Your Views Count 2019: Post Office Overall

Post Office Overall Employee Engagement Survey 2019: Executive Report 06 January 2020



A Spencer Stuart Company

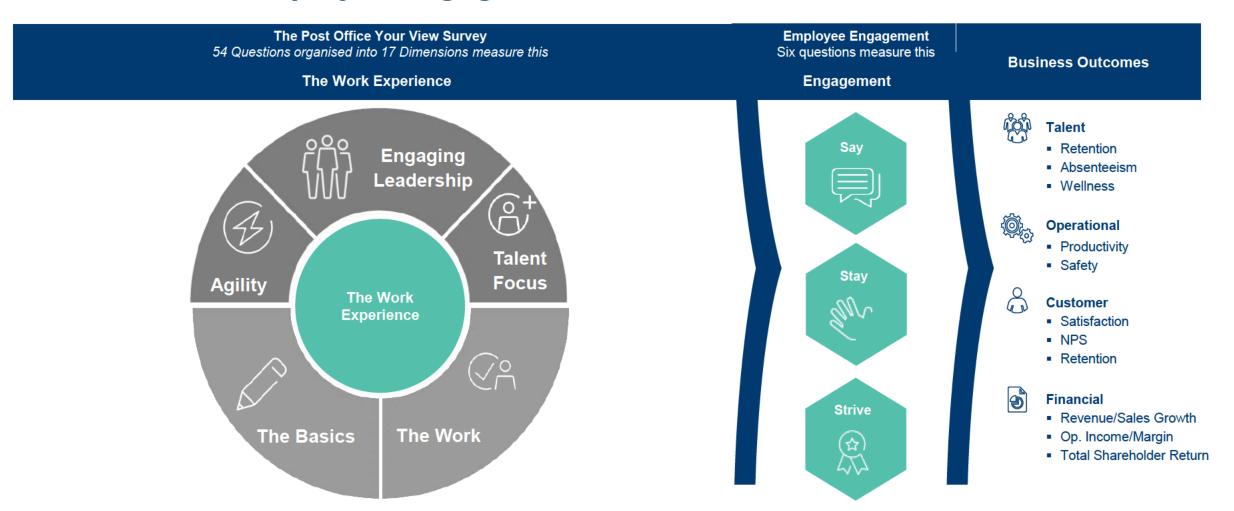


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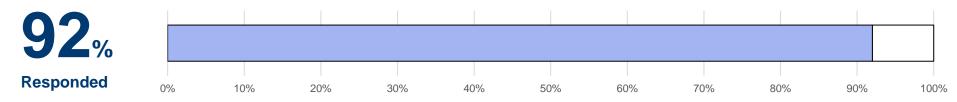


The Kincentric employee engagement model



Response rates for Post Office overall

Response rates remain exceptionally high



| Business unit | Survey timeframe | Invited | Responded | Response Rate 2019 | Response Rate 2018 |
|--|---------------------|---------|-----------|-----------------------|-----------------------|
| Post Office overall | 2019 aggregated | 4354 | 3999 | 92% | 92% |
| Chief Executive Retail | Q1 | 2527 | 2372 | 94% | 95% |
| Owen Woodley FS&T, Group Marketing, Group Digital and Innovation and Identity Service | Q2 | 153 | 149 | 97% | 92% |
| Alisdair Cameron Finance | | 102 | 92 | 90% | 83% |
| Benjamin Foat Legal, Compliance & Governance | | 67 | 60 | 90% | 88% |
| Mark Davies Comms, Brand & Corp Affairs Director | Q3 | 35 | 32 | 91% | 95% |
| Human Resources Director | | 129 | 108 | 84% | 90% |
| Change | | 56 | 49 | 88% | 83% |
| IT | 04 | 95 | 77 | 81% | 86% |
| Operations | Q4 | 337 | 288 | 85% | 93% |
| Supply Chain | | 801 | 722 | 90% | 81% |
| PO Insurance | eX Pulse | 42 | 42 | 100% | n.a |

Executive Summary

92% participation rate

High level of participation

EMPLOYEE ENGAGEMENT

56%

+5 pts vs 2018

0 pts vs Kincentric UK Average benchmark

Engagement at the Post Office has risen to UK average level.

- Engagement has improved by 5%pts since 2018 to 56%. This rises to 57% when Insurance is excluded.

Engagement distribution is in line with the UK average

- Changes in the proportion of highly engaged (+5%pts) and actively disengaged employees (-4%pts) have resulted in much closer alignment to the norm than ever before

Engagement scores have risen in the largest areas but there are declines elsewhere:

- Retail engagement is above the UK average for the first time having risen 8%pts to 58%. Customers now have a 3 in 5 chance of coming into contact with an engaged employee. There was a 1 in 2 chance last year.
- Supply Chain and Operations engagement has also improved, while engagement levels are highest but stable in Finance
- Engagement in all other areas has declined with the most notable decreases in Change and IT who along with PO insurance have the lowest engagement levels

Senior Leadership engagement has declined notably and now is lower than a number of less senior levels. New Joiner engagement has also fallen. However, engagement has improved for those with more than three years of service

- Executive engagement now stands at 78%, -22%pts vs 2018.
- Only 57% of Senior Leaders are engaged, a decline of -23%pts. This is lower than a number of levels including Band 3B, Band 2, and the highest scoring CSA Monthly for which engagement stands at 80%, +27%pts vs 2018.
- New joiner engagement has fallen -7%pts to 64%
- Engagement levels for those with 11-25 years' service now stands at 58%, up 9%pts the largest increase. This is the largest group making up over a quarter of all respondents

Post Office employees' perception of their work experience is generally more positive than in 2019. However perceptions are less positive for some aspects.

- Collaboration, Rewards and Recognition, Acting on the survey and Diversity and Inclusion have all improved
- Perceptions of Culture, Senior Leadership have declined and are now below the UK average. Career Opportunities, Customer Focus and Communication are also tracking behind average.

The Line Manager index score has increased in every aspect* (+6pts to 77%)

Perceptions have risen the most for not tolerating poor performance and confidence in action being taken on the results of the survey

The Culture index score stands at 57%

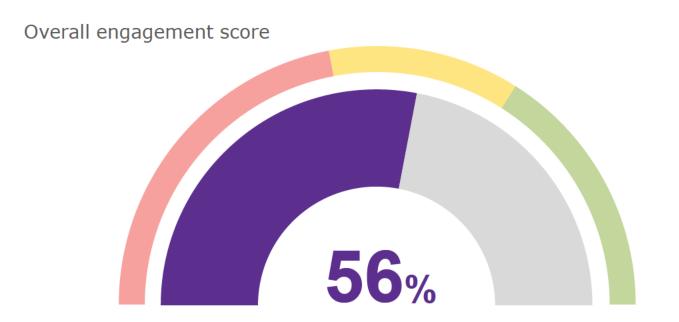
- Perceptions of Senior leadership treating employees as the most valued asset, and being quick to invest in new ideas aimed at driving success in the future are the furthest behind the UK average
- Perceptions of having clear processes and procedures for doing work and sharing best practice and job knowledge are furthest ahead of the UK average

^{*}There are three questions for which no historical comparison is available

Employee Engagement Trends at Post Office Overall

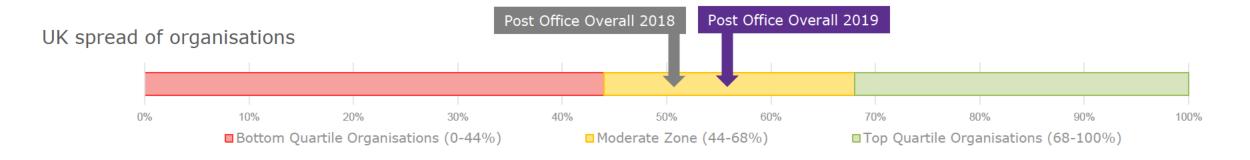
Post Office engagement continues to improve

56% of employees are engaged









Why has Post Office employee engagement improved?

Opinion on sharing of job knowledge, teamwork, recognition and fair pay, has seen Collaboration and Reward & Recognition perceptions improve the most.

| Top 5 improvements in the Post Office work experience | | | | | | | |
|---|--------|---------------|--|--|--|--|--|
| Dimension | Change | Current Score | | | | | |
| Collaboration | +14 | 71 | | | | | |
| Rewards and Recognition | +14 | 66 | | | | | |
| Diversity and Inclusion | +12 | 73 | | | | | |
| Acting on survey | +12 | 61 | | | | | |
| Performance Management | +9 | 78 | | | | | |

Leads to improvements in employee engagement



Working as one team and sharing knowledge, ways of working and building a better bond

....and being given recognition for going above and beyond my day job

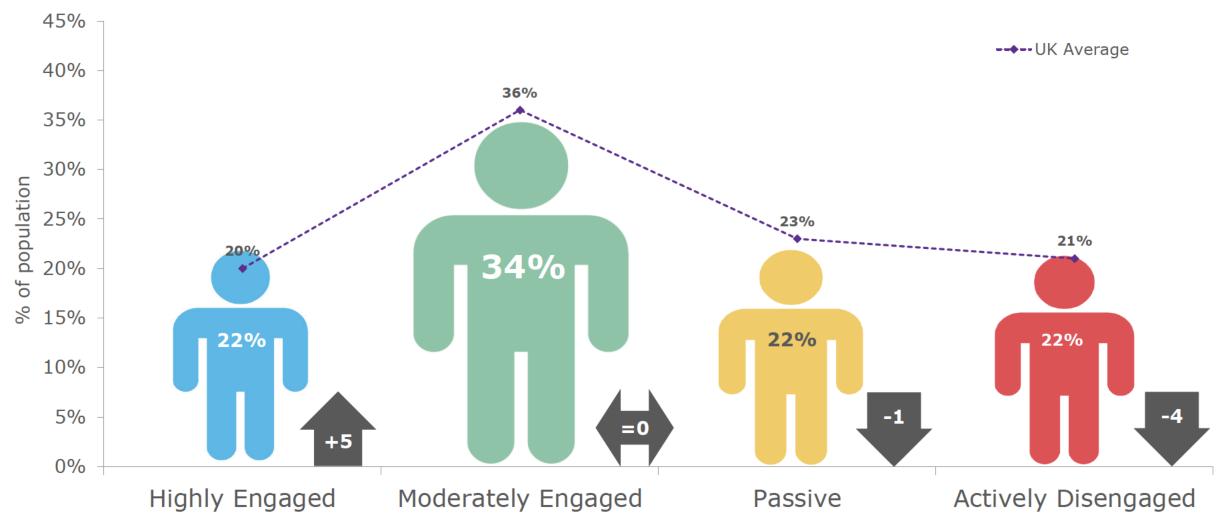
My work environment and work life balance has significantly improved.

the Diversity work has made POL a better place to work - this came up from the grass roots...

I feel he is a good leader and treats his staff very fairly. He gives us all very clear direction and makes us all fully aware of his expectations of us all.

Post Office employee engagement distribution

Highly engaged and actively disengaged populations are more in line with the average than ever.



Note scores are rounded. Distribution (and changes) may not add up to 100%.

Declines across smaller areas are offset by improvements in the largest areas

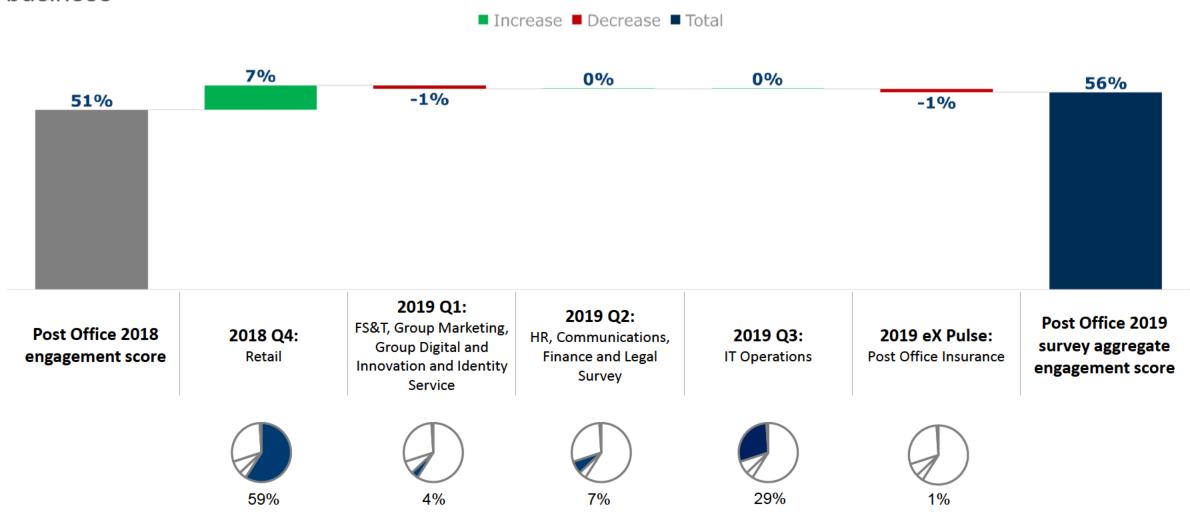
| | | UK aver | age | JK top quartile |
|---|----------------------|---------------------|-----|----------------------------|
| Unit | Total N Responses | % Engaged Employees | | Change from 2018 (%pts) |
| Post Office Overall | 3999 | | 56% | +5 |
| Chief Executive Retail | 2372 | | 58% | +8 |
| Owen Woodley FS&T, Group Marketing, Group Digital and Innovation and Identity Service | 149 | 45% | | -12 |
| Alisdair Cameron Finance | 92 | | | 67% 0 |
| Benjamin Foat Legal, Compliance & Governance | 60 | | 60% | d -4 |
| Mark Davies Comms, Brand & Corp Affairs Director | 32 | 479 | 6 | -4 |
| Human Resources Director | 108 | | 56% | -3 |
| Change | 49 | 37% | | -43 |
| ј ІТ | 77 | 38% | | -24 |
| Operations | 288 | | 54% | +3 |
| Supply Chain | 722 | | 59% | +8 |
| PO Insurance | 42 | 36% | | n.a. |

No results for units with fewer than 5 responses



How engagement improved over the four quarters by survey cycle

Retail's impact on engagement earlier this year has been tempered by declines elsewhere in the business



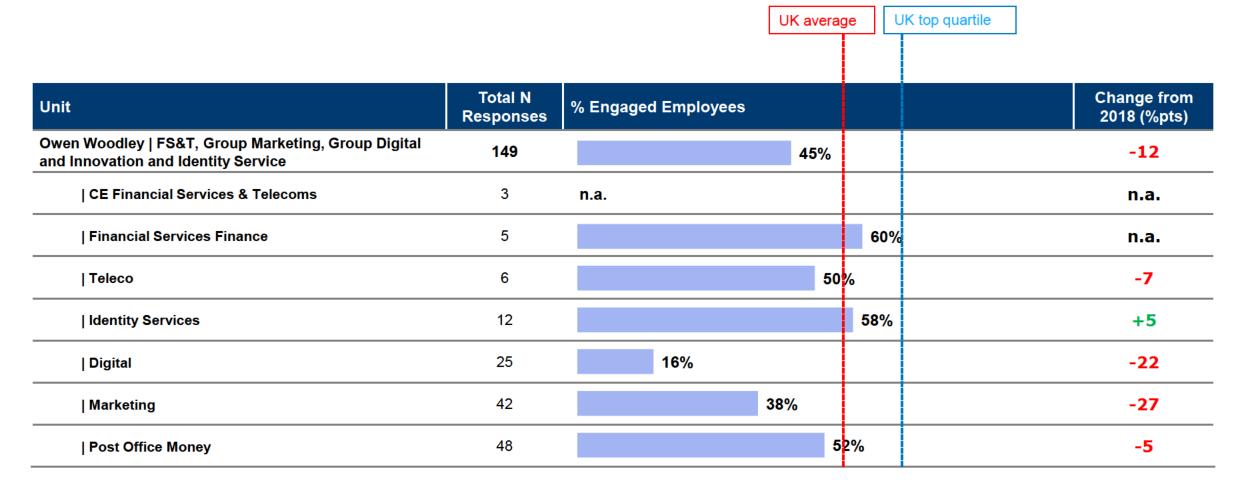
% of total Post Office population represented by each quarterly survey

Employee engagement within departments

Engagement levels have improved across the majority of Retail with only Payments declining

UK average UK top quartile **Change from Total N** Unit % Engaged Employees 2018 (%pts) Responses 2372 +8 | Chief Executive Retail 58% 2217 57% +8 **DMB Network** 14% 7 -43 **Payments** 83% 18 Finance Director - Retail +22 14 64% Mails & Retail +7 63% 16 **Banking Services** n.a. 57% 89 +6 **Network Development**

Digital employees responsible for innovation are the least engaged



No results for units with fewer than 5 responses

Engagement has increased in HO Procurement

| | L' | | UK avera | ge c | in top quartile | |
|----------------------------|----------------------|---------------------|----------|----------|-----------------|----------------------------|
| | | | | | | |
| Unit | Total N Responses | % Engaged Employees | | | | Change from 2018 (%pts) |
| Alisdair Cameron Finance | 92 | | | | 67% | 0 |
| HO Procurement | 14 | | 50 | % | | +20 |
| Chief Finance Officer | 12 | | 50 | % | | 0 |
| Chief Finance Officer | 4 | n.a. | | | | n.a. |
| Chief Finance Officer | 58 | | | | 74% | 0 |
| | | | | | | |

LIK top quartile

| | | | UK average | | UK top quartile | |
|--|----------------------|---------------------|------------|--|-----------------|----------------------------|
| Unit | Total N Responses | % Engaged Employees | | | | Change from 2018 (%pts) |
| Mark Davies Comms, Brand & Corp Affairs Director | 32 | | 47% | | | -4 |
| Public Affairs | 3 | n.a. | | | | n.a. |
| Comms, Brand & Corp Affairs Director | 17 | | 47% | | | +3 |
| Corporate Services | 4 | n.a. | | | | n.a. |
| Newsdesk | 4 | n.a. | | | | n.a. |

A slight overall decline masks volatility at team level

| | OK averag | | | , | nt top quartic | |
|-----------------------------|----------------------|---------------------|--|-----|----------------|----------------------------|
| | | | | | | |
| Unit | Total N Responses | % Engaged Employees | | | | Change from 2018 (%pts) |
| Human Resources Director | 108 | | | 56% | | -3 |
| Human Resources Director | 34 | | | 59% | | -5 |
| Human Resources Director | 37 | | | | 78% | +16 |
| Human Resources Director | 7 | 0% | | | | -25 |
| Human Resources Director | 14 | 21% | | | | -46 |
| Health , Safety & Wellbeing | 5 | | | | 80% | +20 |
| Human Resources Director | 4 | n.a. | | _ | | n.a. |
| | | | | | | |

No results for units with fewer than 5 responses

UK top quartile

Engagement has fallen notably amongst employee responsible for implementing change

| Unit | Total N Responses | % Engaged Employees | Change from 2018 (%pts) |
|-----------|----------------------|---------------------|----------------------------|
| Change | 49 | 37% | -43 |
| Portfolio | 0 | n.a. | n.a. |
| Portfolio | 1 | n.a. | n.a. |
| | 0 | n.a. | n.a. |
| Portfolio | 1 | n.a. | n.a. |
| Portfolio | 1 | n.a. | n.a. |
| Portfolio | 1 | n.a. | n.a. |
| Central | 2 | n.a. | n.a. |
| Central | 34 | 44% | n.a. |

No results for units with fewer than 5 responses

UK top quartile

UK average

Engagement has declined across IT teams

Total N **Change from** Unit % Engaged Employees 2018 (%pts) Responses 77 -24 I IT 38% 2 | Chief Information Office-Back Office n.a. n.a. | Chief Information Office-FS & Digital 0 n.a. n.a. 7 | Chief Technology Office 14% -30 10 40% -15 | IT Contract & Vendor Management 13 69% XXX -4 9 56% -23 | Finance IT & Transformation 9% 11 | Information Security n.a. 29% -35 | IT Service & Operations 21

UK average

UK top quartile

No results for units with fewer than 5 responses



Engagement has increased across Operations

| | | | UK avera | ge | UK top quartile | |
|---------------------|----------------------|---------------------|----------|-----|-----------------|----------------------------|
| | | | | | | |
| Unit | Total N Responses | % Engaged Employees | | | | Change from 2018 (%pts) |
| Operations | 288 | | | 54% | | +3 |
| Network Operations | 2 | n.a. | | | | n.a. |
| Network Operations | 2 | n.a. | | | | n.a. |
| Facilities | 44 | | | 6 | 4% | +7 |
| Loss Prevention | 77 | | | 3% | | +5 |
| Commercial Security | 158 | | | 3% | | +5 |

Planning, Performance and Change has both declining and below average engagement

| | UK ave | age | UK top quartile | |
|----------------------|---------------------|--|-------------------|----------------------------|
| | | | | |
| Total N Responses | % Engaged Employees | | | Change from 2018 (%pts) |
| 722 | | 59% | 6 | +8 |
| 5 | | | 80% | +20 |
| 10 | | 609 | % | +20 |
| 47 | | 51% | | -9 |
| 77 | | 61 | % | +6 |
| 265 | | 56% | | +6 |
| 312 | | 62 | 2% | +11 |
| | 722 5 10 47 77 265 | Total N Responses 722 5 10 47 77 265 | Total N Responses | Total N Responses |

Engagement levels vary across PO Insurance

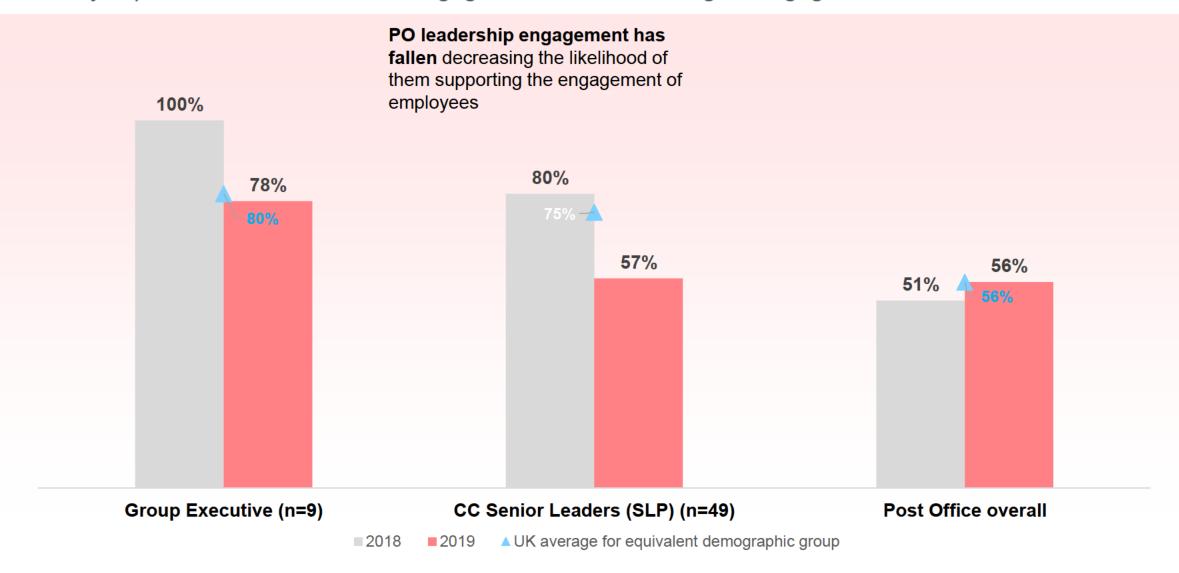
UK average UK top quartile **Change from Total N** Unit % Engaged Employees 2018 (%pts) Responses 42 PO Insurance 36% n.a. **Risk and Compliance** 4 n.a. n.a. 18 28% **Product** n.a. 6 50% **Operations** n.a. Leadership Team (Direct report of Managing Director / 1 n.a. n.a. CEO) 5 40% Finance n.a. 14% Change n.a. Managing Director / CEO 1 n.a. n.a.

No results for units with fewer than 5 responses



The Post Office leadership engagement has declined

This may impact on future Post Office engagement if barriers to higher engagement are not removed.



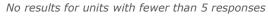
Engagement scores by Grade (ordered by seniority)

Engagement has declined amongst the four most senior grades but has increased

IIK average | IIK top quartile |

amongst those less senior.

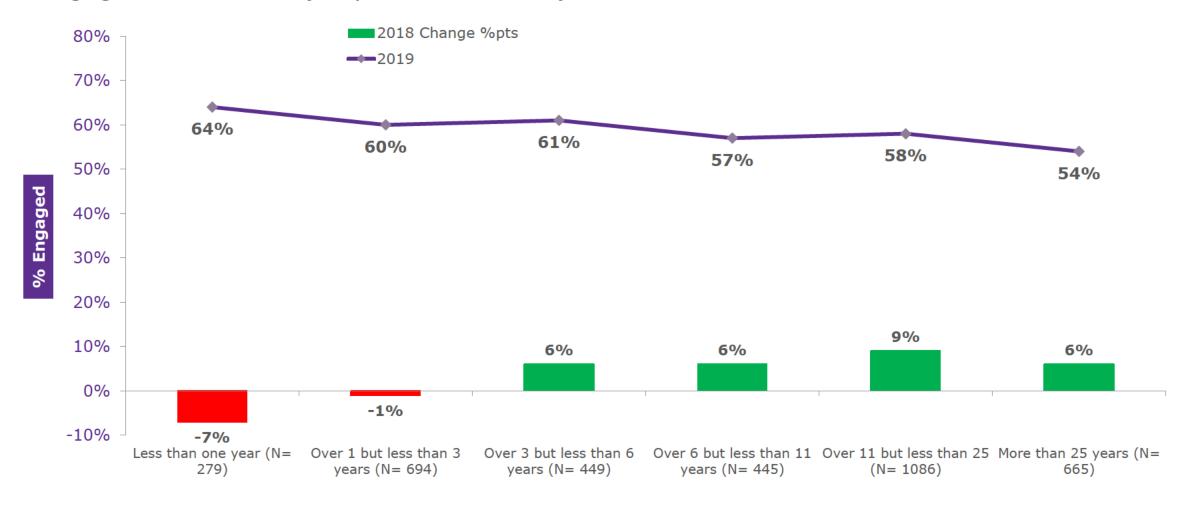
| amongst mose les | 55 SEIIIOI. | UK avera | age · | UN | top quartile | |
|----------------------|----------------------|--------------------|----------|----|--------------|----------------------------|
| Demographic | Total N Responses | % Engaged Employee | es | | | Change from 2018 (%pts) |
| RemCo | 9 | | | | 78% | -2 |
| Senior Leaders (SLP) | 46 | | 57% | | | -23 |
| Band 4 | 184 | 46% | | | | -11 |
| Band 3 - Pay Range A | 200 | 5 | 3% | | | -5 |
| Band 3 - Pay Range B | 304 | | 60 | % | | 2 |
| Band 2 - Pay Range A | 308 | | 6 | 2% | | 7 |
| Band 2 - Pay Range B | 137 | | | | 69% | 11 |
| Crown Office CSC | 1853 | | 56% | | | 8 |
| CHD Crewmember Mthly | 228 | | 58% | | | 9 |
| CHD PO monthly | 86 | | 58% | | | 10 |
| Customer Advisor | 79 | 5 | 2% | | | 8 |
| Supplies Operative 1 | 53 | | 60 | % | | 5 |
| CHD PA monthly | 246 | 52 | 2% | | | 5 |
| CSA Monthly | 30 | | | | 80% | 27 |
| POL PA admin | 2 | n.a. | | | | |
| FTA CHD PA | 9 | | 56% | | | 9 |
| POL PO admin monthly | 174 | | 55% | | | 2 |
| POAPP | 7 | 43% | | | | |





New joiner engagement level has decreased the most.

Engagement levels only improve after three years of service.



Populations by Years of Service

No results for units with fewer than 5 responses

Improving engagement at Post Office Overall

The Post Office work experience is improving but some aspects have declined.

Collaboration has improved the most. Culture has seen the biggest decline.

| Dimension | Change from 2018 (%pts) | % positive 2019 | Difference from UK average (%pts) | Difference from UK Top Quartile (%pts) |
|---------------------------------|-------------------------|-----------------|--------------------------------------|---|
| Collaboration | 14 | 71% | +18 | +7 |
| Rewards and Recognition | 14 | 66% | +13 | +1 |
| Acting on survey | 12 | 61% | +4 | -12 |
| Diversity and Inclusion | 12 | 73% | +7 | -2 |
| Performance Management | 9 | 78% | +8 | +1 |
| Enabling Infrastructure | 8 | 71% | +24 | +12 |
| Wellbeing | 7 | 66% | +1 | -9 |
| Learning and Development | 5 | 59% | +3 | -11 |
| Safety | 5 | 78% | +1 | -7 |
| Line Manager | 3 | 83% | +11 | +3 |
| Communication | 2 | 68% | -1 | -9 |
| Talent and Staffing | -2 ■ | 44% | +2 | -11 |
| Empowerment and Autonomy | -4 | 67% | +5 | -5 |
| Senior Leadership | -4 | 40% | -15 | -28 |
| Culture | -7 | 47% | -4 | -23 |
| Career Opportunities | n.a. | 45% | -8 | -24 |
| Customer Focus | n.a. | 61% | -3 | -14 |

Heatmap of Change (%pts) in the Work Experiences by department

Diversity and Inclusion and Collaboration have consistently improved. The largest and most consistent declines are in Senior Leadership, Talent and Staffing and Culture

| Dimension | Chief Executive Retail (N= 2372) | Owen Woodley FS&T, Group Marketing, Group Digital Innovation Identity (N= | Alisdair Cameron Finance (N= 92) | Benjamin Foat Legal, Compliance & Governance (N= 60) | Mark Davies Comms, Brand & Corp Affairs Director (N= 32) | Human Resources Director (N= 108) | Change (N= 49) | (N= 77) | Operations (N= 288) | Supply Chain (N= 722) | PO Insurance (N= 42) |
|--------------------------|---|---|---|--|---|--|-------------------|---------|------------------------|--------------------------|-------------------------|
| Acting on survey | 20 | -5 | -7 | 2 | -19 | 4 | -33 | -32 | -3 | 9 | n.a. |
| Career Opportunities | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. |
| Collaboration | 17 | 4 | -1 | 11 | 2 | 9 | -15 | 8 | 19 | 10 | n.a. |
| Communication | 9 | -18 | -12 | -26 | -2 | -14 | -65 | -25 | -17 | 5 | n.a. |
| Culture | -8 | -16 | -15 | -18 | -38 | -16 | -23 | -33 | -6 | 3 | n.a. |
| Customer Focus | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. |
| Diversity and Inclusion | 14 | 10 | 7 | 16 | 6 | 10 | 2 | -1 | 1 | 9 | n.a. |
| Empowerment and Autonomy | 1 | -16 | -12 | -8 | -12 | -10 | -50 | -26 | -11 | -15 | n.a. |
| Enabling Infrastructure | 9 | -2 | 4 | -1 | 9 | 3 | -24 | -12 | 3 | 12 | n.a. |
| Learning and Development | 8 | -10 | -4 | -13 | -23 | 2 | -18 | -17 | -5 | 10 | n.a. |
| Line Manager | 3 | -1 | -1 | 1 | 0 | 2 | -3 | -5 | -2 | 6 | n.a. |
| Performance Management | 9 | 3 | 10 | 5 | 0 | 11 | -6 | -6 | 3 | 12 | n.a. |
| Rewards and Recognition | 17 | 1 | 6 | 1 | 0 | 6 | -26 | -15 | 3 | 9 | n.a. |
| Safety | 6 | -4 | -5 | 1 | -4 | 4 | -4 | -2 | -1 | 10 | n.a. |
| Senior Leadership | -1 | -28 | -22 | -39 | -30 | -19 | -64 | -31 | -16 | 2 | n.a. |
| Talent and Staffing | 2 | -24 | -10 | -35 | -25 | -8 | -16 | -28 | -10 | 4 | n.a. |
| Wellbeing | 8 | -6 | 3 | 0 | -2 | 14 | -8 | -17 | -3 | 7 | n.a. |

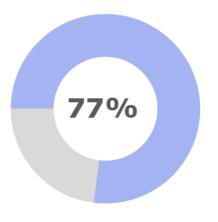
Post Office Line Manager Index

Three in four feel that poor performance is not tolerated



Since 2018

Line Manager Index

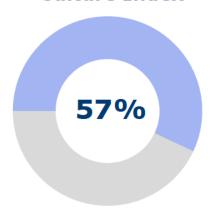


| LMI Item | Change from 2018 (%pts) | 2019 % strongly agree / agree | Difference from UK average (%pts) |
|--|-------------------------|----------------------------------|--------------------------------------|
| Poor performance is not tolerated by my manager | 13 | 75% | n.a. |
| I am confident that results from this survey will be acted upon | 12 | 61% | +4 |
| I understand how my individual objectives contribute to the Post Office objectives | 6 | 78% | +9 |
| I can easily find the information and resources I need to do my job | 5 | 68% | n.a. |
| My line manager keeps me informed about changes and how they impact me | 4 | 83% | n.a. |
| My line manager listens to my ideas and suggestions, and provides feedback | 4 | 83% | n.a. |
| My line manager treats me fairly and with respect | 3 | 87% | +16 |
| My line manager is someone that I trust | 3 | 82% | +6 |
| I feel informed about my team's performance against its objectives | 1 | 76% | +2 |
| My manager recognises my efforts and results | n.a. | 81% | +13 |
| My manager sets clear expectations and goals with me | n.a. | 81% | +12 |
| I have appropriate influence and decision-making authority in my job | n.a. | 67% | +8 |

Post Office Culture Index

Perceptions of senior leadership's people focus and responsiveness to changing customer needs are furthest away from the average.

Culture Index



| | 2019 % strongly agree / agree | Difference from UK average (%pts) |
|---|-------------------------------|--------------------------------------|
| My line manager listens to my ideas and suggestions, and provides feedback | 83% | n.a. |
| My manager recognises my efforts and results | 81% | +13 |
| My manager sets clear expectations and goals with me | 81% | +12 |
| My colleagues share best practice and job knowledge with each other | 79% | +15 |
| My manager develops a positive team atmosphere | 78% | +10 |
| We have clear processes and procedures for doing our work | 74% | +28 |
| I am encouraged to suggest improvements to better serve external customers | 72% | +7 |
| I have appropriate influence and decision-making authority in my job | 67% | +8 |
| I can try new things even if they lead to occasional mistakes | 59% | +4 |
| At this organisation, we recognise people for the behaviors and results that will help the organisation succeed | 51% | +7 |
| I would describe this organisation as growth focused | 50% | n.a. |
| We are responsive to the changing needs of our external customers | 50% | -13 |
| We are developing a workforce that adapts well to change | 46% | +4 |
| This organisation offers excellent career opportunities to employees who are strong performers | 45% | -8 |
| We are promoting the people with the skills we need to achieve our business objectives | 43% | +1 |
| Senior leadership is taking necessary actions now to position the company for long term success | 43% | -11 |
| I would describe this organisation as open/transparent | 40% | n.a. |
| We are quick to invest in new ideas that will drive future success | 38% | -12 |
| Senior leadership treats employees as this organisation's most valued asset | 34% | -20 |
| We make high quality decisions at the right speed | 32% | -6 |

Finance top engagement dimensions to improve

Based on Kincentric's analysis* of employees' feedback

| Senior Leadership | Culture | Career Opportunities | Talent & Staffing | Customer Focus |
|---|--|--|---|---|
| 40% | 47% | 45% | 44% | 61% |
| Senior leadership treats employees as this organisation's most valued asset | We are quick to invest in new ideas that will drive future | This organisation offers excellent career opportunities to employees | We are promoting the people with the skills we need to achieve our | We are responsive to the changing needs of our external customers |
| I have confidence in the decisions made by the Post Office senior leadership team (the Group Executive and their lead teams) The senior leadership team are visible leaders of Post Office We make high quality decisions at the right speed Senior leaders lead by example and behave in line with our values Senior leadership is taking necessary actions now to position the company for long term success I have a good understanding of the Post | I would describe this organisation as open/transparent I would describe this organisation as growth focused I see the Post Office's values (Care, Challenge, Commit) being demonstrated everyday | who are strong performers | business objectives We are attracting the people we need to achieve our business goals | |

^{*}Overall Dimension ranks based on Kincentric's Relative Weights Analysis which considers:

⁽¹⁾ Statistical impact on Engagement (2) Current Effectiveness Score (3) Probability of future movement based on top quartile benchmarks



Office's strategy and direction

Post Office focus areas by department

Culture is the top or second focus areas for every part of the Post Office

| Dimension to Improve | Chief Executive Retail | Owen Woodley FS&T, Group Marketing, Group Digital Innovation Identity | Alisdair Cameron Finance | | Mark Davies Comms, Brand & Corp Affairs Director | Human Resources Director | Change | іт | Operations | Supply Chain | PO Insurance |
|--------------------------|------------------------------|--|----------------------------------|---|---|--------------------------------|--------|----|------------|--------------|--------------|
| Acting on survey | | | | | 4 | | 3 | | 4 | 5 | 1 |
| Career Opportunities | 3 | 5 | | 5 | | 4 | | 3 | 5 | 3 | 4 |
| Collaboration | | | | | 5 | | | | | | |
| Communication | | | | | | | | | | | |
| Culture | 2 | 1 | 1 | 1 | 1 | 1 | 2 | 1 | 1 | 1 | 2 |
| Customer Focus | 5 | 2 | 5 | | 3 | 5 | 5 | 2 | | | |
| Diversity and Inclusion | | | | | | | | | | | |
| Empowerment and Autonomy | | | | | | | | | | | |
| Enabling Infrastructure | | | | | | | | | | | 3 |
| Learning and Development | | | 3 | 4 | | | | | | | |
| Line Manager | | | | | | | | | | | |
| Performance Management | | | | | | | | | | | |
| Rewards and Recognition | | | | | | | | | | | 5 |
| Safety | | | | | | | | | | | |
| Senior Leadership | 1 | 3 | 2 | 2 | 2 | 2 | 1 | 4 | 3 | 2 | |
| Talent and Staffing | 4 | 4 | 4 | 3 | | 3 | 4 | 5 | 2 | 4 | |
| Wellbeing | | | | | | | | | | | |

^{*}The key focus areas are ranked in ascending order, with one being the most important to improving future engagement. Analysis available for departments of 30 employees or more, for departments between 5-30 respondents we show an inherited analysis.



Next steps

Placeholder for the Post Office



Appendix

Engagement Scores

How the score is calculated

Engagement is calculated by taking the average of each staff's response to the six engagement questions based on the Kincentric's six-point response scale:



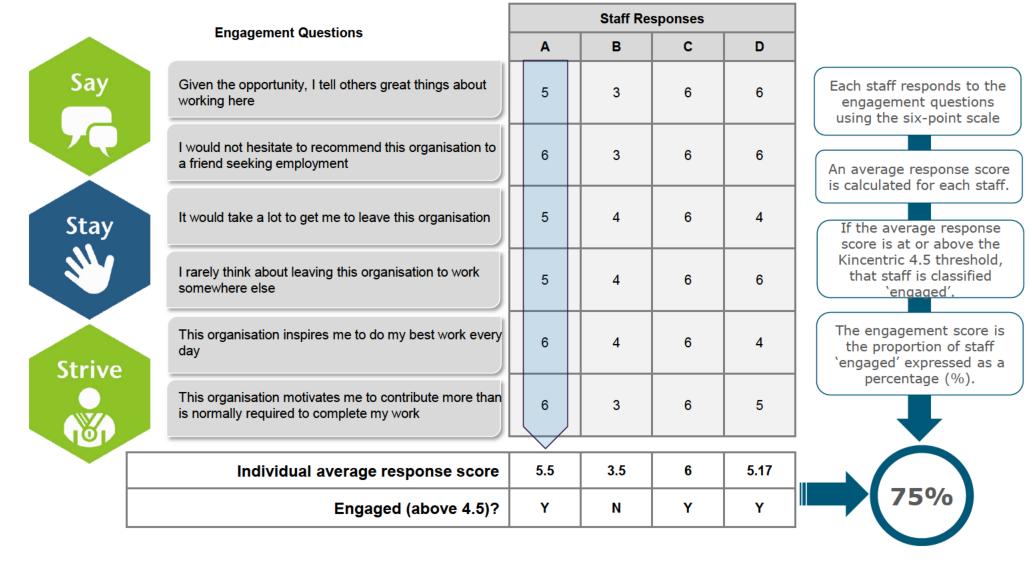
An staff is engaged if their average answer across the six questions equals or exceeds 4.5

The engagement score (e.g. 50%) is the total proportion of staff who are 'engaged'.

A question item score can only be calculated for 5 or more staff!

Engagement Scores

How the score is calculated

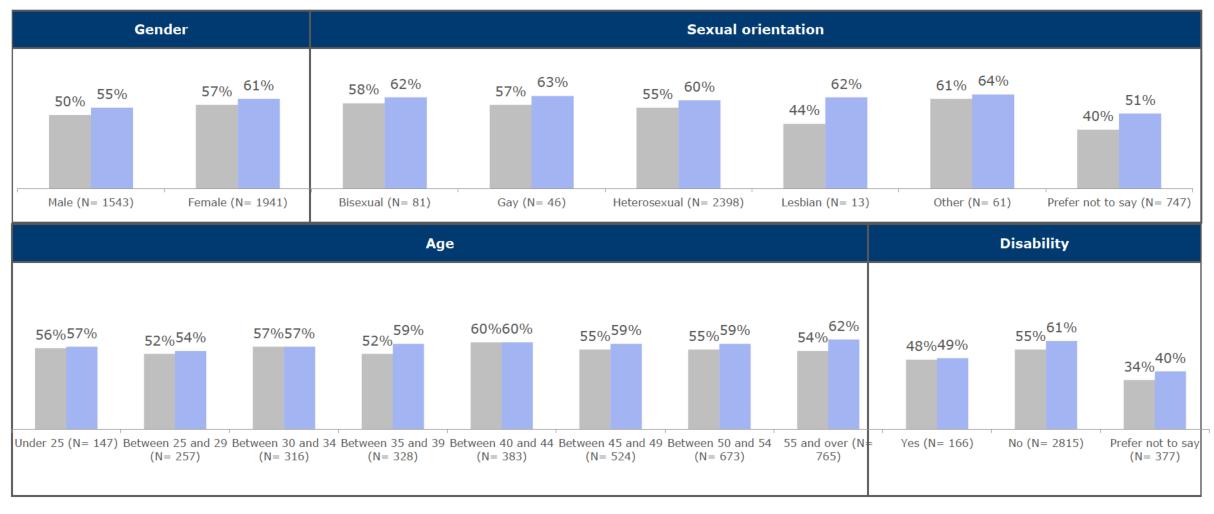


Engagement Dimensions

Calculating (1) Dimension Score, (2) Question Score and (3) Distance from Norm

| The Deat Office accessed in its aim to be better for | Count of 6 or 5 responses | | (% favourable) | Global Top Quartile (Norm) | Distance from Global Top Quartile | |
|---|--|--|--|--|--|--|
| The Post Office succeeds in its aim to be better for customers | 76 | 100 | 76% | 66% | +10 | |
| I see the Post Office's values (Care, Challenge, Commit) being demonstrated everyday | 73 | 100 | 73% | 52% | +21 | |
| I get enough good information about the Post Office's business results and performance | 57 | 100 | 57% | 52% | +5 | |
| Total | 206 | 300 | | | | |
| Dimension Score Based on % of all 6+5 ("strongly agree agree") responses across all questions in dimension | + the | 69% | | | +12 | |
| | I get enough good information about the Post Office's business results and performance Total Dimension Score Based on % of all 6+5 ("strongly agree agree") responses across all questions in dimension Question | I get enough good information about the Post Office's business results and performance Total Dimension Score Based on % of all 6+5 ("strongly agree + agree") responses across all questions in the dimension Question score | I get enough good information about the Post Office's business results and performance Total Dimension Score Based on % of all 6+5 ("strongly agree + agree") responses across all questions in the dimension | I get enough good information about the Post Office's business results and performance Total 206 300 Dimension Score Based on % of all 6+5 ("strongly agree + agree") responses across all questions in the dimension Question score | I get enough good information about the Post Office's business results and performance Total 206 300 Dimension Score Based on % of all 6+5 ("strongly agree + agree") responses across all questions in the dimension Question score | |

Employee engagement by Gender, Sexual orientation, Age and Disability

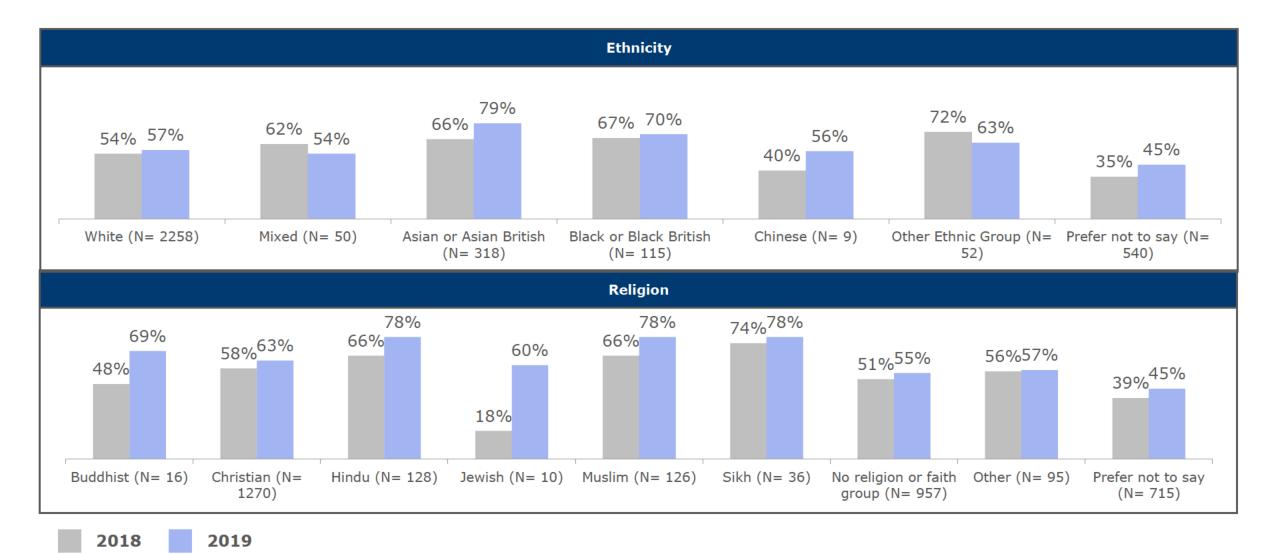






2019

Employee engagement by Ethnicity and Religion



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| Category and Questions | 2019 Score | Change from 2018 (%pts) | Difference from UK Average (%pts) | Difference from UK Top Quartile (%pts) |
|--|------------|----------------------------|--------------------------------------|---|
| Engagement | 56% | 5 | 0 | -12 |
| I would not hesitate to recommend Post Office to a friend seeking employment | 60% | 1 | -4 | -18 |
| It would take a lot to get me to leave Post Office | 60% | 5 | 8 | -3 |
| Post Office inspires me to do my best work every day | 58% | 6 | 1 | -10 |
| Given the opportunity, I tell others great things about working for the Post Office | 56% | 6 | -5 | -19 |
| I rarely think about leaving Post Office to work somewhere else | 54% | 6 | 5 | -4 |
| Post Office motivates me to contribute more than is normally required to complete my work | 55% | 7 | 0 | -12 |
| Acting on survey | 61% | 12 | 4 | -12 |
| I am confident that results from this survey will be acted upon | 61% | 12 | 4 | -12 |
| Career Opportunities | 45% | n.a. | -8 | -24 |
| This organisation offers excellent career opportunities to employees who are strong performers | 45% | n.a. | -8 | -24 |
| Collaboration | 71% | 14 | 18 | 7 |
| My colleagues share best practice and job knowledge with each other | 79% | n.a. | 15 | 5 |
| There is good cooperation and teamwork across the Post Office | 62% | 5 | 20 | 8 |
| Communication | 68% | 2 | -1 | -9 |
| I get enough good information about the Post Office's business results and performance | 68% | 2 | -1 | -9 |



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| Category and Questions | 2019 Score | Change from 2018 (%pts) | Difference from UK Average (%pts) | Difference from UK Top Quartile (%pts) |
|--|------------|----------------------------|--------------------------------------|---|
| Culture | 47% | -7 | -4 | -23 |
| I would describe this organisation as open/transparent | 40% | n.a. | n.a. | n.a. |
| I would describe this organisation as growth focused | 50% | n.a. | n.a. | n.a. |
| We are quick to invest in new ideas that will drive future success | 38% | n.a. | -12 | -32 |
| I see the Post Office's values (Care, Challenge, Commit) being demonstrated everyday | 59% | 5 | 4 | -14 |
| Customer Focus | 61% | n.a. | -3 | -14 |
| We are responsive to the changing needs of our external customers | 50% | n.a. | -13 | -24 |
| I am encouraged to suggest improvements to better serve external customers | 72% | n.a. | 7 | -3 |
| Diversity and Inclusion | 73% | 12 | 7 | -2 |
| If I have an issue with being treated fairly at work, I am confident that Post Office will take appropriate action | 68% | 7 | 5 | 0 |
| We have a work environment that is accepting of diverse backgrounds and ways of thinking | 79% | n.a. | 8 | -4 |
| Empowerment and Autonomy | 67% | -4 | 5 | -5 |
| I am able to choose how best to complete my work | 74% | 3 | 2 | -6 |
| I have appropriate influence and decision-making authority in my job | 67% | n.a. | 8 | -2 |
| I can try new things even if they lead to occasional mistakes | 59% | n.a. | 4 | -6 |
| Enabling Infrastructure | 71% | 8 | 24 | 12 |
| We have clear processes and procedures for doing our work | 74% | n.a. | 28 | 17 |
| I have access to the equipment I require to do my job (e.g. IT, technology, systems) | 72% | 8 | 20 | 7 |
| I can easily find the information and resources I need to do my job | 68% | 5 | n.a. | n.a. |

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| Category and Questions | 2019 Score | Change from 2018 (%pts) | Difference from UK Average (%pts) | Difference from UK Top Quartile (%pts) |
|---|------------|----------------------------|--------------------------------------|---|
| Learning and Development | 59% | 5 | 3 | -11 |
| There are opportunities at Post Office for me to gain new skills | 56% | 5 | 3 | -11 |
| I receive the training and development that is required to perform well in my job | 63% | 6 | n.a. | n.a. |
| Line Manager | 83% | 3 | 11 | 3 |
| My line manager keeps me informed about changes and how they impact me | 83% | 4 | n.a. | n.a. |
| My line manager treats me fairly and with respect | 87% | 3 | 16 | 7 |
| My line manager listens to my ideas and suggestions, and provides feedback | 83% | 4 | n.a. | n.a. |
| My line manager is someone that I trust | 82% | 3 | 6 | n.a. |
| My manager develops a positive team atmosphere | 78% | n.a. | 10 | -1 |
| Performance Management | 78% | 9 | 8 | 1 |
| My manager sets clear expectations and goals with me | 81% | n.a. | 12 | 3 |
| Poor performance is not tolerated by my manager | 75% | 13 | n.a. | n.a. |
| I feel informed about my team's performance against its objectives | 76% | 1 | 2 | n.a. |
| I understand how my individual objectives contribute to the Post Office objectives | 78% | 6 | 9 | -1 |
| Rewards and Recognition | 66% | 14 | 13 | 1 |
| My manager recognises my efforts and results | 81% | n.a. | 13 | 5 |
| I am paid fairly for the contributions I make to Post Office | 66% | 11 | 21 | 10 |
| Overall, the Post Office's benefits meets my needs well | 65% | 15 | 11 | -3 |
| At this organisation, we recognise people for the behaviors and results that will help the organisation succeed | 51% | n.a. | 7 | -10 |

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| Category and Questions | 2019 Score | Change from 2018 (%pts) | Difference from UK Average (%pts) | Difference from UK Top Quartile (%pts) |
|--|------------|----------------------------|--------------------------------------|---|
| Safety | 78% | 5 | 1 | -7 |
| The safety of employees is taken seriously at Post Office | 78% | 6 | -3 | -10 |
| The physical work environment is appropriate for the type of work I do | 79% | 6 | 5 | -4 |
| Senior Leadership | 40% | -4 | -15 | -28 |
| I have a good understanding of the Post Office's strategy and direction | 57% | -4 | n.a. | n.a. |
| Senior leadership is taking necessary actions now to position the company for long term success | 43% | n.a. | -11 | -21 |
| The senior leadership team (the Group Executive and their lead teams) are visible leaders of Post Office | 39% | -2 | -21 | -36 |
| I have confidence in the decisions made by the Post Office senior leadership team (the Group Executive and their lead teams) | 36% | 0 | n.a. | n.a. |
| Senior leaders lead by example and behave in line with our values | 40% | 0 | n.a. | n.a. |
| We make high quality decisions at the right speed | 32% | n.a. | -6 | -18 |
| Senior leadership treats employees as this organisation's most valued asset | 34% | n.a. | -20 | -35 |
| Talent and Staffing | 44% | -2 | 2 | -11 |
| We are attracting the people we need to achieve our business goals | 44% | -2 | 0 | -11 |
| We are developing a workforce that adapts well to change | 46% | n.a. | 4 | -9 |
| We are promoting the people with the skills we need to achieve our business objectives | 43% | n.a. | 1 | -12 |
| Wellbeing | 66% | 7 | 1 | -9 |
| Post Office cares about the well-being of its employees | 64% | 7 | -6 | -15 |
| The balance between my work and personal life is right for me | 68% | 6 | 7 | -3 |

Prioritising Post Office's engagement survey data

Introducing Kincentric's RWA3 analysis



RWA3 analyses the survey data to **predict** what will have the greatest positive impact on *future* engagement

Kincentric's RWA3 (Relative Weights Analysis) method uses three key analyses:

| | Question answered | Analysis |
|-------------------------|--|--|
| Importance | What will have the greatest impact on engagement? | Relative Weights Analysis (RWA) provides statistical predictive relationship between a driver and engagement outcome |
| Effectiveness | What areas are my staff providing feedback as the greatest opportunities to improve? | % Favorable responses of staff |
| Probability of movement | Where do great companies excel and where am I most likely to be able to be able to create positive movement? | Distance from top quartile benchmarks |

Items 1 to 15

| Question | Rank | Dimension | Effective (% Favorable) | Distance from UK Top Quartile (%pts) |
|--|------|----------------------|----------------------------|--|
| Senior leadership treats employees as this organisation's most valued asset | 1 | Senior Leadership | 34% | -35 |
| We are quick to invest in new ideas that will drive future success | 2 | Culture | 38% | -32 |
| I have confidence in the decisions made by the Post Office senior leadership team (the Group Executive and their lead teams) | 3 | Senior Leadership | 36% | n.a. |
| The senior leadership team are visible leaders of Post Office | 4 | Senior Leadership | 39% | -36 |
| I would describe this organisation as open/transparent | 5 | Culture | 40% | n.a. |
| We make high quality decisions at the right speed | 6 | Senior Leadership | 32% | -18 |
| Senior leaders lead by example and behave in line with our values | 7 | Senior Leadership | 40% | n.a. |
| Senior leadership is taking necessary actions now to position the company for long term success | 8 | Senior Leadership | 43% | -21 |
| I would describe this organisation as growth focused | 9 | Culture | 50% | n.a. |
| This organisation offers excellent career opportunities to employees who are strong performers | 10 | Career Opportunities | 45% | -24 |
| We are promoting the people with the skills we need to achieve our business objectives | 11 | Talent and Staffing | 43% | -12 |
| We are responsive to the changing needs of our external customers | 12 | Customer Focus | 50% | -24 |
| We are attracting the people we need to achieve our business goals | 13 | Talent and Staffing | 44% | -11 |
| I see the Post Office's values (Care, Challenge, Commit) being demonstrated everyday | 14 | Culture | 59% | -14 |
| I have a good understanding of the Post Office's strategy and direction | 15 | Senior Leadership | 57% | n.a. |



Items 16 to 30

| Question | Rank | Dimension | Effective (% Favorable) | Distance from UK Top Quartile (%pts) |
|---|------|--------------------------|----------------------------|--|
| We are developing a workforce that adapts well to change | 16 | Talent and Staffing | 46% | -9 |
| Post Office cares about the well-being of its employees | 17 | Wellbeing | 64% | -15 |
| There are opportunities at Post Office for me to gain new skills | 18 | Learning and Development | 56% | -11 |
| At this organisation, we recognise people for the behaviors and results that will help the organisation succeed | 19 | Rewards and Recognition | 51% | -10 |
| I am confident that results from this survey will be acted upon | 20 | Acting on survey | 61% | -12 |
| I receive the training and development that is required to perform well in my job | 21 | Learning and Development | 63% | n.a. |
| I can try new things even if they lead to occasional mistakes | 22 | Empowerment and Autonomy | 59% | -6 |
| Overall, the Post Office's benefits meets my needs well | 23 | Rewards and Recognition | 65% | -3 |
| The balance between my work and personal life is right for me | 24 | Wellbeing | 68% | -3 |
| I get enough good information about the Post Office's business results and performance | 25 | Communication | 68% | -9 |
| I can easily find the information and resources I need to do my job | 26 | Enabling Infrastructure | 68% | n.a. |
| I am encouraged to suggest improvements to better serve external customers | 27 | Customer Focus | 72% | -3 |
| I have appropriate influence and decision-making authority in my job | 28 | Empowerment and Autonomy | 67% | -2 |
| I am able to choose how best to complete my work | 29 | Empowerment and Autonomy | 74% | -6 |
| The safety of employees is taken seriously at Post Office | 30 | Safety | 78% | -10 |



Items 31 to 45

| Question | Rank | Dimension | Effective (% Favorable) | Distance from UK Top Quartile (%pts) |
|--|------|-------------------------|----------------------------|--|
| I am paid fairly for the contributions I make to Post Office | 31 | Rewards and Recognition | 66% | 10 |
| If I have an issue with being treated fairly at work, I am confident that Post Office will take appropriate action | 32 | Diversity and Inclusion | 68% | 0 |
| The physical work environment is appropriate for the type of work I do | 33 | Safety | 79% | -4 |
| There is good cooperation and teamwork across the Post Office | 34 | Collaboration | 62% | 8 |
| I have access to the equipment I require to do my job (e.g. IT, technology, systems) | 35 | Enabling Infrastructure | 72% | 7 |
| We have a work environment that is accepting of diverse backgrounds and ways of thinking | 36 | Diversity and Inclusion | 79% | -4 |
| Poor performance is not tolerated by my manager | 37 | Performance Management | 75% | n.a. |
| I feel informed about my team's performance against its objectives | 38 | Performance Management | 76% | n.a. |
| We have clear processes and procedures for doing our work | 39 | Enabling Infrastructure | 74% | 17 |
| I understand how my individual objectives contribute to the Post Office objectives | 40 | Performance Management | 78% | -1 |
| My manager recognises my efforts and results | 41 | Rewards and Recognition | 81% | 5 |
| My manager develops a positive team atmosphere | 42 | Line Manager | 78% | -1 |
| My colleagues share best practice and job knowledge with each other | 43 | Collaboration | 79% | 5 |
| My manager sets clear expectations and goals with me | 44 | Performance Management | 81% | 3 |
| My line manager is someone that I trust | 45 | Line Manager | 82% | n.a. |



Items 46 to 48

| Question | Rank | Dimension | Effective (% Favorable) | Distance from UK Top Quartile (%pts) |
|--|------|--------------|----------------------------|--|
| My line manager keeps me informed about changes and how they impact me | 46 | Line Manager | 83% | n.a. |
| My line manager listens to my ideas and suggestions, and provides feedback | 47 | Line Manager | 83% | n.a. |
| My line manager treats me fairly and with respect | 48 | Line Manager | 87% | 7 |

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