



A New Social Contract

How people management is changing in local authorities

June 2023



Foreword

Maybe every generation believes it is living through a period of unprecedented disruption. Certainly, in an age which has seen the first global lockdowns and the fantasy of driverless cars come to life, we 21st century citizens could make a strong case.

For at least twenty years before the pandemic, it became a commonplace to hear the business environment characterised as VUCA – volatile, uncertain, complex and ambiguous – where only the truly resilient would thrive. But the after-effects of Covid-19 seem to be different, with a deeper emotional and societal impact than we have perhaps yet realised.

In the conversations that informed this white paper, there was a strong theme concerning the competing and unresolved tensions affecting how work is done in local authorities: rising demand in a context of continuing austerity; increasing complexity versus the loss of specialist roles; the premium on systems working and collaboration, at a time when the majority of employees say they are overloaded.

The challenge of reconciling these tensions sits with the sector's leaders and managers. Typically elevated because of their technical expertise, many are struggling with the growing people management "burden": negotiating hybrid working arrangements, supporting wellbeing, recruiting in a hyper-competitive labour market – just some of what feel like new, complex elements of their job description.

This whitepaper is intended to spark a conversation about the future of the local authority workforce, and the forces compelling the sector's leaders and managers to re-think how they and their teams operate. We hope it will provide insights and ideas that can help our readers to take this conversation into their own organisation, and build consensus about the priorities for improvement and resourcing.

It will be followed up in the Autumn of this year with a New Social Contract toolkit – showcasing best practice from the UK and beyond, and offering practical resources to help navigate the complex challenges outlined in this paper.



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Introduction to the New Social Contract

The world is in on fire, or so it seems.

Hyper-inflation. Strikes. Energy crisis. Ukraine. Spiking interest rate rises. Volatile global markets. Mass resignations. A new global wave of refugees and immigration. AI rushing in at ferocious pace. Posttruth politics. Structural failures in healthcare, education and transport delivery systems. Implosion of legacy institutions and public bodies. Culture wars.

We've seen five years' of change compressed into two years, obviously accelerated by Covid-19, but with many of the underlying forces now transforming society having their roots embedded in the pre-millennium and the last two decades.

It's apparent to many observers that we're entering a new era of Work. Political, cultural, technological, demographic, economic and sociological forces are combining to evolve the way we live and the way we work. These forces have emerged in - and been codified and accelerated by - the pandemic; but, this white paper is *not* just another Covid-reactionary piece. Rather, we're recognising change vectors that have been steadily coalescing over many years and now, individually and collectively, are shaping what the 'what', 'when', 'where' and 'how' of modern Work.

Passe-partout is constantly scanning the horizon to try to understand future directions for society and the workforce, and we, like you, recognise the ground has shifted. We needed to learn more so we commissioned primary research in the form of confidential and anonymised interviews with local authority managers across the UK, enhancing these with diagnostics among a wide range of current public sector clients.

The findings are striking. Research respondents and our programme participants engaged quickly and talked extensively about the perceived challenges for their organisations against this backdrop of seismic change. Five umbrella themes emerged from the research:



Workforce dynamics



Hybrid Working



Wellbeing



Personal and Organisational
capacity



Disconnection

We've distilled these themes with the aim of encouraging further debate. Whilst the research is qualitative in form, we're reasonably sure from our other work streams and conversations that the findings represent universal truths, relevant to all organisations, predominantly public, but not excluding the private sector.

The themes are presented in a *macro-to-micro* sequence, each theme brought to life with anecdotal case studies supported by verbatim quotes from respondents. The white paper concludes with a forward view on directions readers may wish to follow in navigating these structural challenges.

WORKFORCE DYNAMICS



Let's start big-picture, with the biggest macro. The first of our five themes addresses changes in the UK workforce, with our research identifying a new quantum and pace of change which transcends the usual economic and demographic cycles we've been used to in the post-war era.

Our research confirmed a gathering storm within the UK labour market, with respondents identifying a series of pressure points, including:

- Higher demand on services: War in Ukraine, influx of refugees, immigrants from Hong Kong, cost of living crisis, etc
- Ageing workforce and a thin pipeline
- Mismatch between employer and prospective employee expectations
- A *brain-drain* and the dilution of corporate-memory
- Loss of European funding, both loans and grants for projects
- Volunteer and third-sector partners under budgetary pressure
- Unclear, unattractive career paths, with the loss of specialist roles
- Job design not keeping pace with changes in the field and in customer-facing roles
- Costly, complex, lengthy recruitment processes
- Incursions and disruptions from agencies, and
- Struggling, no longer fit-for-purpose legacy IT systems.

These factors – and undoubtedly others – combine to generate unprecedented levels of dissatisfaction. Nobody – or very few – is enjoying the status quo, and most stakeholders are feeling these pressures. Arguably, current labour dynamics are not sustainable, and we might conclude it's a divergent model, with a mis-alignment in labour supply and demand.

Recruitment and Retention. It is an employee's market; candidates have higher demands than ever. Every council mentioned recruitment as a big worry for them. Historically there has always been difficulty filling certain positions, but more recently recruitment gaps are appearing across the entire structure.

Private sector salaries are increasing in a way that local government payrolls are not. In one case study authority, three people are now doing the job of thirteen, resulting in workload that has seriously intensified. With a recruitment ban in this organisation, management response is a somewhat sanguine: "*you can only do what you can do*" – which sets the tone for wider culture

and productivity. Local authorities are over-compensating to balance the imperfect market, with one respondent identifying recruitment policy as *“if you need to hire two people, recruit for three!”*.

High turnover of labour was referenced by many: understandably, peoples' outlook on life – and their priorities – have changed during and after pandemic, resulting in an uptick of premature retirees in what has been dubbed 'The Great Resignation'.

“How do we compensate front line workers who don't get the same flexibility”

Councils have always recognised their **wages are relatively low** but traditionally have stressed qualitative benefits and secure pensions acting as counterweights. Local authorities are hampered by tight budgetary frameworks and are finding it difficult or nigh impossible to increase wages to full market values. Cost-of-living pressures have definitely impacted workers. At one council, it was reported, a Senior Admin/Event Co-ordinator post has been vacant for months, but *“nobody will apply because the money is pitiful”*. Doves of people leaving for the private sector, despite compensatory initiatives such as back-dated lump sums for commuting mileage.

In the absence of higher pay, arguably more needs to be done to **make roles more enticing**, particularly to attract Generation Z and, imminently, Generation Alpha. One rural authority is adjusting their recruitment proposition in order to retain (older) staff: traditionally, the organisation's policy was focused on linear career progression, but this is now changing to a situation where new career pathways are being explored laterally across different departments.

One shires' authority wants to be seen as a training organisation. Currently 50% of employees are over 55. The organisation is now focused on **hiring younger staff** and offering **learning and development opportunities** (chance to undertake MA's, MBA's, degrees, apprenticeships) to entice younger staff into the organisation. 'Growing our own' through apprenticeship schemes, because of difficulties in retention, as a solution was cited by several respondents, including new programmes for masters' graduates.

The **rise of the agency** market is a huge challenge for organisations. Respondents attest to the trend that agencies have become increasingly aggressive and Local Authorities cannot compete. All local authorities 'play nicely' with each other in terms of increasing salaries, but agencies don't operate in same way, to the same principles. It's not a level playing field.

Brakes on innovation. The cyclical rotation of councillors and the scrutiny of the public purse means it's often hard to be innovative and take risks in local government. New councillors are inexperienced but have new visions for the council, then it takes time for the organisation to adapt and catch up with this change. Challenges are often addressed tactically and short term, rather than via long-term strategic perspectives. There are greater expectations on local government and reserves are being used up. Traditional revenue sources - parking, leisure centres, rent from buildings, business rates on high street businesses – have vapourised since the pandemic leaving

local authorities scrabbling to find new income streams whilst simultaneously making swingeing budget cuts, now impacting core delivery.

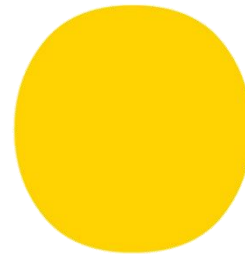
Many respondents talked to us about **digital upskilling and revamping projects**. Examples included new equipment for social workers, new booking desk-systems and virtual conference rooms. Most organisations are *“starting to get serious about using data to make better decisions”*.

So what are the insights into the UK labour market we’ve picked up on? The research captures some reactive and often expedient initiatives put in place to counter the structural forces in the labour market identified here.

There’s no denying that in the short term, organisations are under immense pressure. Observers vary in their analysis and interpretation but broad consensus is that while some of the keener headwinds will start to dissipate later in 2023, the structural remodelling of the UK labour market is permanent, with deep societal implications. Respondents were clear: there are no quick fixes, *but there are clues* to designing and implementing a new People-model to deliver community services, with opportunities identified in these areas:

- 🎯 Data management
- 🎯 Artificial intelligence
- 🎯 Improving social mobility
- 🎯 Modern apprenticeships
- 🎯 Adopting Community-purpose as a motivator and differentiator
- 🎯 Leveraging off the four-day week, or nine-day fortnight.

Labour markets across all western democracies are in a dynamic state, each wrestling with universal and regional challenges. We will be closely monitoring and reporting on future trends.



HYBRID WORKING



Hot on the heels, and closely related to the shifts in Workforce dynamics, is the move to *hybrid* working. This is perhaps the most tangible change to *how* work is carried out since the Great Factory Age. Already on the books since the first wave of the digital revolution, the pandemic has helped to accelerate and evolve UK working practice to a blended format - part office-based, part-remote - at least for traditional white-collar workers.

Understandably, this theme attracted the most vocal responses, with many respondents perceiving themselves caught in the battleground, between an increasingly powerful employee base and a reactive organisation making up policy on the hoof.

Understandably, also, our respondents feel ambiguous about hybrid working, recognising that it means different experiences for different workers, and a *modus operandi* that works better for some roles than others. Like many other examples of social engineering, hybrid working seems to bring out the best and worst in individuals and organisations.

At the heart of this topic, managers and leaders in the UK's public sector, predominantly local authorities, are wrestling with a series of related questions:

- How do we generate and measure productivity?
- How and when do we move to an outcomes-based performance model?
- How do we deal with quiet-quitting and other examples of tactical absenteeism?
- How do we (re)build trust in the workplace?
- What can we do about the emerging twin-track organisation trying to reconcile the needs of location-based workers against their more agile process-driven colleagues?
- What is the role of our physical buildings?
- And, how might we capitalise on the opportunities afforded by a wider – in some case, cross-border - labour pool?

These legitimate questions and associated responses are explored here, starting with the notion of Trust.

Management mistrust. A lack of willingness to embrace hybrid working exists across some councils, across senior positions, officers and councillors and, in some cases, even the Mayor. Management believes it is a struggle to monitor WFH employees and they question their

productivity. There is a desire amongst senior staff at some councils to encourage or coerce employees return to the office. This is a repeated rhetoric: *“if I can’t see people, then they are not working, or if they are, it won’t be to a high quality.”* Respondents felt it was important to call out and dispel these myths.

The research also picked up on **employee disempowerment** in some councils as a result of increased checking and counter-checking. As one respondent remarked, *“there’s no point in doing your absolute best work, if the first proposal is only a ‘straw man’ that will get checked five more times”*.

Employee fears are well represented in the survey. Several respondents, particularly in hard-pressed local authorities, saw employees unwilling to take time off even for legitimate (often health) reasons for fear of being perceived as ‘shirking’ or being uncommitted to the organisation or the work.

We noted a change in the way **employees are assessed**. Across multiple councils, employees are now measured against (often top-down) performance targets/outcomes, rather than through ongoing assessment. There is a gap with some managers in embracing this new way of assessing. This is an area that definitely needs attention and revision.

“If I can’t see people, they probably aren’t working or if they are, it won’t be high quality”

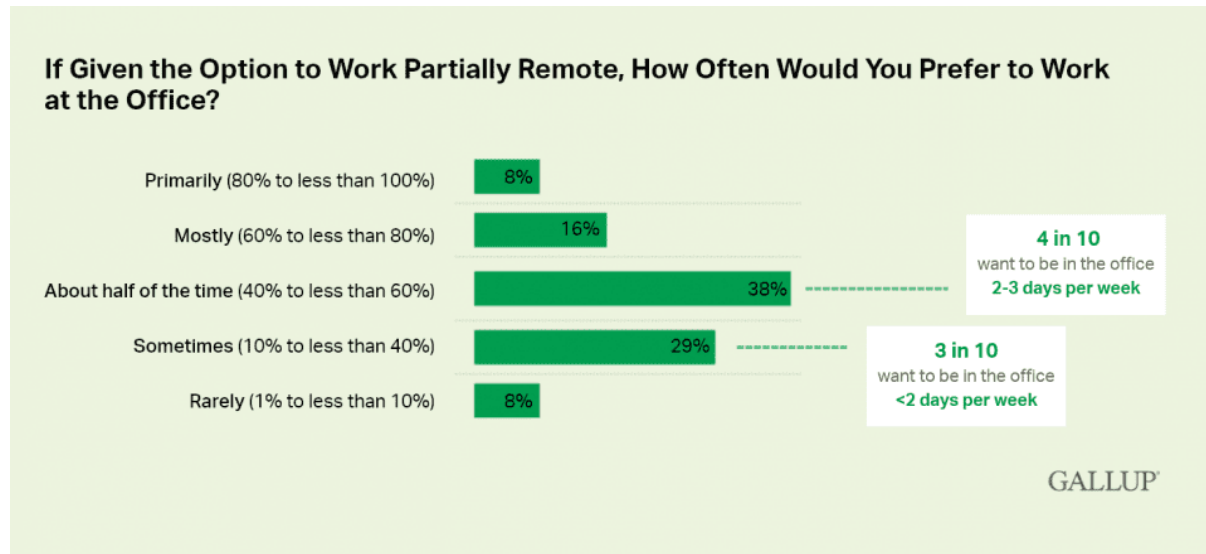
Employee confidence. In some councils it was noticed that remote working has resulted in employees better taking ownership of their decisions. The perception was reported as *‘there is no one watching as you work’*, so the balance of responsibility passes to the individual and people are embracing making decisions for themselves. This is particularly important for Generation Z, where a recurring theme of this cohort is the need for greater autonomy in the workplace.

With the dawn of hybrid comes renewed **employee expectation**. Having taken stock of the work-life balance benefits that have resulted from hybrid working, many employees are unwilling to return to full-time office-based working. Workers have established patterns of behaviour and have already ‘banked’ the associated benefit - not paying for child/pet care, petrol – as well as experiencing a more connected home life. One Authority noted that employees’ vocal antipathy towards hotdesking and lockers, seemingly wanting both the privilege of working from home yet dedicated space when in the office. Compromise seems increasingly hard to achieve, with both camps retreating to hardening partisan positions.

Some managers noted that in certain areas **flexibility has become too loose** and employees needed to be reminded of their work responsibilities. An example given touched on new workplace practices: *“if we’re in a meeting or training sessions at 14.45 some of our employees will leave early to do a school pickup”*. At one council, where flexible working is completely supported, one manager who has been there several months still is yet to see a member of their team because they are not required to have their camera on. They feel there’s a connectivity issue.

At another council it has been noticed that absences tend to coincide with the days employees are scheduled in the office.

In many councils, **individual teams now decide their office-based working hours**. Some councils still dictate a certain number of hours or specific days they expect their employees to attend the office. This freedom to choose how many days in the office they work has been received positively at some councils, but some managers feel vulnerable because it is now their personal responsibility to coordinate their team rather than the traditional monolithic edict from the organisation.



Flexible hours is an example of a workplace practice doing a 180° flip: *‘It used to be the case that if an employee asked for different working hours, I as the employer could ask ‘why?’, but that has changed to the employee asking “why not?”* is how one respondent put it.

Recruiting further afield has been possible because of hybrid working, with a concomitant increase in relocation from urban areas. One senior leader has forecast that as he only needs to be present in the office ‘five or six times a year’ he has permanently moved to a different county.

Hybrid seems also to have delivered unintended consequences. Research participants reported **more confidential communications online**. Some employees feel like they can speak more freely with their leaders and have increased engagement with them as a result. Conversely, it was felt that **inter-departmental communication is less cohesive** as teams have developed different working styles – and hours which makes traditional communication hard to regulate. The use of parallel informal comms platforms – Teams, WhatsApp, etc further fragments communications and renders some of this *hidden* from the organisation, with associated jeopardy.

A consequence demonstrating disproportionate significance is the lower volume of **spontaneous connections**. Remote working has removed the *coffee-break moments*, those famed water-cooler interactions, car and train sharing journeys, all of which helped turn colleagues into friends, sparked new ideas or just acted as therapy in tough times. As one respondent remarked: *“Things that used to happen naturally, now have to be carefully thought out”*.

One inner London borough wants to bring in members of staff to drive the organisation to the forefront of strategy transformation. This authority traditionally conflated LD and OD and now it is implementing a new OD section within the HR department.

New fault lines within the organisation. In many organisations we surveyed there is a growing dissonance between frontline/field workers and office-based workers. The nature of the work of frontline employees (teachers, nurses, sanitation workers) hasn't changed dramatically, or at the same pace as the artists formerly known as office-workers, now hybrid employees. Understandably, frontline workers feel as if they should be afforded similar freedoms, some now questioning their own value in the organisation. One London borough participant challenged his authority like this: *"If we're offering this flexible working to office workers, what can we offer front line workers to feel like they're not missing out?"*

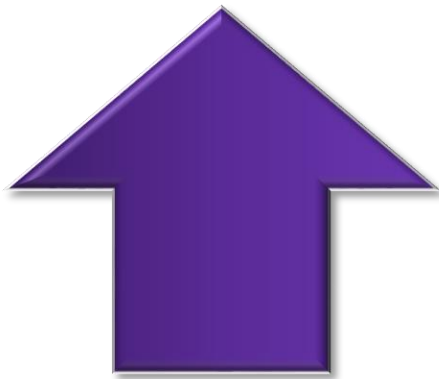
A final dimension relates to the **physical environment**. What first appeared to be a *peace-dividend* generated by the pandemic and the accelerated shift to remote-working – aka selling off surplus property – quickly became mired in policy and complexity as leaders grappled with the variables and paucity of affordable alternatives. Consultations proved divisive, with different cohorts wanting different things from 'an office', and it proving difficult to accurately model the size of space required - taking into account flexible and peak working, accommodating partners and trying to achieve consensus on the overarching role of the office/hub building. In authorities with low morale, even perceived simple changes - to desk layouts or the provision of lockers - were cynically received.

"How do we compensate front line workers who don't get the same flexibility"

This is such a dynamic field and even up to the point of publication of this white paper, public announcements are being made as organisations try to define and commit to policy. Big insurance companies in the City are hardening the line and dictating to their managers, not just a minimum of three days office time, but also that these three days must be rotated to disrupt the 'TWaTs' effect (Tuesdays, Wednesdays and Thursdays), whereby workers are choosing only the mid-week days for commuting to the office. Forget the nine-day fortnight or the four-day week, bosses are currently concerned that employees are opting (out) for the three-day working week and 'quiet-quitting' or 'phoning-it-in' on Mondays and Fridays, effectively extending the weekend.

Very few organisations – both public and private – are proposing the policy extremes: either full time in the office or five days' remote. Consensus is solidifying around a optimal model alighting on two or three days in the office, and two days remote. There are, however, divergences around sector lines, with more process-driven sectors and command-and-control cultures such as Financial Services demanding more office attendance and face-time.

The benefits and disadvantages of hybrid working are fast becoming apparent, affirmed to an extent in our research.



Benefits include:

- more employee agency
- better work/life balance
- lower premises costs
- flexible working hours wrapping around lifestyle commitments
- ability to choose the optimal environment to suit the nature of the work



Challenges to hybrid remain:

- maintaining productivity and measuring productivity
- dilution of culture; missed training opportunities, especially on-the-job osmosis
- weakening of social cohesion

So, what might we conclude from our research into this rich theme? Four powerful conclusions emerge...

First, it's apparent that organisations are in a state of flux, with employers and employees trying to gauge optimal working behaviours. This state of flux is likely to continue for the remainder of this year as workforces are consulted and strategies are formulated. Without doubt, the decisions made in the next 12-24 months will shape the UK employment landscape for years to come.

Second, future working arrangements *must be driven by strategy and purpose*. What's the role we play in the community? What's the desired customer/user experience? What's the role of something called 'the office'? What does the organisation of the future look like? What's the optimal mix for attracting and sustaining a talented workforce? Discuss. Argue. But agree. Soon.

Third, any sustainable hybrid model will have to be flexible. Different workflow, demographics, motivations and anxieties exist in organisations so it is unlikely that one size fits all. But: there is a difference between *flexibility* and *arbitrary behaviour*, and it's in all parties' interest to codify expectations to ensure consistency.

Last, the close cousins of Hybrid – and arguably the ultimate determinants of success - are Technology and Culture. It's vital that these three vectors are aligned and mutually self-supporting.





WELLBEING

None of us will be surprised to see mental health vociferously referenced in the research. Mercifully, this vital topic has been amplified during and since the pandemic and respondents covered off this theme comprehensively. Mental health has become a preoccupation in most forward-looking organisations, particularly at a time of scarce human resources, where each employee's contribution counts. The research reflected symptomatic behaviours across local authorities and captured a series of initiatives being trialled to mitigate employees' mental health deterioration.

High volume of absences. In some councils there has been a noticeable increase in the numbers of mental health related absences in the past year. People are starting to take off days or even weeks citing mental health difficulties. It is not unusual for employees to take a week off for 'high-anxiety' and up to six months' for something perceived as 'serious', such as depression.

Respondents pointed to a general lack of understanding by senior leaders as to what the pandemic did to people's mental health, driven by either personal or familial exposure to death, isolation, perceptions of being locked-in or increased generalised anxiety. Organisations faced challenges in providing support for certain cohorts, i.e. people working at apprenticeships and junior level, where their day-to-day lived experience was markedly different to that of the SLT. In particular, more focus is being given to the menopause and men's mental health.

“A lot of people have re-thought their lives and concluded...I actually don't need this”

The cost-of-living crisis featured strongly in the research. Many councils are clearly signposting to their employees all of the residential privileges and internal benefits they offer. At one rural authority, there has been a massive increase in the number of employee absences due to mental health problems caused, in part, by the crisis. At a Midlands authority it has been noticed that people are finding financial worries and cost-of-living conversations shameful to talk about, but nonetheless these pressures are tangibly impacting morale and productivity.

The BLM movement has impacted our social fabric, but not necessarily changed much within organisational hierarchies. There has been a stronger emphasis on paying attention to the anti-

racist agenda, with many employees of colour articulately vocalising their anger immediately after high profile incidents. In some workplaces there's a feeling that sometimes there is perhaps too much emphasis on single-issue symptoms which is zero-sum to other pressing council and societal issues.

Super-hero managers. As a consequence of all these symptoms - and the associated heightened expectations from employees - managers are expected to *"have many strings to their bow: manager, councillor, coach"*. Respondents asked vital questions and articulated the 'vulnerable middle': *"Are managers getting enough support? They're holding the teams together but who's holding them?"*

"I spend so much of my week looking after people now...I get home and seriously sometimes I just sit there...I feel like crying"

This paradigm shift extends to the role of the HR function. *"What's now expected of a HR leader is entirely different. The social contract has dramatically changed"*. One rural authority respondent gave a saddening example of the pressures of daily life in the new workplace: an employee holding several packets of pills making comments about ending his life. A second example in the same organisation spoke of two of their staff becoming homeless as a consequence of cost-of-living pressures. Big questions indeed, interrogating the role and expertise of the traditional manager?

Moving to solutions, the research is rich in its reporting of therapeutic initiatives up and down the country. Organisation-wide and departmental responses included these activities:

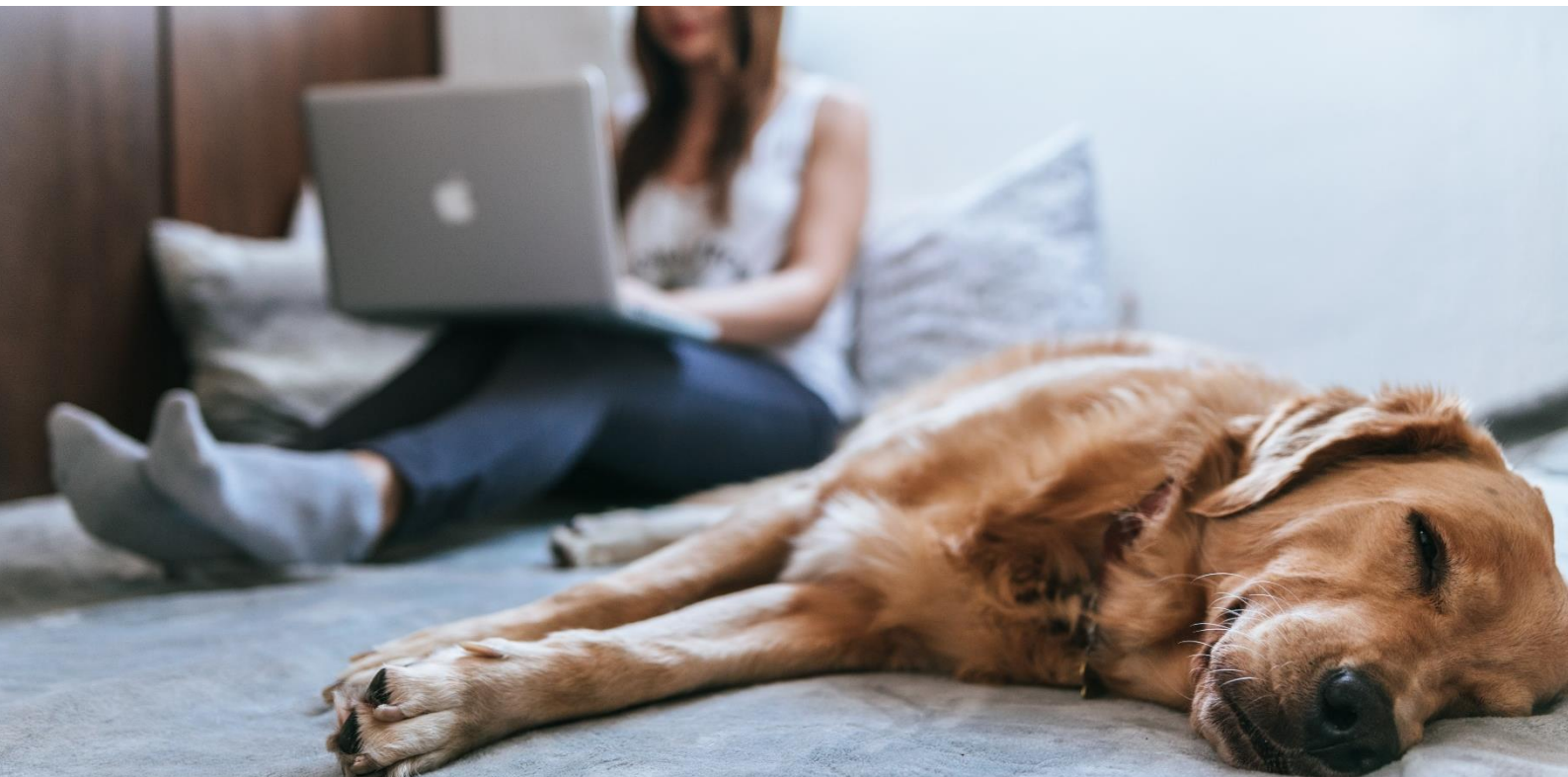
- Mental Health Champions/Mental Health First Aiders, albeit with varying levels of uptake and effectiveness across councils
- Wellbeing Wednesdays
- Staff counselling
- Black History month/women's menopause talks
- Quarterly 'it's ok to talk sessions': encouraging openness across the organisation, more of a sharing session in which people were invited to contribute should they wish
- EDI has been pushed at almost every council. For some outer London boroughs the last focus has been on women and people from BAME communities; at other south coast and midlands authorities more recently the focus is on neurodivergence
- At one high profile Midlands authority the mayor and councillors are particularly keen on the workforce reflecting the community mix - noting the >£60k employee pay bracket was dominated by the pale-male-stale cohort - so the drive is to equal the distribution

Respondents warned of complacency; it appears that uptake and impact of these offers has lessened post-pandemic, reinforcing the need for frequent refreshing and regular communication of offers.

This was a powerful chapter in our research, and an emotive one as well. These findings provide ongoing evidence that mental health is finally being talked about in the workplace, and provisions are being put in place to enhance employee wellbeing. Obviously, this is an evolving piece, with plenty of catch up required, but we might conclude from the research that new best-practice is taking shape along these half a dozen principles:

- ⊙ Responses should come from, and be embedded in, the values and purpose of the organisation.
- ⊙ There's an unambiguous acknowledgement that Wellbeing is now a permanent Big Deal. Widespread acceptance that Wellbeing is a permanent feature of the modern workplace rather than a transient diversion.
- ⊙ Recognition of where managers' expertise and responsibility starts, and where is the handover to professional mental health and psychological practitioners.
- ⊙ Outreach workers need special attention, as their symptoms may be more hidden.
- ⊙ Senior leaders should be more honest about their own situations, and more empathetic about differences in experience across the organisation.

We watch this space with interest and are already adjusting our L&D programmes to fully absorb the feedback and the new need-states expressed in the research.



PERSONAL & ORGANISATIONAL CAPACITY



Starting to piece all this together, the research touched on the implications of all these challenges to workplace productivity, unpicking, at the employee level and the aggregated organisation level, the impact onto workflow capacity and productivity. Seemingly, the pandemic has been a catalyst for structural reforms and reorganisation and a wholesale re-think on learning and development. Recruitment freezes, moratorium on promotions and shorter C-suite tenures have exacerbated impact. A series of instructive insights were generated in the research, covering off the wide spectrum of L&D, growth, effectiveness and efficiency, career planning and job-design.

It's abundantly clear that there are **severe pressures on senior and middle management** throughout the country's public sector delivery units. There's a shortage of talent – hastened by the Great Resignation – and many technical leaders are struggling to 'do their day jobs' alongside line-managing, leading the Change process and providing all the soft support a newly diversified workforce is crying out for. Exacerbating this is the high incidence of "*stepping up, acting up and covering up*" as one respondent eloquently put it. There seems a general lack of headspace for strategy, development, people and wellbeing, with employees 'sticking to their knitting' and remaining in comfort zones, seemingly outfaced by the challenges of the New.

Cutting out specialisms Because of the strain on resources (finances and people) councils have had to remove specialist roles and putting them into existing job remits. For example, in one researched authority an EDI role was created, but a future structure looks unlikely to afford to sustain a specialist in that role.

Cash-poor, time-poor. These twin constraints are suppressing personal and organisational growth. In many councils L&D opportunities are being sacrificed or the uptake is unusually low because perceptions are there isn't enough time for this perceived *nice-to-do* rather than *must-do* activity. Budgets are also being squeezed or redirected.

Efficiency and Connectivity. Consensus is that when folk are in the office, issues and problems are resolved more quickly, but away from the office under hybrid conditions, communications slow down. Email response appears generally slower and in some organisations there seems 'a level of complacency' about reaction speed. Managing WfH employee morale and performance is perceived as difficult.

Leadership capability and capacity. Focus and measurement seems to be shifting, with expedient, tactical priorities creeping in, and less of a 360° assessment of performance:

employees are increasingly measured on their pure operational delivery capacity, meaning balancing this with wellbeing, connectivity and innovation is often problematic.

“Push-back is a career limiting option these days”

Financial pressures as a consequence of rebalancing national and local fiscal and budgetary allocations and responsibilities have meant many opportunities have been removed at some councils. Employees have particularly noticed a lack of personal growth opportunities at one outer London borough.

A lot of councils have recognised the **value of apprenticeships** both to potential candidates and employees as a method to both retain staff and further employees on their L&D journeys. Apprenticeships Levy Fund has taken over most qualification-based learning.

Career progression options are unclear. There is a Management Framework in some councils whereby you can start in a junior position, undertake certain training whilst within organisation and elevate through the ranks, but people aren't taking up the learning opportunities either because of time, or because they are no longer being suggested programmes, they have to ask to complete the course. In one council, employees are actually encouraged to search on YouTube for answers, even for things such as 'how to I have a difficult conversation with a manager'. There is some demographic cohort bias but employees seem to prefer the efficiency and convenience of using online training platforms. However, report findings are not consistent with one rural authority maintaining a high attendance record of >70% for in-the-room L+D programmes.

“It's not the cost of living crisis that worries people...it's burnout”

Career development is obviously contentious at a dynamic time, when priorities are being channelled to the here-and-now, to those short term and immediate organisation and customer needs. At one outer London borough employees are still expecting to be put forward to courses as they were in the past, rather than taking agency for their own career development and responsibility for their own training needs. One rural authority noted in its last staff survey that staffs' long term career needs are not being met.

At a south coast authority, leadership programmes are offered - mainly to senior management - but those who have completed these programmes do not seem to have changed their management approaches. Training effectiveness is fast becoming a hot topic, understandably, as organisations are driven to extract best value in all their activities. This is a red flare for all third party L&D

providers, not just to design contemporary training and coaching programmes, but also to offer up credible effectiveness measurement components.

Time pressures mean there are potentially fewer learning opportunities. *“We could offer all the learning opportunities but employees and management would still be reluctant to attend because of the huge pressure on their time”* was how one highly stressed west of England authority summarised the situation.

Our research indicates that capacity, at the personal and organisation levels, will be severely constrained for the foreseeable future. This drops the gauntlet for the UK’s L&D community to work up, in rapid order, practical collaborative solutions to help resolve this national capacity crisis.





DISCONNECTION

This white paper has distilled this important research into how local authorities are thinking across five themes: Workforce dynamics; Personal and organisation capacities; Wellbeing; Hybrid working, and Disconnection. This last theme – Disconnection – emerged as a powerful new workplace emotion, highlighting the challenges for managers seeking to motivate their teams and, particularly in the public realm, continually having to do-more-with-less.

Our researchers were diligent in taking the temperature of councils up and down the country, with respondents often struggling to encapsulate exactly how their colleagues were feeling. Of course, findings aren't homogeneous or clear cut: it's a feature of the modern organisation that the workforce is fragmented across the four main generational cohorts, by gender, by ethnicity, by age, by employee function and by employees' function and workflow.

What we picked up on, in general, however, are new psychological conditions evolving where employees are reappraising their relationship with work, with their bosses, with their colleagues and with their customers and users. Rapidly disappearing are the traditional bonds of loyalty to bosses and organisations and the unquestioning acceptance of workplace structures and processes. There are genuine high levels of anxiety in the workforce at present, exacerbated by high, arguably unsustainable workloads, pressures on resources and budgets and at the employee level, high energy fuel prices (impacting on home working in the winter and commuting) and the cost-of-living crisis, which in some cases is, incredibly, making work literally unaffordable.

Let's try and unpick the nuanced emotional strands running through our public service delivery teams....

Respondents noted a general **reluctance to return to the office** for many employees. New lifestyle patterns have been established and calcified over the Covid-19 years and immediately post-pandemic, and many employees are not inclined to give up their perceived new-found freedoms and benefits any time soon. Workers are, understandably, exploiting policy vacuums existing in many organisations – and between different departments - where management seems reluctant to either determine, or indeed, police attendance policy.

The '**social glue**' binding workforce ecosystems is visibly dissipating, with opportunities for team cohesion rapidly disappearing, both on and offline. Attempts to re-establish pre-pandemic touchpoints are proving remarkably elusive, with new initiatives received as 'contrived' or poor value for participants. The fallout from recent high profile organisation failures has further eroded options for team-building, where, for example, any out of office events involving alcohol – a

traditional social-glue standby – are taboo and, arguably, discriminatory to non-drinkers and parents (often women) with childcare or other family responsibilities. Culture is definitely taking a hit right now.

In wider relevant surveys, observers have cited three reasons promoting face-to-face working: training, culture and **collaboration**. Our respondents talked about perceptions of ‘lip service’ being paid to collaboration efforts. Workplace tech is evolving fast to help fill this void, with creative productivity applications – some AI driven - being trialled.

Disconnection is also, ironically, being driven by **competing comms channels**, including a plethora of informal social platforms. Expediency in Covid-19 unlocked and allowed mass use of platforms such as WhatsApp, helping teams to deal with emergencies and communicate in different ways as the entire workforce temporarily shifted to Remote working. It seems that new habits die hard and colleagues have maintained these channels, often in parallel to ‘official’ comms routes like corporate email. Whilst there are undoubted advantages in these informal channels – convenience, speed of reply, mobile-first, free usage, etc – there are challenges as evidenced in recent investigations into abuses within some public sector bodies: hidden, informal channels can often perpetuate counter-cultural and discriminatory practices.

Employee anxiety accelerating feelings of stress and disconnection in many cases is being exacerbated by a new **back-to-back meeting culture** and expectations of immediate response to email, on the premise that workers are ‘always on’ and tied to their laptops. Respondents talked of trading-off *quantity* over *quality*: more meetings were being arranged – especially online – but the value of these interactions was questioned, with perceived low levels of engagement and active, ‘value’ participation limited to just the same few attendees.

The research indicates that **online and on-screen behaviour** has also morphed again. From early enthusiasm for Teams, Zoom etc, we’ve seen a *refusnik* culture emerging whereby colleagues are often reluctant to activate their cameras, rendering attempts to generate positive energy for a project difficult, and, even for experienced practitioners, ‘reading the room’, nigh impossible.

Our research findings on this vital theme of disconnection chime with other similar surveys which are identifying workers increasingly feeling disassociation and alienation from the work and the place of work.

It’s a highly nuanced and emotive subject, one that plays out differently across the organisation. For every comfortably off senior manager living in a large house in a leafy suburb offering numerous locations for concentrated work, supported by secure internet, there are a myriad of younger and older workers in less than ideal accommodation sharing (public) Wi-Fi, improvising desks working remotely, and on office-days, now resenting the cost and hassle of what was often a barely tolerable and affordable commute.

In the private sector, we’re reading reports of a twin track workforce, with new, younger cohorts disadvantaged by the pandemic not necessarily finding it natural or easy to work in teams and demonstrating lower levels of resilience compared to their more experienced counterparts. In the leading consultancy firms foundation programmes are being put in place to address these two challenges. Seasoned managers in these types of organisations are noting reduced EQ and lesser quality soft skills with new starters, so there’s a gap emerging between fresh recruits and *battle-hardened* employees with longer service records.

Central government policy is reacting to these trends, with the Opposition formally adopting into its manifesto principles of restricting and/or outlawing out-of-hours emails and top-down contact, and also campaigning for every employee's right to work-from-home. The workplace wellbeing agenda is primed to explode over the next decade to tackle the divergence in labour force supply and demand.



CONCLUSIONS & DIRECTIONS



On a first read, our research may come across dystopian, but, as editors and analysts, we would be remiss if we sugar-coated the findings. There are huge challenges now baked into our local authorities, reflecting not just the pandemic, but decades of hidden and unresolved fractures.

Many of these fault lines straddle multiple issues, now coming to a head in a way that historic sticking-plaster responses just won't work any more: there's no organisational duct tape that can patch these cracks. Increased scope of responsibilities fuelled by global emergencies, is combining with smaller budgets, lower financial reserves and fewer employees, all exacerbated by spikes in demand from a public itself under huge pressures and uncertainty. Adding extra zest to this toxic combination are creaking legacy IT systems, seismic shifts in expectations of new, replacement workers, and, an epidemic in mental health sickness across the board.

There are, however, some reasons to be more optimistic. At heart, the majority of survey respondents remain passionate about their work and committed to delivering optimal public services even in challenging conditions. WorkTech – leveraging recent strides in AI – and new workflow management applications are being accelerated into local authorities at an unprecedented rate: Big Tech reports five years' of Change in less than two.

The pandemic has given permission for employees at all levels to behave differently, to see their work in different ways, and to take agency of their part of the work. Digital, Wellbeing and EDI agendas are here to stay. For many employees, the Work/Life equation has been transformed for ever. Goodbye to the tropes that have framed postwar Work across the western world: the 'nine-to-five'. The office. Commuting. Command and Control. Hello to flexibility, more workplace democracy and empathy. And, there's at least acknowledgement of differences in perspectives – and inequality – across different generations, ethnicities, genders and neurological make-ups.

Omens for the medium and long-term – for wider society, for delivery organisations, for individuals – remain good as we drive into the third industrial age powered by tech, green energy and the positivity of human ingenuity and resilience.

What does this research mean for you, personally? Readers of this white paper will be, typically, middle and senior managers within the public sector, so, critically, what are your specific leadership challenges arising from research of this kind? Here are some helpful case studies and directions to follow....

Consistency is the key. Interviewees perceived that management response – to the challenges identified in this paper - has been, at best, mixed. There are case studies of top managers with best practice who have great employee interaction, strong development smarts, leaders bringing in new talent; and, there are those managers still adopting outdated, poor practice, that aren't doing the basics resulting in low connectivity with their teams.

Managing at a distance. In one largely rural and coastal authority, Senior management do not feel approachable. *"They are a protected species"* as one respondent pithily put it. Others seem out of reach and stand offish, directing staff *"not to contact me through this channel"*. One inner London borough reported *"having loads of resources available on managing remotely, but we're not sure managers are using them"*.

One high profile Midlands city authority distributed a one-page 'charter' for managers reminding them about their duty of care and the importance of checking-in with staff recognising that consistent face-to-face contact didn't carry over in the same way. This kind of contact has been identified by this authority – and others - as highly important for effective 'sticky' communication.

Supporting wellbeing. At one south coast city authority the Chief Executive delivers weekly webinars with all managers on Wellbeing to ensure it is as the forefront of the organisation. Leaders are being trained on the imperatives and appropriate responses. Heads of different departments are invited to present at each webinar to ensure connectivity across all departments and share insights.

Leading inclusively. An east of England authority is hosting workshops on *inclusive leadership*, with one rural heart-of-England organisation launching a Leading Inclusively Programme last year. Senior leaders learnt about allyship. Reports are that, inevitably, some leaders have really embraced it, with others somewhat more reluctant.

Continuous feedback is superseding single annual performance appraisal touchpoints, aided by new tech applications.

An east midlands authority has recently done a lot of OD work with leaders and managers. Resources and workshops were well received, with good uptake. Clarification of hybrid working in parallel to L&D initiatives have proved complimentary. 'water cooler moments' and spontaneous interaction in the 'coffee room' have reinforced this learning. *"Now when people are coming into the office their team has normally made the joint decision so they can enjoy those moments of collaboration"*.



What we need now is a New Social Contract.

The imperatives for change identified in this research suggest an urgent Reset on Work is needed. We need to give permission for employees to re-evaluate their relationships with their peers, their leaders, the organisation and refocus on Purpose: why are we here, what are our responsibilities – to the communities we serve, the organisation, and, critically, ourselves?

We envisage a tangible - digital, obviously, but also highly visible hard copy - document, crafted together, signed up, and delivered upon. A new SLA for all parties. This would have to be a fusion of existing work-related agreements, incorporating, or at least cross referencing – employment contract, codes of practice, operating standards, union agreements, etc. Not an inconsiderable task, but one massively overdue and potentially invaluable for future workplace satisfaction and performance. No reason, either, in the spirit of the new age, and for transparency, to keep this from all stakeholder partners.

We envisage this New Social Contract in daily use, explicitly addressing contentious issues such as: hours of work, guidance and expectations on which working locations are appropriate and the new rules for remote – on-and-off camera expectations, for example; unambiguous and equitable rules on Hybrid, revised output standards, contemporary dress codes. There would also be a restatement of what we do when we come together physically, the refreshed values of the organisation, a clarified vision and purpose, all supported by authentic, deliverable and enforceable EDI and ESG statements.

A new Social Contract of this nature will help destroy and disrupt destructive tropes lingering in the workplace – the command and control boss, the shirking worker, the two-faced middle manager, the entitled customer....

If we get this right, it's a game-changer. It will mark the permanent shift from top-down, zero-sum, command and control to new mutually beneficial, high-trust working ecosystem. And that prize, surely has to be worth wrestling with the challenges emerging from this important research.

Good luck to all preparing to embark on this vital journey. Keep us posted on your experiences and we can't wait to find out where you alight and what you learn along the way.



ABOUT THIS RESEARCH

Passepartout is a Kent-based L&D and OD practice working for public and private sector organisations since 2000, providing leadership, coaching and wellbeing support through a national associate network.

This research was carried out between November 2022 and February 2023. 43 telephone interviews were undertaken by George Hughes and Charlie O’Conor. Research themes were further explored via 5 ‘buildathon’ incorporated into Passepartout’s client project work. In total, 151 local authority leaders and managers were surveyed across 33 councils, a mix of urban and rural, metropolitan and unitary, large and smaller organisations.

Research findings were collated and edited into this white paper by Alex Taskin, Darren O’Conor, Lucy Taskin and Peter Antenen. Sam Oliver provided logistics support throughout the project.