Background

• In 2016 we conducted a staff survey, which attracted 312 responses. The AFM Board felt the results were significant and asked that the exercise was repeated on a regular basis.
• In 2018, we launched the survey via CEOs in July, and received over 600 responses from 25 organisations, as per the table.
• A brief report was tabled at the AGM, and this paper covers the results in more detail.
• Some of the questions also appeared in the board survey issued earlier in the year, and the results compare the different perspectives.
• Organisations with 15 or more responses will receive an individualised summary. Charts showing comparisons between members focus on those organisations, though average figures include all responses.

<table>
<thead>
<tr>
<th></th>
<th>responses</th>
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<td>Wiltshire FS</td>
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<tr>
<td>Medicash</td>
<td>56</td>
<td>unknown</td>
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</table>
Who responded in 2018?

The chart and table below show the split of staff, by length of service and role. Compared to 2016, there has been a marked decrease in the number of staff serving over 10 years.
"The organisation has a clear statement about the importance of being a mutual/ not-for-profit, and the way we operate is consistent with that."

74% strongly agreed with this statement, compared to 72% in 2016, which suggests conviction about the business model is strengthening amongst staff.

In a separate response, 98% agreed that the organisation is run in the best interests of customers (the same as 2016).
There was an increase in pride in the ethical record of their employer (79% vs 74% strongly agreed in 2016), but a fall in the business model being the reason a customer is attracted to the business (24% from 29%). This suggests organisations are stressing the merits of their own business rather than their business model, and aim to deliver tangible benefits of being a well-run business.
But staff who are proud of their organisation see the business model as attractive to customers.

This chart combines the previous two, and shows the clear correlation between employees who are proud of their employer, and how being a mutual or not-for-profit is attractive to customers, suggesting employee loyalty will also affect customer loyalty.
How well does induction training cover business model?

Only 65% of staff indicated they’d received training on how to explain their ownership structure to customers and how this benefits them. As the chart shows though, this varied significantly, from 30% to over 90%.

AFM is in the process of preparing a module for the AFM online training portal to provide an introduction to the sector.
Impact of training on perceptions

There is a correlation—albeit not a complete one—between what training staff receive on business model and their perception of how much importance the organisation attaches to its business model.
To what extent are employees involved in setting and delivering your organisation’s strategy?

- Any staff rewards include a measure of delivery of the strategy
- Staff are not involved in strategic decisions
- Employees are consulted in setting the strategy
- Employees are encouraged to consider ways to deliver the strategy
- Staff meetings are held to communicate strategy

Staff believe their rewards are linked to success of the business to a much greater extent than do the Board...

... but staff are much less inclined to believe they are involved in setting the strategy.
Staff involvement is a valuable investment

Employees that believe that investing in people is a crucial factor in business success were much more likely to be involved in discussions about how the strategy is set.

This suggests engaging staff in strategy development is an important factor in building future success.
Who influences culture and purpose?

- The Executive is seen to have most influence on culture, followed by the Board.

- Staff believe the regulators influence culture more than do the Board, but the Board sees employees as more influential than they do themselves.

- The Board considers customers and employees are consulted on the purpose of the business much more than do the staff (39% versus 22%).
Leadership and your employer

My organisation achieves positive outcomes because it invests in people.

I have every opportunity to grow my capabilities to be the best I can be.

Our leaders clearly communicate the organisation’s vision, culture and objectives.

Our leaders motivate me to achieve exceptional results.

The questions on leadership offer positive indicators of more effective leadership across our membership in 2018 compared to 2016, though this varied by organisation, as per the chart on the right.
Articulating the vision increases employee loyalty

There was a strong relationship between how clearly leaders articulate the vision and culture of the organisation and how positive employees were about the merits of working there— as predicated in our “Loyal Company” work.
Impact of length of service

<table>
<thead>
<tr>
<th>Category</th>
<th>under 1 year</th>
<th>1 to 3 years</th>
<th>3 to 5 years</th>
<th>5 to 10 years</th>
<th>over 10 years</th>
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<tbody>
<tr>
<td>Our leaders motivate me to achieve exceptional results</td>
<td>7</td>
<td>8</td>
<td>6</td>
<td>7</td>
<td>9</td>
</tr>
<tr>
<td>My organisation achieves positive outcomes because it invests in people</td>
<td>7</td>
<td>8</td>
<td>6</td>
<td>7</td>
<td>9</td>
</tr>
<tr>
<td>My employer is a great place to work and has a bright future</td>
<td>8</td>
<td>9</td>
<td>8</td>
<td>9</td>
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</tr>
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</table>

New starters are most positive in each category. Enthusiasm falls away after the first year, and rebuilds after five years’ service (similar to the pattern seen in 2016).
Impact by role

Our leaders motivate me to achieve exceptional results

My organisation achieves positive outcomes because it invests in people

My employer is a great place to work and has a bright future

Senior managers are most positive about their employer. Customer services staff don’t always show that commitment, and scores have fallen since 2016.
Other observations

• Staff who do not perceive that the organisation has a clear statement about the importance of being a mutual/ not-for-profit are less inclined to believe customers are attracted by the business model.

• Staff who have had a range of previous employers are more likely to rate their current employer as a great place to work.
Conclusions

The 2018 staff survey provides a wealth of information about employees’ perceptions.

The results show a strong correlation between leadership and performance. They also demonstrate that the calls by government for greater ‘workforce engagement’ are warranted and result in more motivated and loyal employees.

AFM members may wish to explore these trends further within their organisation; if you have any questions, contact martin@financialmutuals.org.

Analysis provided by AFM based on a survey of 606 employees in summer 2018, with additional analysis by Calimere Point Risk Advisory.