATION

3. The Head of Organisational Development has engaged with the Chief Executive, Directors and Heads of Service about the suggested OD approach. At the recent Management Team Away Day on 15th May, collective senior officer agreement and support was given to progress OD at the Council in this way.
4. Very high level conversations have taken place with the Leader about this suggested approach/outcome focusing on 'Engaged People' and conversations have started with the Portfolio Holder for Corporate Direction and Governance.
5. The Employment Committee were given the draft approach at the meeting of 20th June when they were asked to note the approach, to be discussed at a later date (this meeting of 29th July 2019).

ANNEXES

1. Organisational Development Approach Diagram