

## **10.16.Workforce Initiatives**

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**ATTACHMENTS:** Nil

### **PURPOSE:**

The purpose of this report is to seek a budget reallocation between employee benefits and on-costs and materials and contracts for the purposes of undertaking key workforce initiatives including:

1. Measure of baseline culture inventory
2. Engagement pulse surveys
3. Review of Councils salary structure/system and performance planning and assessment framework

### **EXECUTIVE SUMMARY:**

One of the key areas of focus for senior management in the coming years will be the development of structures, systems, technology and skills/qualities to support a high performing culture and consequently ongoing community satisfaction.

A cultural inventory will inform prioritisation of organisational improvements. Regular pulse surveys will provide an indicator of staff engagement and provide insights to management as to how the workforce is adapting to change.

In addition, upon review of current workforce systems, it has come to my attention that the salary structure, appraisal system and performance planning and assessment framework is outdated and has led to staff dissatisfaction. These systems are critical to workplace culture and performance and new systems should be prioritised.

### **FINANCIAL IMPLICATIONS:**

Combined the initiatives would require an investment of \$200K for the 2022/23 financial year. This equates to less than 0.5% of Councils expenditure on workforce and can be funded through a transfer in budget from employee benefits and on-costs to materials and contracts.

### **RECOMMENDATION:**

**1. THAT** Council endorse the reallocation of \$200K in savings from employee benefits and oncosts to materials and contracts at the March Quarterly Budget Review for the purposes of workforce initiatives.

## **LINK TO COMMUNITY STRATEGIC PLAN**

The relationship with the Community Strategic Plan is as follows:

### **5. Our Civic Leadership**

#### **5.1 Lead North Sydney's strategic direction**

#### **5.4 Council services are efficient and easy to access**

## **BACKGROUND**

Our workforce of approximately 365 full time equivalent employees are critical to our success as a Council. Our investment in workforce is budgeted at approximately \$46M annually.

Over recent years, the workforce has experienced considerable change and uncertainty as it responded to the covid pandemic. Turnover has been high, sitting between 18 and 22% in recent years. At this level, turnover creates significant disruption.

Further changes are anticipated this year with the introduction of new leadership and recommendation for a new senior management structure. It is important that the change is positive and councils workforce is engaged.

## **CONSULTATION REQUIREMENTS**

Community engagement is not required.

## **DETAIL**

One of the key areas of focus for senior management in the coming years will be the development of structures, systems, technology and skills/qualities to support a high performing culture and consequently ongoing community satisfaction.

The anticipated program of work is large and will require prioritisation. Undertaking a cultural inventory will assist this prioritisation by measuring the current culture and identifying the key levers for change. Regular pulse surveys will assist management with understanding how employees are feeling and where interventions can be made for improved engagement. The total budget required for cultural inventory is \$50K and would be undertaken every four to five years. The total annual budget for pulse surveys is approximately \$30K.

While undertaking improvements and in responding to the challenges of the current employment market, it is critical to respond to workforce risks in a timely manner. Recent employee surveys and insights have identified one of the key areas impacting both culture and satisfaction is the current salary structure, job evaluation system and performance planning and assessment framework.

A review of the system determined that whilst Council's evaluation, salary and performance processes were compliant with the Local Government Award (Award), they are not administratively simple and were notably different from typical systems/tools utilised across the sector. Additionally, the current system is no longer supported and has become reliant on limited internal knowledge presenting a significant organisational risk. Given the diversity of industries and professions within Local Government, it is critical that council has a robust system for grading positions.

The performance planning and assessment framework is the mechanism by staff performance is evaluated and determines the progress through the salary range for their role. The PPA is a dated bespoke spreadsheet, with limited internal expertise underpinning functions of the spreadsheet among other risks. Performance frameworks should aim to encourage and engage staff performance, however engagement results suggest the current framework creates dissatisfaction amongst the workforce.

The total estimated budget required to review the current salary structure and performance planning and assessment framework is estimated at \$120K.