Social Security Scotland
Tèarainteachd Shòisealta Alba

Executive Advisory Body	
Date of Meeting	Tuesday 18 August 2020
Subject	Strategic Culture Advisory Work
Agenda No.	3
Paper No.	17.1
Prepared By	[Redacted]
Purpose	Discuss

1. Background

1.1. To help us continue to develop our strategic approach to organisational culture we approached Internal Audit to undertake advisory work in this area. This paper sets out the outline proposal we have agreed with them and invites members to discuss how they can help to shape and steer it.

2. Key points

2.1. Advisory work is different from traditional Internal Audit activity, in that independent feedback is given, but not reported on in the same way. Internal Audit have previously completed other Advisory work for us and it is being used to develop our service.

2.2. Our proposal is that we conduct a self-assessment of our culture using an externally validated framework. With the independence of Internal Audit, this will provide an indicator of how our culture is developing as we grow; identify ways in which this has been impacted by the Covid-19 situation, and suggest adjustments we might wish to make.

2.3. The Executive Advisory Body have shown a high level of interest in and knowledge of this subject and we are keen that you are given the opportunity to influence and support this work. The paper sets out some examples of what your participation may involve and we welcome members' input around this.

3. Conclusions

3.1. Members are invited to offer their views on the proposed piece of advisory work and discuss how they, individually or collectively, might wish to be involved in it.

4. GOVERNANCE CHECKLIST

> **Please ensure that you detail which Corporate Plan Strategic Objective the paper contributes to. These strategic considerations should be use to assist you with the content of your paper.**

Strategic Objective	Contribution
Dignity, fairness and respect Delivering a service with dignity, fairness and respect at its core.	Our work in this area is driven by our desire to provide a service with dignity, fairness and respect at its core. We are looking to design structures and processes that support and enable that.
Equality and tackling poverty Promoting equality and tackling poverty.	
Efficiency and alignment Ensuring efficiency and aligning our activities with wider public sector for the benefit of the people we serve.	
Economy, society and environment Contributing to our economy, society and protection of our environment.	

> **State here how the paper considers these areas and any consultation undertaken in the agency. Only complete the section(s) relevant to your paper.**

Strategic consideration	Impact
Environment	
Governance	
Data	
Finance	

Strategic consideration	Impact 3
Staff	By its nature, organisational culture touches upon all of these areas. However, its biggest impact is arguably on our people and how they feel. Whilst our very positive People Survey results suggest that our culture is having a generally positive impact, we need to keep this under constant review. We also need to ensure our people are involved in work we do in this area. What is their view of what our culture is like? But at the same time we need to be aware of how frequently we have been surveying them recently and guard against survey fatigue.
Equalities	
Estates	
Communications and Presentation	

Impact Assessment
n/a

Background

Last year we presented a paper to this group on our strategic approach to culture and the framework we had developed to support our vision of delivering a service with Dignity, Fairness and Respect. Since then we received a recommendation from our Gateway Review that we:

"Undertake work to identify and verbalise the existing culture then establish a strategy for perpetuating and embedding the core elements of that culture in all on-boarding activities".

To help us respond to this recommendation, whilst also building on earlier work and assessing the impact of Covid-19 on our ways of working, we approached Internal Audit to undertake advisory work in relation to Strategic Culture.

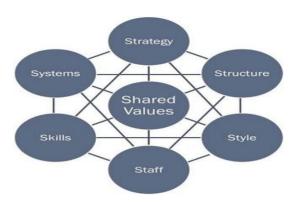# What is Internal Audit advisory work?

In addition to undertaking Internal Audit Reviews, the Internal Audit Directorate offer an advisory service which we have used to help inform a number of areas within the organisation. Advisory work is less formal than a review, where independent feedback and opinions are given, but not reported on in the same way as a review is to the Audit and Assurance Committee and Audit Scotland. There is no formal report, but a management letter may be provided to outline any feedback provided.

What is being proposed for this advisory work?

From discussions with the Internal Audit Team it was agreed that a self-assessment, facilitated by Internal Audit, would support us to respond to the Gateway Review recommendation. Internal Audit can assist with understanding what our culture is currently like, where challenges may exist and where improvements can be made. It is proposed that this in-depth evaluation would be undertaken through an all staff survey alongside focus groups facilitated by Internal Audit. There are several models available for undertaking this. Internal Audit's preference would be to utilise the McKinsey 7-S Framework, which they have used for similar work with Disclosure Scotland and Food Standards Scotland.

The McKinsey model is based on the theory that there are seven core elements which interrelate to form an organisation's culture, as follows:

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The framework is split into three hard tangible elements:

- Strategy: the organisation's strategy, vision, mission and values are incorporated into strategic and operational planning, including risk management, monitoring and reporting.
- Structure: Structure of the organisation supports the delivery of strategic objectives.
- Systems: Systems, formal procedures and processes support the organisation in delivering strategic objectives.

There are three softer, less tangible elements:

- Style: Style of Leadership within the organisation supports shared values and culture.
- Skills: Staff have the required skills, abilities and competencies to deliver the organisation's strategy.
- Staff: Staff strengths and weaknesses within the organisation are understood and staff are appropriately supported to deliver strategic objectives in a changing environment.

And one central element:

- Shared Values: Shared Values outlined in Social Security Scotland's vision fosters cohesiveness and solidarity.

1. Colleague Survey

For the first stage, self-assessment, it is proposed to develop a survey and invite all colleagues to complete this. The aim would be to get a whole organisation vision of our culture.

Social Security Scotland colleagues completing the survey will be asked a series of questions that consider how these seven elements are occurring within Social Security Scotland.

2. Focus Groups

After the survey, Internal Audit would establish a number of focus groups to look in more detail at how the seven elements apply to Social Security Scotland. We will need to decide how these individuals are selected, but the groups would be comprised of individuals from across the organisation and include a representative mix of grades.

3. Evaluation

Based on the responses, Internal Audit will be able to evaluate the links between the seven elements and consider how aligned they are. The focus will be on identifying how best to support us in the future in order to maintain the positive culture, ensuring this is embedded throughout the organisation and advising on how it can be sustained through the current situation (as well as through the future growth and change that will take place).

Involvement of non-executive members in this work

From previous discussions, it is clear that organisational culture is something that is of interest to our non-executive members and a subject where you have experience, expertise and passion.

A particular function of the Executive Advisory Body is to support Social Security Scotland in operating in an open, accountable, and responsible way, with the business conducted ethically, and with observance of good practice in relation to equality and diversity. We would therefore encourage your support and input with this piece of work.

Internal Audit have confirmed that it is perfectly appropriate for the Executive Advisory Body to provide advice in this area, but as it hasn't been done in the past within the organisation, there isn't a blueprint to follow. We would therefore welcome a discussion around how members wish to be involved and would be most effectively engaged.

Questions for us to explore with our non-executive members

Do members have experience in using this particular methodology to support organisational culture? Do you have any particular views on any potential merits or drawbacks of the approach?

Looking further ahead, what role do members see for the Executive Advisory Body either as a collective group or as individuals, for example:

- Working with us to agree the survey questions;
- Working with us to analyse the results and highlighting areas for further investigation; and / or,
- Participating in the focus groups.

Executive Advisory Body Members are a valuable resource and we want to make sure your support is targeted where it will have the greatest impact. So what would be the most effective way of engaging with members, making best use of your time?

As well as involving non-executive members, we are also planning to involve a key stakeholder from the Carer's Alliance, as a critical friend. They are supporting a programme of work across the organisation around the concept of Intelligent Kindness. We are keen to explore how we can integrate that into our work and use it to help shape our culture.