



HM Revenue  
& Customs

# Respect at Work Review

Laura Whyte

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# Contents

- 3 Foreword by Laura Whyte
- 4 Key statistics
- 5 Our key findings
- 8 Chapter 1: Background and Setting the Scene
- 13 Chapter 2: Your Stories
- 24 Chapter 3: Policy and Process
- 33 Chapter 4: HMRC Governance: Data, Assurance and Evaluation
- 38 Chapter 5: Conclusions and all recommendations
- 41 Annex

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# Foreword by Laura Whyte

Respect is an essential component of successful relationships – whether in the workplace, in our social lives or simply in determining how we feel about ourselves. It is a shared responsibility to create an environment in which everyone can feel comfortable and valued. This requires a large degree of self-awareness at individual and group level of the impact of behaviours and an encouragement of honest and respectful feedback.

I was fortunate to have spent my executive career in John Lewis Partnership, an organisation where values were clearly articulated and at the heart of everything. They were inherited from an inspirational founder and enhanced and re-articulated by generations of leaders who followed. That is not to say that the experience was and is always perfect and the mark of success for many organisations is not that nothing ever goes wrong, but rather how it reacts when something goes amiss. For each stated ambition around values and behaviours there needs to be a clear understanding of why these are important and of the consequences and remedies for failure to deliver.

In introducing this review I wish to start by thanking every member of HMRC who took time to contribute, whether that be in a face-to-face focus group, in a private meeting, via the portal or by other means. The feedback showed clearly that HMRC has a values set built from collective discussions and that there is a real determination to uphold this. Having this collective understanding and desire to improve is a fantastic place to start. The Respect at Work Review builds on the work of creating the HMRC values, and I was invited in to look at HMRC by ExCom as a way of exploring what gap might exist between the behavioural ambitions for HMRC and the lived experience on the ground. I was struck by the dedication of everyone to delivering the important work they did, day after day and the pride people had in being Civil Servants. And I was impressed by the openness of ExCom in asking me – a stranger to the organisation – to look at HMRC and to check it was living up to the values they aspire towards, and giving me access-all-areas to get under the skin of what's going on.

It became clear as the review got underway that not everyone working in HMRC feels respected at work, all the time. Many of the people I heard from outlined that they lacked confidence in the process, and felt that there would never be a positive outcome for reporting unacceptable behaviour. This was disappointing and at odds with the ambitions set out in the HMRC values.

In this report, I set out my findings and the recommendations I think will help HMRC “close the gap” between the values and the real experiences on the ground. This is the responsibility of everyone who works in HMRC: leaders can't do this without the commitment of everyone working here to do and be better. At the same time, there are important issues which require the attention of senior leadership to create the right climate and systems within HMRC that support the laudable goal you have all set for yourselves – making HMRC a great place to work.

I look forward to returning to HMRC later in 2019 and 2020 to hear what progress has been made on my recommendations and sincerely believe that if they are actioned respect in the workplace will be improved and sustained.

**Laura Whyte**

29 January 2019

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# Key statistics

**1,396**

entries to our Contributions Portal

**200+**

intranet news story comments

**90+**

previous studies and analyses read

**500+**

comments on HR processes logged

**90**

interviews

**11**

focus groups in 6 locations

**6**

workshops

**2**

meetings of the employee forum

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# Our key findings

1. **HMRC does essential work for the national good as an organisation, and in the course of undertaking this review I have been struck by the pride, dedication and commitment so many of you have in your work and your civil service career.** Many of you spoke to me about the values of HMRC, and you told me that you have faith that your leadership in ExCom are trying to make the organisation a better, more values-based place to work. Everyone I met had a real desire to follow the rules of the organisation and to do the right thing, but sometimes tripped up – for all sorts of reasons.
2. **Many of the processes that should support respect at work require urgent improvement.** Processes don't solve problems on their own, though, and they are delivered by, and through, everyone who works in HMRC. They do, however, make a real difference in sending a clear signal and therefore deserve significant focus.
  - a. I did not find any individual within HMRC who had confidence in the grievance process. The other policy areas I recommend for specific focus are recruitment and attendance. HMRC must obtain assurance that these policies are having their desired effect in attracting the best talent in a fair and open way, and in supporting colleagues through sickness in a nuanced way reflective of individual circumstances. (Other policy areas that would benefit from reform include discipline, conduct, whistleblowing, and how dismissals, suspensions and investigations are handled).
  - b. Secondly, the way in which HMRC handles cases is not sufficiently supportive: processes do not incorporate the support all parties need, and are enacted in a way that is overly focussed on completion of task rather than empathetic treatment.
3. **People working at HMRC tolerate a significant amount of so-called “low level” poor behaviours that would not be acceptable in other environments.** Swearing, breaching confidentiality, mocking colleagues, seemed to be unremarkable. This creates a snowball effect where the environment may not feel a safe space for some colleagues, and more serious or extreme behaviours may emerge.
4. **HMRC colleagues experience both “abusive” and “abrasive” behaviours.**
  - a) Abusive behaviours, where individuals realise they are causing harm, have been seen in various parts of the organisation. These are often not dealt with.
  - b) Abrasive behaviours are even more prevalent, in which an individual does not realise the impact their behaviour has on others. Often abrasive behaviours do not meet legal or policy thresholds for what constitutes bullying or harassment, and are not dealt with formally but cause a ripple effect of disengagement and discontent across teams.
5. **HMRC meets its requirement to provide reasonable adjustments as set out in its policy.** However in doing so the end result does not always deliver meaningful and satisfying work for the individuals impacted. There are several facets to this. Firstly, the process of obtaining reasonable adjustments is lengthy, hard to navigate, and takes a long time. Secondly, individuals in the organisation are ill-equipped to understand and support mental health conditions. Finally, the organisation sometimes fails to acknowledge that solutions are not available for the long term and struggles to communicate this to individuals.

## 6. HMRC does not have a systematic and data-driven approach to the management of people.

- a) HMRC is ill equipped to gather and mine data on its people's experience. It is behind the curve compared to other organisations of a similar size and therefore struggles to target its interventions and manage its risks.
- b) Knowledge management of cases is erratic, resource-intensive, and inconsistent across the organisation. Records do not enable HMRC to have a view of the scale of the problem globally for the organisation, or to hold those responsible to account for team performance in a structured way.
- c) The approach to data and assurance requires a fundamental examination of the corporate approach to how HR IT systems are exploited and used in HMRC. Further investment in and exploitation of data systems should not be delayed any further.

I believe it is fair to say that HMRC does not currently fulfil its ambitions to create a great experience at work. My main recommendations on how the workplace experience in HMRC can be improved feature for the remainder of this section of the report.

## Priority recommendations

No.	Theme	Recommendation
1	Support and enabling	Policy simplification must be rolled out in conjunction with an accessible HR support structure, with just-in-time training for those responsible for enacting policies. This will enable the goals of simplification to be delivered in a way that is sustainable and supportive.
2	Policy reform	I recommend an urgent redesign of the grievance process aligned with the principles specified in chapter 3. This should include more widespread and robust use of mediation and early resolution. Other policy areas that are interrelated and would benefit from revision include discipline, conduct, whistleblowing, and how we dismiss, suspend and investigate).
3	Assurance	Strengthen governance around recruitment, promotions and appointments. This should include defining what independence is, and what recourse individuals have if process was not handled appropriately.
4	Support and enabling	The attendance management policy should be reviewed in the context of how work-related absences are addressed, and considering whether additional support may be required for managers and employees in these circumstances. This work should ensure that mental health issues, and the support and training offered to help support colleagues with these issues, are properly considered.
5	Setting clear standards	HMRC must clearly define its standards and actively signpost what happens when people fall short even if in "minor" or "low level" ways. Induction, our policies, and development packages should be clear on the basic standards we expect, and what should happen if they are not abided by.
6	Creating an inclusive culture	Review the process by which reasonable adjustments are incorporated to understand how utilised in practice, where pinch points are, and what the experience is for those working with the adjustment and those trying to access them on the individual's behalf (often the line manager). I recommend that CDIO work with colleagues across HMRC to map out the technology requirements of the future, any barriers technology may create for those needing access, and how this can be overcome. This review will also need to explore how reasonable adjustments are being communicated, especially in cases where requested adjustments cannot be delivered. The Review has reason to believe from insights shared by a number of individuals that in cases where an adjustment has not been or is not possible there has been an unwillingness to have a difficult, but respectful, conversation about whether their employment can continue in its current form. Thus where reasonable adjustments cannot be delivered it would be more respectful and honest to say so and have an adult to adult conversation about this.

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The principles below outline the implementation approach I believe will equip HMRC best for success in implementing this Review to achieve sustainable change towards a values-driven culture. These are:

- Approaching implementation with the HMRC values at the centre of everything: from process redesign, to redesigning support and learning, the HMRC values should be at the heart.
- Data is critical to measuring the overall health of HMRC's organisation, and to proactively identify problems and areas of good practice. IG, HR and line of business data guardians must establish a working group to determine data protocols around how HMRC logs, stores and reports on inappropriate behaviour. This work should set out how HMRC can measure the impact that the actions taken on Respect at Work have on everyone working in the organisation, to track what is making a difference and where issues still remain.
- All implementation must be supported by communications which are timely, consistent and honest.
- Using an appropriate methodology, HMRC should seek to undertake analysis of which recommendations would enhance the employee experience the most.

As well as these principles, HMRC must continue to work as closely as I have seen they already do with both colleagues across Civil Service HR, with Trade Unions, and the Diversity Networks. This will enable the implementation and solutions developed to draw from best practice, minimise duplication by taking on the initiatives from the Sue Owen Review, and learn from the wealth of knowledge available within HMRC.

A note on the scope of implementation. VOA and RCDTS were included in the scope of this Review, and colleagues from these organisations did take part in many of the focus groups, workshops and provided contributions to our portal. VOA and RCDTS operate under some different policies and contractual arrangements too. Therefore, this Review's recommendations should be explored locally, to enable each organisation to consider how the "spirit" of the recommendations can be implemented within the local context.

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## Chapter 1:

# Background and Setting the Scene

## Background to the Review

Everyone deserves to work in an environment where they feel respected and able to give their best. In return, the employer expects its workforce to act in accordance with its stated values, to perform their duties to the best of their ability and comply with its stated behavioural standards.



This infographic shows how Respect is defined in HMRC's values.

HMRC's Respect framework

- Empower staff
- Trust colleagues
- Value the views and qualities of others
- Be considerate of the circumstances of others
- Friendly and courteous
- Act inclusively
- Recognise the achievements of others
- Help colleagues do the right thing

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Society is changing. We saw many news stories in 2018 that examined how far the workplace creates an environment where people are treated with respect: from bullying allegations at the most senior level across many sectors, to the social media movement of #metoo and greater scrutiny on equality in the workplace.

HMRC's Executive Committee decided to take stock of how far the organisation was living up to its values. They commissioned the Respect at Work Review to take an independent look at this in September 2018. The support team are listed at Annex A, and the Terms of Reference are found at this [link](#) (link works internally only).

The Respect at Work Review sought to examine how this "contract" between employees and the organisation was being upheld. Where is it working well, where do issues show the need for improvement, and where do we need to look at different ways of conducting our business to create the positive and great employee experience we want to achieve?

The Respect at Work Review is an independent report. That the organisation's most senior leadership thought this was required is testament to their personal belief in creating the values-driven organisation set out above.

The Review has been designed to learn, assess and conclude within a relatively short time period: within five months. The aim being to deliver a Review that had a credible and extensive evidence base, but wanted to avoid "paralysis by analysis". The Respect at Work Review team were made aware at an early stage of examples where behaviour has fallen short of expected standards and the critical importance of getting this right.

I am confident in the short time we have had that we have balanced the imperative to act quickly and decisively with the requirement for an evidence-based set of recommendations.

This report is structured in the following way:

- For the rest of this Chapter 1, we look at what we currently know about HMRC's culture generally, and bullying, harassment and discrimination particularly.
- In Chapter 2, we look at individual experiences: what stories you have told us about working in this organisation, and where and how you think things could get better.
- In Chapter 3, we look at policies and processes. We examine whether our policies create the right environment, whether they are upheld and enforced when they are breached, and how they might be improved.
- In Chapter 4, we examine how HMRC's governance arrangements, in particular data, assurance and evaluation, impacts the organisation and on everyone's lives on the ground.
- In Chapter 5, we summarise the recommendations we have made, and our overall findings.

Together with the Review team, I have tried to take a balanced approach. This Review is not designed to criticise the organisation of HMRC and its leadership to score points. But throughout this report we say clearly and without hesitation where things are simply not good enough. We will also point out where HMRC is doing positive ambitious things, and where we have found great practice. We have tested our findings with Trade Union colleagues and an Employee Forum, who were randomly selected to give us their feedback on what we had found to check we were on the right lines.

We reported to ExCom on Tuesday 29 January 2019 and their response is published simultaneously with the report.

Many organisations are grappling with largescale social changes and cultural conversations about how people should be treated, about wellbeing and mental health, at work and beyond. These are difficult questions, and the Review will set out its findings and views imperfectly – because there is no perfect answer, in such a highly personal and subjective topic.

For the remainder of this introduction we will examine the data we already understand, and the limitations of this.

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## Setting the scene

I know that discussions on HMRC's culture, on whether it is engaging and values-based aren't new. There was clear feedback from many of you to the Respect at Work Review on "review fatigue" and the sense that reviews don't make a difference.

The Respect at Work Review wanted to learn from previous reviews to understand "the problem" better, and to identify best practice and pitfalls that we might avoid in bringing together our own report.

This section will tell you what we learned from looking at these previous studies: a "Review of Reviews", you might say.

### What we did

We looked at over 90 different reports, studies and analyses, dating back from 2012. Due to the scale and fast-paced nature of HMRC, we haven't captured every change, programme or report. We are instead focussed on reviews within the last six years that looked at culture, engagement or the workplace experience in some way as most directly relevant.

### Specific studies

Annex B shares my findings from looking at the specific studies that have been commissioned to examine HMRC's culture from a number of different lenses. From site-specific analyses of local culture, looking at the workplace experience based on particular demographics, to comparing HMRC to other organisations, there are a wealth of insights that have been gathered. Many of these reviews created an impetus for action that has been successful, others have struggled to deliver their desired impact in entirety.

### Engagement

The People Survey, in its tenth year, is an incredibly rich source of information on how everyone working in HMRC (who participates) feels about it. As part of the Respect at Work Review, we have considered both the quantitative analysis of the percentage figures relating to the Survey, as well as the qualitative insight provided by those responding to particular questions.

The 2018 People Survey shows that HMRC colleagues are less engaged at work than colleagues across government, scoring 49 on the Engagement Index versus the 62 set by the average benchmark across the Civil Service.

**There is a peculiar contradiction in the People Survey 2018 results. We have heard time and again from colleagues that HMRC does not create an environment where people feel respected, or where inappropriate behaviour is dealt with in a robust, fair and consistent manner. And yet: one of HMRC's highest scoring (top 5) questions indicated that 85% of you feel respected at work<sup>1</sup>.** This may be because the frame of reference for answering such queries is different, and shows us how difficult it is to "get underneath" these problems.

\* Question reference B26, Survey found [here](#)

### The data on bullying, harassment and discrimination

Attention on how organisations respond to and report BHD is higher than ever. Firstly, we will look at how this is being progressed across the Civil Service in general, and then specifically what we know in HMRC so far.

#### In the Civil Service

The Civil Service report commonly known as the "Sue Owen Review"<sup>2</sup> was commissioned in December 2016 with the remit of exploring why across the Civil Service over 1 in 10 people reported experiencing bullying, harassment or discrimination, a number that had stayed the same over many years. The report can be found [here](#).

This Review recommended a number of next steps which are being rolled out across Government with different timescales.

<sup>1</sup> Question reference B26, Survey found [here](#)

<sup>2</sup> Official title: "Review of Arrangements for Tackling Bullying, Harassment and Misconduct in the Civil Service"

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The three main categories of work undertaken as a result of the Civil Service Review are below, as well as my take on what should happen next:

1. Creating the culture we want to see in the Civil Service.
  - a. Civil Service HR are building good and bad examples of behaviour to use in communications and induction packages for example, to set clear signals of behaviour. **These should be adopted by HMRC when developed.**
  - b. A culture enquiry tool is being piloted and will be rolled out to test how far organisations match the standards expected and where more support is required. HMRC has been using a similar model in business groups and will continue to do so.
2. Setting standards and frameworks to enable everyone to hold each other to account for delivering this culture.
  - a. A Leadership Standard has been created to set out the standards of behaviours and the responsibilities of leaders to create the right climate. **This has been adopted as part of success profiles by HMRC already.**
  - b. Investigations standards have been created that outline an aspiration for how investigations should be undertaken and what expectations individuals should have of the process. **This should be used as part of the redesign of investigations.**
  - c. A key success measure noted was that employees feel safe enough to report where they have experienced negative behaviours. **HMRC's People Survey should be a success measure for this Review, indicating that more people have faith that should they report a concern it would be acted upon.**
  - d. Work is underway to ensure that individuals who are dismissed for particularly sensitive reasons from Civil Service Departments have limited access to re-enter employment in the Civil Service. **HMRC will continue to work on informing this work.**
3. Policy changes to support this being enacted.
  - a. Specific guidance on sexual harassment, appeals and inclusive behaviours have been released for Departments to consider use. **This should be used as part of the redesign of grievance and discipline policies to see how this can help HMRC to handle these issues.**

## In HMRC

Currently colleagues have several options for making a report on bullying, harassment and discrimination. They can speak to their line managers, Workplace Wellness, a union representative or a Human Resources colleague.

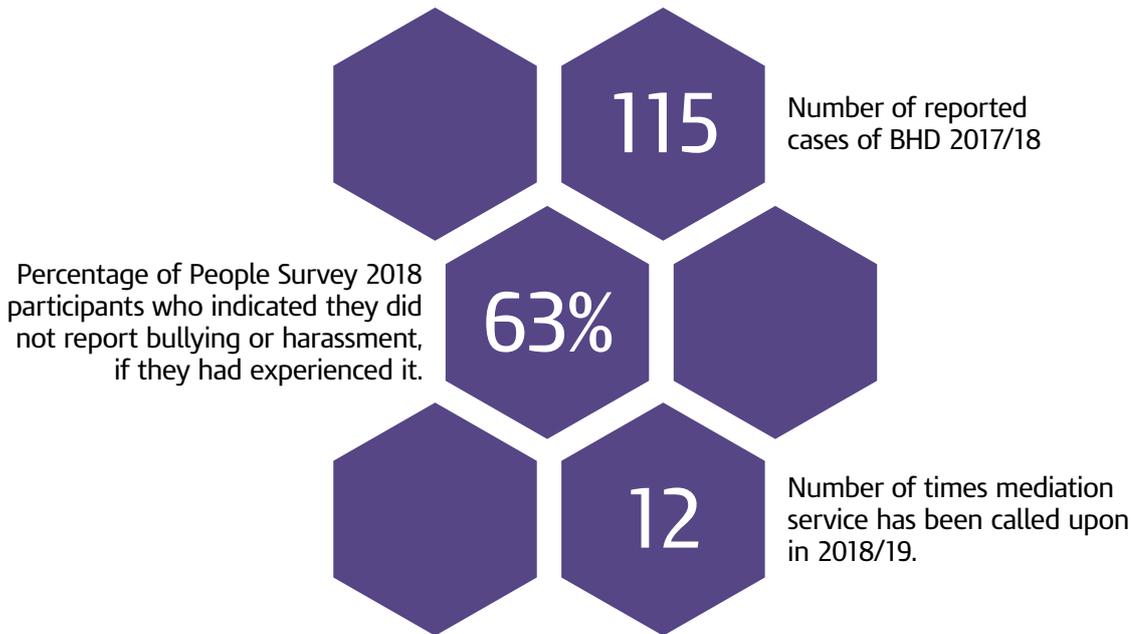
HMRC has the following sources to understand BHD in the organisation:

- Formal **reports** of inappropriate behaviour in general, or BHD specifically, that are recorded. If an allegation of BHD is made of sufficient seriousness that it could constitute serious or gross misconduct then it should be referred to HR and Internal Governance, and recorded on both their information systems. Minor misconduct should be recorded in the line of business. There is no centralised data set at present which the organisation has confidence captures the full picture.
- The **outcomes** of misconduct or some grievance processes should be recorded locally and to IG and HR. There is limited confidence that all case outcomes are communicated centrally, and there are divergences between IG and HR datasets.
- The number of people requesting **mediation** from the HR service can provide an indicator of where team dynamics are not in a healthy position and external support is required.
- The number of people reporting in the People Survey their experiences of BHD and the proportion of those who indicate they do not take any further action, shows a further level of information on the invisible mass of individuals in the iceberg that do not form part of our official data set.

The data is therefore not comprehensive by any means and we address this in more detail in chapter 4. Notwithstanding that, we do have further information on the types of BHD specifically that are reported to us, to give us a sense of any patterns or trends.

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In terms of the trends, the bullets below shows some of what we know about BHD:



115 – the number of reported cases of BHD in 2017/18

63% – the percentage of people survey 2018 participants indicated they did not report bullying or harassment if they had experienced it

12 – the number of times mediation service has been called upon in 2018/19

### Who is affected by BHD?

- 50% of grievances are raised by a colleague with a disability. There are many reasons for this, but anecdotally we heard that issues were most frequently raised in relation to reasonable adjustments and how they were (or weren't) implemented.
- Individuals aged under 29 that completed the People Survey 2018 indicated that they had experienced higher levels of BHD than in previous surveys, compared to other age groups.

### What do we know about misconduct?

- Of all misconduct cases in 2017/18, the most common types of misconduct were attendance or data related, constituting nearly half of cases. Only 10% related to inappropriate behaviour.
- Of all allegations of gross misconduct in 2017/18, over half were due to an abuse of position (issues such as collusion or corruption), with the remaining half relating to inappropriate behaviour including BHD.
- 52% of misconduct cases resulted in a first or final written warning. 25% of colleagues were dismissed, whilst 9% resigned prior to the investigation being concluded. In 14% of cases it was found that there was no case to answer.

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## Chapter 2:

# Your Stories

This chapter of the Respect at Work Review will focus on your stories.

We will examine:

- What does respect mean to you?
- What does it feel like where you work?
- When things go wrong, how are they handled?
- If you experience bullying, harassment or discrimination (BHD) in HMRC, how is that dealt with?
- What should happen to make this organisation a better place to work?

For each question, examine what you told us, areas of contention or divergence of view, and the Respect at Work Review's recommendations on the basis of this evidence.

We heard from you in a number of different ways, and tried to address these questions through a variety of approaches.

### Interviews

- **What we did:** We met with individuals who had either individually approached the team to offer to share their stories, who were referred to us by colleagues in Internal Governance or by CSHR casework, or who indicated on our Contributions Page that they would be interested in telling us more.
- **Why we did it:** It was important to hear from people first-hand where they had particularly sensitive or personal issues to share with us, for whom contributing in a different way might not be appropriate.
- **How we did it:** The Respect at Work Review team (Laura Whyte as independent lead, Leanne Price and Sheldon Whatmough as her support in HMRC) interviewed individuals over the course of October through to December 2018, with a mixture of phone and Skype conversations, and face to face interviews.

### Employee Experience Mapping

- **What we did:** We created employee journeys to translate the real life experiences of our people into three illustrative personas to support policy development. These journeys illustrate what happens when employees had experienced inappropriate behaviour.
- **Why we did it:** We felt it was important to hear from people who had experienced BHD in-depth, to understand the emotional impact that this experience has had. Developing "personas" is a powerful tool to illustrate in an anonymous but plausible way how this experience affects people and provide test cases for policy development for a more positive experience.
- **How we did it:** We reviewed various data including People Survey 2017, Exit Interviews, CSHR Casework and 1,300 Respect at Work survey responses. We held 59 interviews comprising 28 complainants, four respondents to a formal complaint, three witnesses, eight decision makers and 16 stakeholders.



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## The areas of contention

You earn respect	Everyone deserves respect
HMRC are trying to create something (a code of conduct) that doesn't exist in society – not everyone agrees.	We need to have a rule book so everyone know where they stand.
Managers should be consistent in how they treat people.	Everyone is an individual and should be treated according to their circumstances.

## What's it like where you work?

### Findings

There were some common themes in all your inputs, which are set out below. They may not be universally accepted by everyone working for HMRC as reported impressions are just that but the themes came up with sufficient regularity and vigour to be captured here.

#### Our culture lacks common courtesy

- Some colleagues struggled to remember the last time they were thanked for a job well done.
- Many expressed exhaustion over the “email culture” in the organisation – a view was expressed that we must get better at simply talking to each other without laziness, apprehension or the need to always have an audit trail

#### Bullying and disrespect happen in all directions – it isn't just top down

- People spoke about grade as being an area in which disrespect was shown: the lower down the “pecking order” you were, the less likely your views would be heard, whilst the more senior you were, the more likely you would be treated politely or deferentially by those more junior to you. This extended to a perception of having a “free pass” when more senior grades misbehaved.
- By contrast, many managers felt that “the more senior you are, the more you're supposed to just take it (unacceptable behaviours).” and a sense that teams could isolate line managers.

#### We're treated as cogs, not people

- A dehumanising work environment for colleagues working in contact centre environments was described extensively.
- “You can achieve targets in different ways, with different behaviours” – colleagues felt there was limited scope for working in a way compatible with your personal preferences and style

#### We are failing to remove barriers for disabled colleagues

- We need to be better at removing barriers for disabled colleagues (both those experiencing poor mental health conditions and physical impairments) – this doesn't happen in a streamlined way at the moment, and when it is done well the amount of time and energy it takes to do this means the rest of the team are neglected.
- Physical disabilities were seen as creating obstacles for managers to navigate, rather than there being an empathetic approach. For those experiencing poor mental health, there was a sense that barriers to work were not believed. Managers would repeatedly ask individuals to “just try” to do something they felt uncomfortable with.

#### Our environment isn't fit for purpose

- The importance of managers and leaders ensuring a safe environment came up repeatedly: from the cleanliness of offices, to troubling reports of health and safety not being taken as seriously as it should within certain isolated parts of the organisation, these issues have been taken up separately outside of the Review given their seriousness.
- Other feedback centred around how the estates provision of HMRC often leaves people feeling “abandoned”, where untenable temperatures weren't addressed quickly or toilet facilities were below the standards expected, due to underinvestment. It is worth noting that these issues were not experienced in newer offices, and therefore the move to regional centres may improve this aspect of the experience for almost everyone.

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## We don't invest in capability

- Training both on management skills and job skills had been “constantly diluted” from the perspectives of participants. Apprenticeships were seen as a positive step but similar structured training was required for all levels.
- Change and challenge are seen as threatening in some parts of the organisation. There is a sense of a blame culture in HMRC and that people are too keen to find fault and not forgive it in HMRC. If you challenge behaviour, make a complaint, or do anything out of line you are seen as a problem. If people said sorry more, issues could be avoided from escalating.

### Key finding:

**Overall, I was genuinely surprised as an independent reviewer by how the HMRC environment was described in the inputs we received. People working at HMRC tolerate a significant amount of so-called “low level” poor behaviours that would not be acceptable in other environments.** Swearing, breaching confidentiality, mocking colleagues, seemed to be unremarkable. This creates a snowball effect where the environment may not feel a safe space for some colleagues, and more serious or extreme behaviours may emerge. Indeed, some instances of behaviour that in the outside world would not be accepted at all were not tackled and were generally seen as “part of working in HMRC”. That HMRC in some cases upholds lower standards of behaviour than society at large would tolerate must be addressed.

### Areas of contention

There were many areas on which people disagreed about what it was like where they worked – unsurprising between different offices, but perhaps more surprisingly with people working in similar roles within the same business unit.

The contradictory or contrasting views that were heard follow.

### “Things are a lot better than they were.” or “It’s worse than it used to be.”

Some people felt that HMRC had made really positive progress in creating an environment of respect. People associated this with the new members of ExCom who they felt had clear passion for creating a positive workplace culture. Colleagues with shorter service will not have this level of organisational memory to compare and contrast.

Someone else observed: “There are lots of good things as well. They get overshadowed by the bad stuff.”

### “I can’t trust my manager not to tell everyone my issues” or “We have an overly secretive culture”

One of the most frequently cited concerns was the failure of managers to respect confidentiality: from disclosing health issues of their direct reports to fellow managers or favoured team members, to performance ratings and discussions.

On the other hand, others pointed to a highly secretive work culture, in which it was forbidden to ask whether someone is on annual leave or sick leave, or has even been dismissed, as that is seen as a breach of confidentiality and is therefore never communicated. Line managers said that in being forbidden to discuss cases they then lose the faith and goodwill of the rest of the team, as no one knows what action you are taking “you become the bogeyman” who is failing to manage performance or attendance etc.

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## “We hear the excuse of ‘it’s just strong management’ a lot” or “People are waiting for the Respect at Work Review to come slamming down on managers”

Many people spoke to us about how difficult it was to get the organisation to understand that managers did not treat colleagues with respect. Issues around performance or attendance management came up repeatedly as examples where managers would wield their power in a way that was perceived to be inappropriate. On the other hand, we heard from many managers that challenging behaviour such as excessive cigarette or tea breaks would be met with the push back “you’re breaching my human rights”. Managers spoke often about their feelings of vulnerability, and individuals who were not managers spoke about the unhealthy dynamic they had observed of “giving a manager a hard time just because they’re a manager”. For some people we spoke to, there was a real “us versus them” dynamic at play, and very little of “the two way street of respect”.

## “As you get older, you see less respect” and ““you get spoken down to by other people if you’re our age (under 25)”

Colleagues in focus groups aimed at understanding whether people felt differently if they were over 50, or under 25, did highlight areas of common experience: prejudice or discrimination on the basis of age. Colleagues in the over 50 bracket spoke emotively about their sense of being side-lined or ignored by the organisation.

By contrast, individuals joining HMRC as part of their first job, sometimes as apprentices or graduates, felt that their skills and viewpoints were disregarded. They expressed difficulty in obtaining the right support, and in integrating into what was a confusing workplace in which they were never told how to behave, and how this might be different to an educational environment.

## Discrimination is still around, or “HMRC really has moved with the times”

Some individuals came forward and mentioned experiences of sexism, racism or discrimination based on their working pattern. One participant said, “You feel invisible, especially if you’re partially retired.” This was reflected by other colleagues working part-time or part-year contracts, who felt their commensurate reduction in pay was not understood by colleagues who repeatedly asked “are you off again?” and made it seem as though they were not a team player.

We heard about experiences of racism at an individual level and also that within some regions there is a sense that BAME colleagues were not included and more likely to be subject to inappropriate behaviour than white colleagues.

Gender was mentioned as an issue in some areas, in which women were considered to be inferior. A few women cited the question “who did you have to sleep with to get that job” being asked of those in senior positions implying a lack of faith that it was their skills, or simply not appreciating that such comments were hurtful and not harmless jokes. We heard descriptions of a “laddish culture” driving an expectation that women had to behave in a very assertive manner to be taken seriously.

Additionally, a small but significant number of individuals shared their personal experiences of sexual harassment. These experiences were varied and serious. Multiple women reported feeling that they had to dress differently to avoid receiving comments.

On the other hand, many people felt that HMRC as an organisation was welcoming and reflective of broader social changes around being more accepting of diversity in all its forms. People said it now felt as if people didn’t have to repress who they are, and could be someone who was “different” to the majority of the team as a woman, a gay man, or a disabled colleague, without needing to hide their identity.

## “You spend half of your life at work, of course you’ll have friendships” or “You are here to perform HMRC duties, and should always behave as if you’re in the workplace”

There were real divides in whether “banter” was appropriate in the workplace, and how far people had a “right to be offended” even if just overhearing the conversation and not being party to it. Individuals said it was frustrating that they were treated as robots when actually building friendships at work could create a better atmosphere and a more positive environment.

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We heard about gossip not just in the office but also on social media, where people shared inappropriate or disrespectful messages. The people we met agreed that social media could be really useful, and build team spirit, but that often people forgot that these could sometimes be an extension of the workplace and that behaviours should remain appropriate and respectful.

We also heard about confusion about what constituted the work environment. Some people reported a drinking culture in their teams where they felt pressured to go to the pub with high frequency after work. This meant many people felt pressured into consuming alcohol because that's where senior managers were building relationships – if you didn't go, you missed out.

## When things go wrong and disrespectful or inappropriate behaviour occurs, how is this handled?

### Findings

92% of people who shared their views via our Contributions Portal had experienced or witnessed inappropriate or disrespected behaviour of some description, with 8% of those surveyed saying they had not. Of the people who had witnessed or experienced something inappropriate, nearly 7 in 10 people had experienced something directly, whilst the remainder had witnessed incidents happening to someone else. About 22 percent of those responding were line managers, and the remainder were not. This is higher than the estimated 16% of HMRC staff who are line managers.

We are not surprised by how many of those contributing had negative experiences to share: to take the trouble of sharing your views often means that you have something personal to share. This is something that is reflected in the [Sue Owen review](#) into BHD in the Civil Service too. Whilst our sample from the portal may not reflect of the wider experiences in HMRC, it does show us clearly how people feel when things do go wrong, and gave us valuable insight into what influences people's actions at these times.

When experiencing or witnessing inappropriate behaviour it's roughly a split chance of individuals taking action or not: half of those responding took action, and half did not. Three quarters of cases where issues were raised were taken forward informally.

### What influenced you to take action or not take action?

We asked what thought process individuals went through in their decision to either take further action to call out the inappropriate behaviour they had witnessed or experienced, or to simply stop.

We looked at trends based on bi-grams, which show the words most commonly used in association with each other in responses.

The commonalities we found are around the importance of the line manager: having support, or the faith that an issue will be addressed, means you are more likely to come forward, whilst the opposite is true of a manager perceived to be unsupportive or incompetent. There is a sense that in coming forward the individual is trying to create a better environment for the future.

People spoke about being aware the impact the incident had either directly or indirectly "I didn't want anyone more junior or less experienced than me to have to put up with the behaviour that I received". Meanwhile, those deciding not to take further action shared their views that to do so would involve "rocking the boat", being seen as a "trouble maker" amongst a community which would "close ranks".

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## “You think it’s your fault... You feel shame...”

People came forward and spoke to the Review about actions they have endured where criminal wrongdoing was proven, for example sexual assault, stalking and harassment. Individuals described experiencing this, and being subject to gossiping about their romantic status in the office, causing them to withdraw and become a different person over the course of a few months.

We heard that when trying to come forward with experiences individuals would frequently hear “It’s not my business”, with people not keen to get involved or to report something they witnessed. In other cases, people feel that they are making “too much of something” or “causing a fuss”. Individuals spoke about feeling paranoid or uncertain over whether something was wrong. “(It) feels like complaining wouldn’t get you anywhere so you just avoid the situation and withdraw.”

## “The Trade Union doesn’t get enough credit for what they do – I wouldn’t be here without (TU Rep).”

Trade Union support (both ARC and PCS) was widely applauded as being the most important element of pastoral care for people, and they were able to help people navigate the system. Some felt that TU reps lacked training and expertise particularly with complex cases, and that they lacked resources, but overall the feedback on TU colleagues was positive. Many individuals joined the TU to obtain support when things started to go wrong for them. In my view, the best outcome is achieved through collaborative working between managers and TU representatives and HMRC’s enduring commitment to this is to be applauded.

## “Whatever happens, someone gets moved.”

People spoke about being forced to move roles – either moved by managers, or their position in their role becoming so untenable that they had to go to another team. “I was moved into an area I didn’t choose and wouldn’t have planned for in my career... and I’m expected to feel lucky”. On the other hand, we heard from people where those alleged to have harmed an individual were moved into a preferential role, whilst the individual who reported the incident was forced to stay in their current position.

## “(I felt) despair – no other ways were working. Communications had broken down.”

Almost everyone who contributed to the Review highlighted that taking action was an absolute last resort. Informal routes to resolve the issue hadn’t seemed to be forthcoming, the work environment was becoming a “toxic” place, and therefore a formal complaint felt like the only place to turn.

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## If you do experience BHD in HMRC, how is that dealt with?

Hearing from people who had experienced BHD in some way – either as “victim” or complainant, “accused” or respondent, was vital for the Respect at Work Review to understand how the organisation handles issues when respect isn’t met. Here’s what people with experiences of BHD told us.

### Findings

#### The process feels dehumanised

There is a strong feeling that whilst the policies are clear, the application of the processes to implement these policies is flawed. There is an inconsistent approach to the process which results in wide discrepancies in timelines, outcomes achieved and general satisfaction for all of those involved in the process.

There is a sense that the process is impersonal, that those involved in the mechanisms of the process forget that at the outset there was a person who felt the need to raise an issue. The human element is removed and there is a ‘robotic’ approach. There is no consistent approach to the application of the process, the time it can take or to the outcomes that are achieved. A key driver for this lack of consistency appears to be the lack of training and support for the Decision Managers. There is a feeling that there is no impartiality in the process and that the business “protects their people”, significantly we did not encounter a single individual who had confidence in the existing processes.

#### Leadership – Improve capability and encourage early intervention

HMRC’s leaders are seen as having a key role in employees’ experience of inappropriate behaviour in the workplace and of the grievance process. In some cases leaders are considered as having created an environment in which inappropriate behaviours are often demonstrated and go unchallenged.

Many sensed leaders are under considerable pressure to focus on targets. It was suggested they require better training, coaching and support to handle complaints quickly and effectively. A situation that could have been ‘nipped in the bud’ escalates. This can lead to a loss of trust that can cause lasting damage to working relationships.

Some managers spoke about their feeling of being put in an insidious position by the organisation. One manager told us: “I have found to my cost that if you try to apply fair performance management to a poor performer then they are able to easily raise a grievance against you which then stops the performance management process. We need to take a much firmer line on the criteria for raising a grievance...”

Managers are expected to support everyone, and sometimes that is pulls in different directions when bullying is happening amongst direct reports. One individual spoke about the fact that “both individuals were looking to me for support yet in direct opposition to each other...”

#### Resources – Isolated and not independent

Many Fact Finders and Decision Managers felt dropped in at the deep end. It was nearly always an add-on role with little to no support as they went through the process. Many felt HMRC should consider an independent team with dedicated resource to manage these cases and a common theme emerged calling for a totally independent external resolution process. And I can empathise with this view – nevertheless the scale and structure of HMRC would make it extremely challenging for an external body to be sufficiently cognisant of culture and ways of working. Additionally, everything I have heard tells me that the HMRC population has the appetite and determination to enhance respect at work, and therefore should be allowed to take responsibility for finding solutions. I therefore do not recommend taking an external approach.

#### Health and Wellbeing – ‘It nearly broke me’

Being bullied, harassed or discriminated at work has an impact beyond HMRC, affecting employee’s lives and the lives of those around them. Their health and wellbeing is potentially compromised as they experience a wide range of emotions and feelings.

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Existing relationships with family and friends start to change as they provide ongoing support to help the employee deal with the experience brings and a potential wave of physical and mental health symptoms that may develop. .

For some people the emotions create a life event within their career that never leaves them. It defines their career and how they feel about HMRC.

### Working life – The relationship with HMRC was broken as a result

Being bullied, harassed or discriminated at work has a huge effect on the individual on the receiving end. Negatively impacting their ability to perform at their best. Many people told us they stopped contributing and were overtaken by a sense of worthlessness and frustration. Individuals stopped blaming their alleged bully and widened the scope of their anger to HMRC as an organisation for allowing this to happen.

Others indicated that what would help them move on from the incident would be an acknowledgement from HMRC of what had happened in the form of an apology. Stating simply that the organisation may have got things wrong in certain cases would really help the healing process and enable people to re-join the workplace.

### Reflections

All the insights provided as part of this chapter have prompted the Respect at Work Review to reflect deeply on what the individual experience is like at HMRC, how teams and relationships affect that experience, and how the organisation fits into this as an entity that many people come to mistrust, blame, or be proud of.

**Key finding: HMRC colleagues experience both “abusive” and “abrasive” behaviours.** Abusive behaviours, where individuals realise they are causing harm, have been seen in various parts of the organisation. These are often not dealt with. Abrasive behaviours are even more prevalent, in which an individual does not realise the impact their behaviour has on others. Often abrasive behaviours do not meet legal or policy thresholds for what constitutes bullying or harassment, and are not dealt with formally but cause a ripple effect of disengagement and discontent across teams.

## Recommendations: what should happen to make this organisation a better place to work?

- This section comes in two parts: firstly, the suggestions that you made through focus groups, interviews, the contributions portal and beyond. These exclude suggestions on process and policy, which will be covered in the next chapter. The second are the Respect at Work Review’s formal recommendations.

### Your suggestions

#### Community

- Creating a small office culture in larger regional offices – saying hello, doing show and tells with neighbouring teams (“knowing your neighbour”) so you break down barriers and shyness is important.
- Having proper role flipping for a period – not just shadowing – will help you realise the challenges and juggling act people do in their roles, and create more empathy for individuals and understanding of the organisation overall
- More cross-generational understanding. What the workplace means to a millennial compared to baby boomer to enable people to understand each other better.
- More private meeting rooms needed in regional centres to enable confidentiality and respect for privacy is addressed.
- Skype helps people’s behaviours so they remember there is a human at the end of the call.
- More awareness of noise needed so people don’t dominate the office environment.

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## Organisational purpose

- Having KPIs on staff wellbeing to make managers who are “obsessed” with KPIs care about their people’s feelings and not just call numbers.
- Focus on customer service, not on statistics
- The move towards removing the AWDL target was welcomed as it prioritises wellbeing, but perceived to have been implemented haphazardly.
- Publish SCS objectives so everyone can understand what matters for them
- Get rid of the People Survey. Old fashioned, doesn’t give you anything. Gives the low staff something of feeling like you can tell HMRC what you really feel.
- Senior managers often do informal coffee mornings once a month which is a nice way of getting to know senior people (G7 and above) without the formality or nervousness of a formal meeting

## Identity

- Build pride about the profession you’re in and which customer group.
- Stop changing the names of the teams.
- Creating more of a community especially with move to regional centres – reinvigorate sports teams
- Reintroduce team charters – so everyone agrees how we would behave with each other in a local way.
- Professional dress codes – for example, people shouldn’t be allowed to wear football shirts in the office

## Upskilling

- Managers cafes were a great way of creating a peer community group for managers to discuss issues, although confidentiality needs to be maintained
- Non-violent communication (NVC) course has gone down really well in some parts of the business.
- Don’t force technical people to do management roles. Create dedicated management profession, fully trained and supported.
- E-learning shouldn’t be the only option for technical training in HMRC as it doesn’t reflect different learning styles – can we experiment with other models?
- Training new starters better in what HMRC expects of them, and what they should expect of it and their managers, both technically and culturally.

## My recommendations

No.*	Theme	Recommendation
5	Setting clear standards	HMRC must clearly define its standards and actively signpost what happens when people fall short even if in "minor" or "low level" ways. Induction, our policies, and development packages should be clear on the basic standards we expect, and what should happen if they are not abided by.
6	Creating an inclusive culture	I suggest HMRC reviews the process by which reasonable adjustments are delivered to understand staff and manager's practical experience, where pinch points are, and the experience of those working with the adjustment and those trying to access adjustments on the individual's behalf (often the line manager). I recommend that CDIO work with colleagues across HMRC to map out the technology requirements of the future, and how accessibility requirements can be mainstreamed as standard. This review will also need to explore how adjustments are being communicated, especially in cases where requested adjustments cannot be delivered. I have reason to believe from insights shared by a number of individuals that in cases where an adjustment has not been or is not possible there has been an unwillingness to have a difficult, but respectful, conversation about whether their employment can continue in its current form. Thus where reasonable adjustments cannot be delivered it would be more respectful and honest to say so and have an adult to adult conversation about this.
7	Setting clear standards	As an organisation, HMRC needs to be clear that it values people coming forward to tell them when something isn't right – whether that's someone acting as a whistle-blower in good faith, regardless of whether the allegation has substance, or raising a grievance against bullying or inappropriate behaviour. HMRC should use communications to outline its standards and actively signpost what happens when people fall short even if in "minor" or "low level" ways. Induction, policies, and development packages should be clear on the basic standards expected, and what should happen if they are not abided by. This could be enabled by an increased focus on emotional awareness, widening access to reverse mentoring, amongst other considerations. As well as communicating expectations of behaviour, action must be taken when this expectation has not been met.
12	Communicating our values	HMRC should build on its values by sharing people's stories of what they mean – using local and national communications to share stories of good practice and celebrate behaviour, whilst acknowledging that people's definitions of respect will differ. This could also try to share people's stories in a way that builds on the disability "walk in my shoes" programme. Individuals could share their stories of what it felt like to have someone say ill-judged comments based on stereotypes, or how use of bad language in the workplace affected them.
13	Setting clear standards for behaviour	There is clear confusion about what constitutes the work environment when colleagues are together outside of the physical office environment. Socialising after work at team events, even if informally arranged, can often feel like an extension of the workplace. This is even more confused when social media is taken into account. HMRC must issue much clearer guidance on this to ensure people are aware that the expected standards of behaviour continue in other environments, and provide people with the tools to make appropriate judgment calls on what constitutes a work environment or a purely personal one.
14	Creating a positive workplace environment	Estates should undertake a Review of the existing provision for offices due to remain open beyond this year, to identify issues with both hard facilities management (safe running of the buildings and its equipment) and soft facilities management (clean and comfortable work environment). The findings of this should be reported transparently in local areas, to build trust that issues are being managed. If contractual issues with buildings persist, this should be escalated further. On the other side, individuals who are found to treat the working environment disrespectfully should be aware that in many cases this constitutes minor misconduct.
15	Creating an inclusive culture	The support and advice available for those making a complaint and those against whom a complaint is made should be reviewed – irrespective of outcome it is essential that all parties involved feel supported and fairly treated.
18	Communicating our values	Internal Communications in HMRC should maintain behavioural standards within comms as a visible way of demonstrating what is expected in the organisation. Individuals can and should disagree with the organisation, but only in a respectful way. There are positive changes in the comms sphere to improve quality and reduce quantity of comms to make updates clearer, moving to Yammer for dialogue and interactions. This is to be welcomed.
19	Investing in our people	Professions within HMRC should assess the health of their development offer and whether it is building the short- and long- term skills needed, in a range of ways that helps people with different learning styles. This should apply to both technical/professional training and management/leadership training. The health check of the offer could set out what the goals are of the learning offer, what the aspirations of people in that profession are, and how far these can be met within the resources (time and financial) that HMRC has.

\* To note: for cross-referencing purposes the numbers below reflect the numbers given in the final recommendations chapter, where prioritisation is applied to recommendations.

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## Chapter 3:

# Policy and Process

In the previous chapter we explored your experiences. I outlined the wide range of views you expressed about the workplace environment, about the differences in expectations, and the very subjective assessments that individuals make about what is respectful and disrespectful behaviour.

The intensely personal nature of these value judgments, and the way that the same incident or environment can be interpreted differently, shows just how nuanced the Respect at Work Review has to be, and just how difficult it is for the wider organisation to be definitive on the subject. There is going to be no single answer to any of the issues posed in the Review, and there is going to be no single solution that caters for, or satisfies, everyone.

Nonetheless, an organisation must set out what its standards are, and make these clear to everyone working for it. At their best, policies and processes define the cultural norms and behaviours expected, and the support the organisation will offer in helping all colleagues achieve their potential. They outline remedial action when individuals do not fulfil their part of “the deal”, and an appeals or complaints route if the organisation doesn’t hold up its part. If policies and processes aren’t clear, then employees can become confused about what is expected, cynical that rules aren’t relevant for them, or irritated if they aren’t applied consistently. Processes don’t solve problems on their own, though, and they are delivered by, and through, everyone who works in HMRC.

The boxes below show how we analysed policies and processes.

### KPMG Assessment of Values in our Policies

- **What they did:** KPMG developed a Respect Framework based on the HMRC values. They used this framework to review policy guidance and process maps developed by the HMRC Continuous Improvement Team for discipline and grievances. KPMG developed a Respect Casework Methodology, aligned to the Respect Framework, which HMRC used to review disciplinary, grievance and investigation cases.
- **Why they did it:** The Respect at Work Review thought it was important to obtain an external perspective on how our process operated, and to validate how far these were being enacted in a way that was consistent with HMRC’s values.
- **How they did it:** KPMG attended workshops facilitated by HMRC’s Continuous Improvement Team, attended by HR and representatives from IG and parties involved in cases. KPMG also undertook a desk review of process and guidance documentation, and supported the Review team in identifying relevant data sources and benchmarks.

### Headline Analysis of People Policies

- **What we did:** evaluate how far HMRC’s people policies and processes support respect at work.
- **Why we did it:** People policies and processes are the place where the organisation sets out what is expected of the workforce, and what in return it will offer them – “the deal”.
- **How we did it:** The Respect at Work Review reviewed a broad range of people policies and processes against our values.

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## Detailed Process Mapping

- In general, does HMRC have people policies and processes in place that work?
- How effective are our policies and processes in managing inappropriate behaviour?
- Does HMRC offer the appropriate level of support?

## Do HMRC's overall people policies and processes work?

There are a huge range of people policies and processes that set out how all HMRC's employees should behave. In this section, we will explore those policies and processes, and then move onto the subsequent sections.

### The good

- There is an extensive and relatively comprehensive suite of policies, products and supporting documents available to guide, steer and set standards for all HMRC staff and line managers.
- HMRC's leadership signal the values-based workplace they want to see, by introducing key policies themselves (for example by Jon Thompson introducing the whistleblowing policy). The induction package explains policy expectations for new joiners appropriately. Initiatives such as the HMRC awards demonstrate the kudos attached to corporate behaviours and achieving wider social good.
- The importance ascribed to being a manager of people in HMRC is also clear. There is a visible training offer available and all policies are clear on the central role of the line manager in supporting their people to deliver the public outcomes that HMRC must deliver as an organisation.

### Work already underway

- There are hundreds of different documents and resources to navigate. This can be helpful but also can be overwhelming and confusing.
- We know that a policy transformation programme is underway to make HMRC's policies and guidance more proportionate. This is to be welcomed.
- Many people expressed a desire for greater HR support. This will be an important part of embedding policy transformation.
- HMRC's use of language is varied. The tone of voice in policies, guidance and official letters ranges from inclusive to directive. A single tone of voice would be more effective in setting expectations. Again, this is something that is planned to be reviewed in the policy transformation work and is to be welcomed.

In the next section, we will assess policies in more detail, with full findings at Annex E.

- **Recruitment, promotions and appointments.** The recruitment policy is relatively complex. The movement to success profiles is a welcome way of trying to recruit on a rounded basis, reflecting the range of skills, experiences and competencies an individual brings to a position. There are gaps in how HMRC receives assurance its recruitment process is working. A more robust definition of what constitutes an independent recruitment process should be stipulated in the policy, as well as outlining more clearly the recourse available if a process was not handled appropriately. Strengthening governance around recruitment should be explored to build employee confidence in the system.
- **Pay and reward.** The Respect at Work Review is not about pay. We are focussing on how the culture of HMRC aligns or falls short of its values, and where this can be improved to make a tangible difference. However, it is impossible to ignore the strength of feeling about pay. Of the initial comments on the launch blog, and in subsequent submissions to the Review, many were about pay. Many individuals in HMRC feel disrespected due to a series of below inflation pay rises and the previous pay freeze. We would suggest in the remit of the Review that payment for completion of task whilst laudable should not be the only factor for consideration. Ensuring that individuals deliver in alignment with the HMRC values is also important, and in some cases the way in which individuals deliver could be rewarded.

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Superlative delivery could be delivered in the short term through bullying or inappropriate behaviour that would prove counter-productive in the long term, and should not be rewarded.

- **Attendance management.** HMRC's policies on attendance management walk the tightrope common for many organisations: demonstrating a positive and supportive workplace culture whilst not creating an atmosphere of excessive tolerance that might be exploited. However, we heard many people felt uncomfortable with how the policy was enacted – both line managers and their teams felt there was a lack of capability and support in delivering the right outcomes, in the right way. The attendance management policy should be reviewed in the context of how work-related absences are addressed, and considering whether additional support may be required for managers and employees in these circumstances. This work should ensure that mental health issues, and the support and training offered to help support colleagues with these issues, are properly considered.

## Learning from case studies

The Review examined examples of how issues were taken forward in the formal system. Through this we found some apparent gaps in policy that might present opportunities for enhancing the employee experience:

- **Managed moves,** e.g. when job holders change roles when conduct or grievance issues materialise that affect team dynamics. Many individuals cited that the only outcome if you raised a complaint or grievance was that you would be moved, or the alleged wrongdoer would move. There is an absence of policy or governance around such moves in HMRC: partly because it is important to retain flexibility locally and organisationally to respond to circumstances as they arise, and also because each case will be different. However, this lack of structure around the issue creates a resource-intensive, lengthy and sometimes “pass the parcel” mentality where ad hoc responses are creating a stressful scenario for all involved and are used as a way of avoiding confronting difficult issues.
- **Relationships at work.** Individual cases, and people sharing their views with the Respect at Work Review, show that tensions emerge when people with a personal relationship interact closely in the workplace. HMRC has no policy on relationships at work. Other Government Departments including DWP and Home Office do have policies, which stipulate a preference for individuals not working in the same team where those in relationships/relatives are of different grades and therefore have management responsibilities. This protects the individuals from accusations of unfair or biased conduct, as well as the organisation from risks of inappropriate behaviour or collusion.
- **Social media.** This area blurred the boundaries between the workplace and personal lives in many cases we examined. HMRC lacks guidance on areas such as team WhatsApp groups, on what is appropriate and what constitutes “work” or leisure in this context. This is covered in Chapter 2 and recommendation number 13.
- **Alcohol.** We found that many cases of inappropriate or disrespectful behaviour were fuelled by alcohol consumption, often outside of the workplace but in work-related contexts. HMRC's policy is to not encourage consumption pre- or during- work and can best be described as “light touch”. There are mixed approaches across Government, with many Departments not having a specific policy and others focussing only on areas of drug or alcohol abuse. The Home Office's policy “strongly discourages” even a small or moderate consumption of alcohol in the course of performing working duties. We have not identified any Department that has an outright ban.

## How effective are policies in managing inappropriate behaviour?

Having explored the broader policy and process climate, we now examine whether policies relating specifically to inappropriate behaviour are effective. These are grievance, discipline, whistleblowing, and how investigations, suspensions and dismissals are carried out.

Annex F sets out the definitions of the seven policy/process areas in scope. Enacting these policies is everyone's responsibility, but line managers have an additional role of enforcing the processes if things do go wrong. Line managers seek expert support and advice if they need it from HR and Internal Governance.

**CS HR Casework** are responsible for assisting managers with higher risk cases providing one-off phone and i-form advice to managers, and coordinating mediation and reasonable adjustments services.

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**Internal Governance** receive referrals from a range of places including HMRC staff on allegations of potential wrongdoing, and assess whether the allegation needs to be investigated further either in the line of business or by IG themselves. IG do this for both criminal and civil matters, and also seek to deter and avoid wrongdoing and manage organisational risk through prevention work.

When cases are initiated, the following language is used. A complainant is the alleged “victim”, the person raising a complaint. A respondent is the alleged “perpetrator”, the person it is alleged to have caused harm. These words are imperfect, but are used in HMRC’s processes and by ACAS and other organisations, and we therefore replicate them here.

### Formal vs. informal processes

Most of this chapter will focus on formal processes. This is because corporately, there is little information about how issues are resolved informally. We tried to get a local perspective by asking participants in focus groups, in interviews and in process mapping workshops what their experiences were of informal processes.

In the calendar year of 2018, 46 requests for mediation were received, and 22 were delivered. Across the Civil Service, the uptake for mediation appears to be broadly similar, although DWP delivers five times more mediation than HMRC and is expanding its services. Given the experiences outlined in chapter 2, it appears that there is an opportunity to expand mediation provision in HMRC. We lack record keeping of when, where and why mediation is used, and therefore cannot track the impact this has and any trends and any increase in this service should be measurable and evaluated to determine is has the right impact.

We heard that the informal processes seemed to largely mirror formal processes, and simply be another word for handling issues locally. A smaller number of people mentioned mediation, but that this was offered too late or in a situation unsuited to it. The Respect at Work Review has looked at other organisations and found that mediation is used more extensively, particularly as a way of resolving issues of abrasive behaviour where parties did not consciously or deliberately seek to offend or harm others.

Work is underway across the Civil Service to expand mediation services, which HMRC should continue to be actively involved in. However, we do recommend action is taken internally too, given the findings of this report.

Given the presence of some “abrasive” behaviours, noted in chapter 2, I recommend that mediation is used far more extensively throughout the organisation to seek to resolve issues informally. This is captured as part of recommendation number 2.

### Summary of findings from process mapping

Overall, it was hard to find instances where these processes worked seamlessly. They lack the confidence and advocacy of those who contributed to our Review. In particular the grievance process requires a complete examination from my perspective. I note that process re-design has been underway. I believe this work must be supported by a broader look at the way in which processes are enacted, responsibilities and accountabilities, and sense-checked against the principles I outline later in this chapter.

There were five key themes from the process mapping work.

### Guidance

The process to be followed was considered to be:

- Unclear
- Hard to locate on the Intranet
- Lacking in transparency (individuals often weren't aware of the process at each stage and what they could expect, partly due to concerns over confidentiality for the respondent)
- Unsatisfactory in providing outcomes (most people felt that by case closure no party was satisfied)
- Excessively formal (including the informal route which was unclear and felt very formal itself)
- Subjective, requiring lots of judgment calls which meant those involved felt vulnerable to challenge.

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The overwhelmingly negative experience of undertaking any of these processes meant that participants felt that they would be far less likely to tackle issues again over the long term.

### Capability

Individuals in HMRC felt that they lacked the skills or ability to have difficult, honest, empowering conversations, or to navigate the process when needed. Many individuals spoke of a wish for early resolution of issues, using mediation or having simple conversations to address issues before they became major, but lacked the confidence to do so.

The skills of investigators, fact-finders, decision managers, HR and IG felt “self-taught” and individuals felt that they didn’t receive sufficient targeted support to enable them to fulfil their functions to the professional degree expected.

### (In)consistency and Ambiguity

Because the process relies considerably on value judgments, there was limited consistency of advice, support or decisions taken. Some felt that the code of conduct required greater clarity to understand which behaviours were or were not acceptable.

Inevitably, some issues were “one word against another” and investigations could find no independent evidence to corroborate. This meant that cases were found in favour of the respondent for the most part, and made individuals feel powerless.

### Time

The duration of our processes was universally criticised by all parties: “there is no urgency in the process”, said one contributor. The timescales involved in delivering outcomes were felt to be unreasonable, requiring participants to feel in limbo for protracted periods and making situations worse. On the other hand, timescales felt overly ambitious for decision managers who reflected that in juggling their day jobs they were forced to make really tough decisions to either prioritise the case and sacrifice their work, or vice versa. The average time for a gross misconduct case to be resolved was 74 days in 2017/18, with the longest of over 250 days.

### Support

This reflects the broader feedback in chapter 2 about individuals feeling isolated, unsupported, alone, and having no one to turn to for help. There was limited signposting to any support structures, and a focus on the business decision over doing the right thing by individuals. There must be even-handed support for both the respondent and complainant. Support for teams, managers and witnesses can also be required depending on the circumstances of the situation. This support must also be extended to individuals working on cases in IG and HR, who often become subject to counterclaims when working on sensitive issues. These claims are rightly investigated, but the vulnerability of individuals working on cases full time should be reflected through the provision of specific support.

### Good practice

There were positive parts of the processes that exist which should be recognised. These involve:

- Recurring evidence was identified of policies and processes which ‘help colleagues do the right thing’ and ‘act inclusively’ in accordance with the behaviours outlined in HMRC’s value of respect.
- Analysis found recurring evidence of independence being upheld across processes, with clear delineations between investigation-, decision- and line- managers in formal grievance and serious disciplinary processes in particular.
- Disciplinary processes also had clear and effective timescales, with evidence supplied of performance monitoring across cases.
- Trade Union caseworkers felt that IG cases were on the whole well run and thorough.
- There is a focus on keeping decisions at the right level at the organisation – this is partly to make sure appeals can be managed without escalating to too high a grade, but overall there was a sense that this empowered individuals.
- Some participants reported finding the guidance helpful, for example checklists on what to do at different stages.

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More detailed findings on where I found policy and process improvements could be made are at Annex G.

### Suggested parameters for a policy and process redesign

The Terms of Reference for the Respect at Work Review were clear that HMRC would find tangible suggestions helpful. I therefore plot out below some suggested areas of focus for this work.

HMRC should seek to **improve the employee experience** on grievance, discipline and investigations, including the following elements:

The **vision** for the future employee experience should be clear – we know that individuals going through this experience are often at their lowest ebb, and therefore HMRC should make it obvious what the experience could be like “the vision”, even if we cannot make it a wholly positive experience given the circumstances that have led individuals there.

Future “to-be” **employee experience** maps should be designed for discipline, grievance and end to end investigations, with input for HR and key stakeholders within HMRC, and supported by working prototypes and a clearly defined map of the capabilities required. This should be informed by pre-existing work when available, e.g. the grievance process redesign plans, existing process mapping and the employee experience work.

HMRC should develop a clear **implementation** plan, that addresses making change happen in an agile and adaptive way, including changes to policies/procedures, skills, processes, systems and structures.

HMRC should roll out **training, communications and engagement** for employees that are involved or may need to be involved in these elements of employee experience. This should be modelled on a “just in time” basis.

HMRC should commit to **timescales** for resolution of cases. HMRC should apply timescales depending on the severity and impact of the case, for example resolving the most major and serious cases within 1 month, and less time for other cases. The Respect at Work Review suggests that no case should be unresolved after 3 months except in exceptional circumstances. Based on what we know about timescales at present, this will represent a substantial challenge and require additional resources. These timelines need to be supported by an enhanced HR and IG capability, and therefore timelines should be drawn up as the policy is designed and assessed for cost and resources. When determined, timelines should be made publicly available to set expectations and hold those undertaking cases to account by those using them.

Decisions should be taken by an **independent** party, outside of the Directorate and in some cases outside of the business group or region, depending on whether these factors could reasonably be perceived to compromise independence. HMRC should continue to use the separate investigations provision from Home Office when colleagues come forward with allegations of gross misconduct within IG or CS HR Casework. The Home Office service, operates as a cross-Civil Service provider for complex cases. This would add an extra layer of independence and may assure individuals in these areas to come forward, but will come with substantial financial costs.

The **roles** and **accountability** of the line manager, investigation manager, decision manager, nominated officers, and other participants (witnesses, respondent and complainants) should be clear to all. Individuals should primarily be aware that they should be accountable for resolution of situations before a formal stage is enacted, wherever appropriate. As well as the tasks that individuals are accountable for, the role descriptions for the above should also be clear on how these parties should behave and the standards you can expect.

**Mediation** should be incorporated as a gateway point to accessing the formal process, to explore whether a structured, less formal process could resolve workplace issues.

Individuals should be asked what their **preferred remedy** or outcome is, to inform the manager on what course of action is best to take forward. This would also inform a decision manager’s choice of penalty in proven cases, and should be used to provide after-care in instances where a case has not been found. Remedies need not always be directly punitive and could be directed to provide support and development to individuals who need it.

The **support** available to all participants at each stage in the process should be made clear. A particular area for improvement is on aftercare support, once a case is closed, which needs to be scoped.

Decision and investigation managers should be supported with **just-in-time training**. They could be comprised of a pool of individuals with the skillset who are drawn upon by the organisation as and when they are needed, or there could be just-in-time training available for individuals who are selected to have a role in a particular case.

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We should be clear when **communications** should occur, to who, and by which method. We need to be honest about when we cannot disclose information for reasons of confidentiality, following ACAS guidance which says that only those subject to disciplinary should be informed and not anyone who may have raised the issue in the first place.

In cases where HMRC is unable to prove an allegation due to its nature being “one word against another”, the employer should record this as “case unproven” with a record of complainant and accused kept to enable HMRC to fulfil its duty of care if there are any patterns of repeat complainant or respondents in such cases.

Updates on **employment law** and best practice should be regular and consistent for HR and IG to be fully up to speed on issues.

### Does HMRC offer the right support?

Every employer has a duty of care for its people and in the course of my review I have seen that HMRC takes this seriously, but that the level of support offered is sometimes criticised. In this section of the chapter I will try to make an assessment of whether the support on offer is pitched appropriately, where it is exemplary, and where improvements could be delivered.

### The support offer

If individuals are experiencing difficult life or work events, it is critical that employers have an offer in place to support them.

This is primarily centred on the line manager as the person with the most direct duty to support their team. Line managers do receive support and training both formal and informal in HMRC, and I saw significant commitment to management training in the evidence presented to me with multiple different packages made available over the years to managers. The current offer of apprenticeships demonstrates an ongoing, long term commitment to management and leadership capability which is to be welcomed.

However highly skilled, everyone working in HMRC may sometimes need further support to address workplace situations, which is provided by HMRC:

- HMRC offers a wide range of wellbeing related benefits either free of charge or at subsidised prices through the Employee Benefits Portal
- Physical and mental health support are supported through the Occupational Health Service, to determine how particular issues can be handled from a clinical perspective
- Confidential support is available from HMRC's Employee Assistance Programme, Workplace Wellness.
- The HMRC Mediation Service who can work with teams to help work effectively together particularly if there are behavioural tensions.

### How does HMRC's service compare to other organisation?

- HMRC's package largely mirrors the support offer put in place by most Government Departments
- Some organisations do offer more, for example a physical health helpline where a GP can be contacted 24/7, free yoga or Zumba classes, and other perks. Whilst excellent facilities these are not facilities that were cited as being required by the people the Review spoke to.

### Areas for possible improvement

In assessing whether the current provision was fit for purpose, the Respect at Work Review heard from colleagues in a number of different ways, and also drew upon the research undertaken within the HR function whereby 20 workshops were held across HMRC to find out people's views on the welfare provision.

On management training, apprenticeships can be a useful tool for building capability but may not be suitable for all given their duration and time commitment, and some managers may require targeted “top ups” for their knowledge rather than a significant undertaking. Information was available on the offer but this did not generally offer technical support in how to follow a policy, for example, and focussed on broad skillsets.

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On professional support, the following areas for improvement were identified:

- Many participants raised the need for better awareness of wellbeing support available in HMRC
- Others spoke about the need to be able to access support more easily, for instance from support networks, accessing support when individuals are not in the office, and getting support in a timely way.
- Having the time to discuss and address wellbeing and wellbeing issues, especially in target-driven environments. Having on-site wellbeing/HR contacts or the revival of the Welfare Officer was mentioned by participants in six of the workshop locations.
- The EAP offers 6-8 therapy sessions (if clinically recommended) per person within the contract year. When people are subject to prolonged HR processes, be that grievance, conduct & discipline, performance and/or attendance management, the duration of these processes often surpass the period the therapy is available. Some people have said that they do not require professional counselling per se but are looking for emotional support and a confidential environment to off-load which is independent of their business while cognisant of organisational culture and processes, thus helping them manage the impact on them specifically at key trigger points during the process. Whilst it is acknowledged that there is an EAP 24/7 helpline, people often refer to the value of having face to face support.
- There is a specific support structure in place for people who have experienced issues of the utmost seriousness in the workplace (primarily one where the impact on the individual is as a direct result of the person's HMRC role.). This support stream is bespoke and therefore comparatively very expensive. It has largely been well received by recipients who have appreciated the additional support, although some bureaucratic issues in accessing this in a timely, geographically convenient way were experienced. The future contract will include this requirement as a call-off to enable commercial efficiencies and a greater rigour around the referrals process.
- There is no in-house support for staff with concerns who do not require professional expertise, except speaking to peers and line managers.

Overall, I commend the positive baseline for welfare support, but more must be done to measure satisfaction rates with the service. The recommendation (number 2) around mediation and early resolution could provide an additional layer of support that would seek to address negative workplace experiences much sooner with a highly skilled individual.

## My recommendations

I have found that given ExCom and wider HMRC's appetite to improve the lived experience of everyone working in HMRC, there is more work that could be done to improve policies and processes to "close the gap" between the vision for the future and the current reality.

The table below outline the areas of improvement I would suggest HMRC considers.

No.*	Theme	Recommendation
1	Support and enabling	Policy simplification must be rolled out in conjunction with an accessible HR support structure, with just-in-time training for those responsible for enacting policies. This will enable the goals of simplification to be delivered in a way that is sustainable and supportive.
2	Policy reform	I recommend an urgent redesign of the grievance process aligned with the principles specified in chapter 3. This should include more widespread and robust use of mediation and early resolution. Other policy areas that are interrelated and would benefit from revision include discipline, conduct, whistleblowing, and how we dismiss, suspend and investigate).
3	Assurance	Strengthen governance around recruitment, promotions and appointments. This should include defining what independence is, and what recourse individuals have if process was not handled appropriately.
4	Support and enabling	The attendance management policy should be reviewed in the context of how work-related absences are addressed, and considering whether additional support may be required for managers and employees in these circumstances. This work should ensure that mental health issues, and the support and training offered to help support colleagues with these issues, are properly considered.
8	Policy reform	A policy on relationships at work should be designed and scoped to protect all parties from adverse effects, such as perceptions or the reality of unfair treatment. This policy should include how the organisation will help individuals move roles if this is appropriate in instances of relationships within the management chain, and consider whether more stringent rules should apply to certain parts of the organisation (for example audit, HR or security) given the nature of information available in these roles.
9	Policy reform	The use and misuse of alcohol and drugs should be explicitly cited as an example in our conduct policies, and not stipulated in a standalone policy. HMRC needs to treat all its workforce as adults, but also maintain and enforce clear standards that alcohol consumption that interferes with performance of duties is an unacceptable breach of conduct. HMRC should not allow alcohol to be claimed as part of travel and subsistence, to bring it in line with other Government Departments and to send a clear message that consumption of alcohol is not encouraged in work-related contexts.
10	Policy reform	High performance awards criteria should be changed, so individuals are only eligible for an award if your delivery has matched the behavioural standards articulated in HMRC's values.
11	Communicating our values	The new performance policy must make clear that it is about how as well as what delivered, as this is not clear for many people.
16	Policy reform	HMRC should invest time into determining how individuals are moved into different roles as a result of conduct / grievance issues being raised. HMRC should determine principles that establish the basis of these moves, for example the governance or assurance that underpins it, what consent and transparency is required to ensure moves are undertaken for the right reasons, and the mechanism by which managed moves could be undertaken. This should be explored particularly in the context of regional centres, to ensure that this is in a whole-HMRC approach rather than in specific lines of business or directorates.

\* To note: for cross-referencing purposes the numbers below reflect the numbers given in the final recommendations chapter, where prioritisation is applied to recommendations.

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## Chapter 4:

# HMRC Governance: Data, Assurance and Evaluation

Governance, data, assurance and evaluation are all very worthy concepts that help organisations run effectively and efficiently. But I also know that these words can fill some people with dread.

This section of the Review doesn't go into too much detail, but it tries to tackle some really important questions that affect everyone working in HMRC and make some suggestions based on my experience in other organisations on where this might be improved.

In this chapter we will consider:

- What data HMRC has to understand its people
- How HMRC understands whether its HR policies and processes have the right impact
- How HMRC is assured as an organisation

## What data does HMRC have to understand its people?

Data is critical to measuring the overall health of HMRC's organisation and to proactively identify problems and areas of good practice.

In terms of how it measures people, HMRC has global data on absence levels, turnover, sickness rates, performance markings, and more. However, there are issues with how data is managed in HMRC:

- There is no single "version of the truth" centrally held on casework. IG and HR collect different data based on their responsibilities, and the language used, whilst overlapping, does not necessarily mean the same thing.
- Business Groups and teams within HMRC keep records of cases. There is no central protocol for what data should be stored. This means the organisation is unable to determine whether there are a number of individuals with repeated minor misconduct, as this data is patchy and held all across lines of business.
- There is a lack of consistency in how processes are monitored throughout the organisation as well as a complexity to the data storage mechanism centrally.

**Key finding: I believe that HMRC does not have a systematic and data-driven approach to the management of people.**

- a. HMRC is ill equipped to gather and mine data on its people's experience. It is behind the curve compared to other organisations of a similar size and therefore struggles to target its interventions and manage its risks.
- b. Knowledge management of cases is erratic, resource-intensive, and inconsistent across the organisation. Records do not enable HMRC to have a view of the scale of the problem globally for the organisation, or to hold those responsible to account for team performance in a structured way.
- c. The approach to data and assurance requires a fundamental examination of the corporate approach to how HR IT systems are exploited and used in HMRC. Further investment in and exploitation of data systems should not be delayed any further.

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**Implementation principle:** Data is critical to measuring the overall health of HMRC's organisation, and to proactively identify problems and areas of good practice. IG, HR and line of business data guardians must establish a working group to determine data protocols around how HMRC logs, stores and reports on inappropriate behaviour, in compliance with GDPR. This work should set out how HMRC can measure the impact that the actions taken on Respect at Work have on everyone working in the organisation, to track what is making a difference and where issues still remain.

### How the Respect at Work Review used data

In undertaking this Review, I have tried to gather evidence using all available data. Given the areas for improvement that I set out below, I wanted to share our approach to data below:

**Pre-existing data.** Whilst the review has benefited from access to a wide range of research covering many aspects of employee experience, sometimes data on the operation of policies and programmes relevant to the review has not been available or credible. Therefore Review makes recommendations on how to improve it. The data is, however, the best that we have, and with its faults or inconsistencies we have chosen to include parts of it here that appear to be most credible, or at least to paint a picture.

**Newly commissioned data.** This data has come from a mix of sources, and either validated the existing information or data, or added new insights for us. We couldn't speak to everyone in HMRC or even a statistically significant number of you, but the consistency of experience that was reported struck us as notable. We tried to manage self-selection bias too: we didn't just hear from people who reached out to us, but we proactively asked people to participate in focus groups to give us an idea of whether the experiences you had were different if you hadn't volunteered. The experiences reported were strikingly similar.

I am therefore assured that I have a sufficient evidence base for findings and recommendations in this Review.

## How HMRC understands whether its HR processes and policies are working?

In the previously commissioned studies the report examined in chapter 1, we saw many instances of where a policy or process had been evaluated, studied or audited, and action had been taken to change it. The most notable example of this in recent times was the change to the performance management process based both on overwhelming feedback from everyone working in HMRC, but also evidenced studies. This is great practice and demonstrates HMRC's leadership and corporate functions seeking to learn and improve in an evidence-based, diligent way.

However, these studies are generally one-off initiatives. There are areas for improvement that I would suggest HMRC considers:

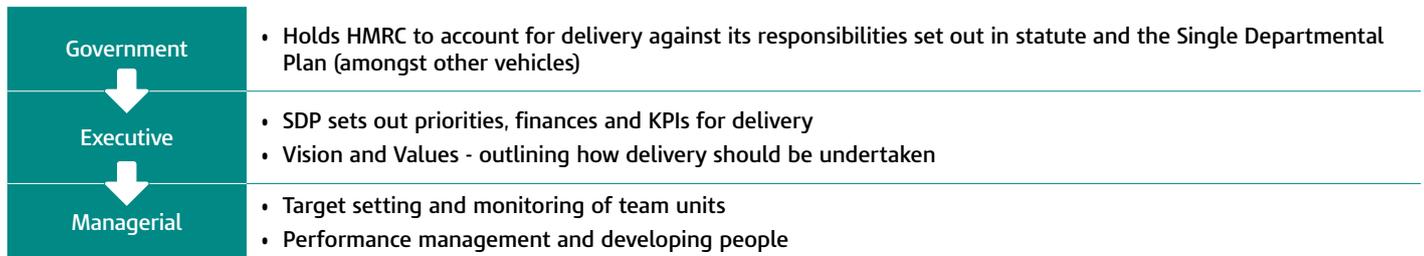
- Policies should be more systematically evaluated to test whether they have the intended effects in the organisation, and processes should be audited or evaluated to determine whether they are being enacted fairly, consistently and effectively across the organisation.
- Creating governance arrangements that follow up on initiatives, policies or actions to ensure that the feedback loop of enacting improvements is completed by the organisation in a timely way.
- Given HMRC is moving towards more empowering, simple policies, it is more important than ever that CPO has a more robust assurance regime to test that these are being enacted in fairly. Similarly, the work that all leaders and managers are doing to bring the Leadership Statement and HMRC Values to life should be assessed for its efficacy and to ensure that good practice can be shared.
- HMRC must obtain assurance that these policies are having their desired effect.
- An assurance regime is required to track the accuracy and consistency of decisions taken in enacting policies, learning from cases.
- Performance management and monitoring of KPIs should be centralised, with local reporting mechanisms. There should be a defined data set linked to the E2E standardised processes – 'one version of the truth', stored via a medium which enables easy interrogation including costing the resources deployed on processes.
- Processes should include learning and feedback loops; within IG, the line of business, HR and across all three.

The Respect at Work Review reaffirms the earlier implementation principle to establish a framework for collection, use and assurance of data, to ensure that a wide range of people measures is available to truly understand the global picture of what it's like to work in HMRC.

## Assurance in HMRC

As part of the Respect at Work Review, we have been asked to examine how far the way HMRC is assured and managed as an organisation contributes to its culture and feelings of respect or otherwise.

### Key performance indicators (KPIs)



The diagram above and text below is influenced at each point by various stakeholders including customers.

#### Government

- Holds HMRC to account for delivery against its responsibilities set out in statute and the Single Departmental Plan

#### Executive

- Key Performance Indicators
- Vision and Values creation and steering

#### Managerial

- Target setting and monitoring
- Performance management and developing people

The question of oversight came up most emotively in relation to targets and KPIs\*. Many people felt that targets when used appropriately can be motivating and help people feel clear about what they need to deliver, and motivated to do so in a quantitative way. We heard from even higher numbers of other people that targets were used in a disempowering way that did not reflect the way in which people liked to work: they created a rigid rulebook that prohibited people using their initiative or innovating in any way.

The Respect at Work Review has not done as much as it would like to answer this question definitively, and what follows are impressions and insights gathered along the way. The observations here are primarily focussed on Customer Services Group as this is where the issue came up most often, but also explores how HMRC assesses how its people are.

Operational KPIs in HMRC are measured, scrutinised, and acted on with high frequency and attention to detail. The measures on HMRC's workforce are less mature.

\* We note that these have slightly different meanings within HMRC, with certain measures that are targets not being known as KPIs e.g. average call handling time. For ease of reference, in this chapter we will simply use KPIs as shorthand for both.

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## Operational KPIs

Almost every organisation uses KPIs to track operational delivery. This is especially important in a public sector environment in which delivery for the citizen is rightly scrutinised for its quality, cost-effectiveness and timeliness. Equally important is the need to focus on a balanced scorecard to ensure the full picture is taken, not just what is delivered but how it is delivered and the health of the organisation delivering. The KPIs measured tell the population working within the organisation what matters to their senior leaders and a lack of people focus in the KPIs delivers an unwelcome subliminal message that people don't matter. That said HMRC's operational KPIs have worked. Performance standards have improved over the last few years, with metrics around customer yield, pace of telephony (average speed to answer) and post showing an increasingly positive trajectory. This has delivered positive reputational outcomes, and we would expect reputation to increase engagement and morale amongst the teams delivering against them. We will look at CSG as the primary area where this issue was raised.

Listening in on management meetings where delivery against KPIs was discussed, there was evidence of teamwork across sites in HMRC and a considerate, respectful tenor of discussions. The conversations were positively about overcoming barriers and trying to give the workforce certainty over their work, and there was a laudable absence of blame or unconstructive commentary. However, discussions on quality and providing an end-to-end service were largely absent, and conversations were largely reactive rather than proactive.

### Customer Services Group

- What are the KPIs? There are a huge amount of KPIs in this business group, most importantly around average speed to answer and average handling times.
- How much do they matter? It is reputationally critical for HMRC to provide a timely service, and commitments on this are public and in some cases made politically. They are measured as often as on a 30 minute rolling basis, to enable fast reactions to peaks or troughs in demand.
- How do they affect the culture?
  - For managers, we heard that this meant that far more time and intellectual energy was used on understanding and reacting to the numbers than considering the humans operating within the system. Development and wellbeing were second to the numbers. On the positive side, it was clear what was to be delivered and they were empowered to make that happen, but sometimes felt they lacked the tools to make that happen (e.g. recruiting in sufficient volumes).
  - For colleagues in customer-facing roles, this requirement for fast conclusion of issues means the environment can feel stressful and rushed. Colleagues reported feel unfulfilled as they are merely ticking boxes rather than actually helping people.
- Are there any plans to change them? The programme "Connecting Customer Services" is an ambitious approach to revolutionise the way the business group operates.
  - Increased "blending": providing individuals with a greater variety of tasks to complete throughout the day, rather than repeating the same task. There has been really positive feedback on this by some colleagues. However, others felt anxiety at the requirement to flip between roles and particularly undertake telephone work. We heard from many staff members in this position who indicated it made them feel vulnerable or not respected.
  - A focus on end-to-end query resolution, as a priority over the time taken to resolve it.
  - Experimenting with removing KPIs from certain teams. The Respect at Work Review witnessed the impact that this can have in action in a focus group: some individuals operated in the new environment and spoke really positively about their roles and experiences in the organisation, reporting increased autonomy and engagement, whilst the others had not heard of the experiment and reported feeling disempowered "cogs in the machine" rather than individuals in their day to day roles.

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## People KPIs

HMRC has three strategic objectives, one of which is people: [design and deliver a professional, efficient and engaged organisation](#). This is linked to the major people risk reported on to ExCom, about the capacity, capability and engagement of everyone working for HMRC being critical for its success. This clearly signals that this is an area of focus for ExCom.

However, the major data set for understanding our people is the People Survey. This is because of the issues already covered earlier in this chapter about the scarcity and lack of faith in the HR operational data that is currently available. Whilst a useful indicator, the People Survey on its own is fallible. As we have heard in chapter 2, some of HMRC's workforce lack faith in the People Survey, and it remains a single measure not reflective of the whole employee experience. The headline statistics do not tell us in great detail why certain beliefs or views are held, but the free text comments box does capture this effectively.

As the old saying goes, "What you measure matters". HMRC seems to have increased focus on the management of task rather than the leadership of its people. This manifests through KPIs as well as reported behaviour. KPIs can have a huge positive impact on an organisation, as well as unintended consequences. The success of HMRC in delivering outcomes for the taxpayer should be celebrated, and KPIs to measure this are essential. That said the plethora of KPIs can create an environment where it is hard to focus on issues that are harder to measure, and a difficulty in distinguishing between tactical and strategic. By measuring everything, we make it harder to see the full picture organisational health.

Therefore, the Respect at Work Review welcomes the work underway in many business groups including CSG to explore any unintended consequences of the assurance regime. This work should seek to move to a balanced scorecard in which targets on delivery are held in tension with those on wellbeing and individual development: for example engagement scores, learning opportunities taken up, and role satisfaction should be assessed. Currently the KPI regime operates in parallel and concurrently to the performance regime of all our people except the most senior leaders. We would suggest holding at least managers to account on this balanced scorecard basis, rather than asking them to walk the two tightropes in isolation and therefore creating a confused climate where, cynically speaking, around October engagement matters, but by self-assessment deadline the only issue that matters is meeting KPIs.

As well as the balanced scorecard approach, we feel it important that targeted research, analysis and insight generation is used in a strategic way to supplement tangible measurements, to understand that "why" that underlies data, as well as the degree to which performance metrics stack up.

**Recommendation 17: I recommend that further work is done to understand how KPIs interact with culture, and particularly whether a balanced scorecard approach could be used to focus attention towards people wellbeing metrics as well as operational performance.**

## Oversight from IOPC

Legislation provides for the oversight of HMRC officers' conduct by the Independent Office for Police Conduct (IOPC). Currently the scope of IOPC oversight applies to all HMRC Officers and Commissioners in England and Wales covering three broad areas, Complaints, Recordable Conduct Matters and Death or Serious Injury following contact.

The IOPC relationship is managed within Internal Governance and IG make referrals to the IOPC when an incident, complaint or conduct matter meets the Mandatory Criteria as set out in The Revenue and Customs (Complaints and Misconduct) Regulations 2010.

Questions have been asked of the Review on whether the IOPC's role adds value and is sufficiently clear in providing supervision and insight to HMRC in such circumstances. Given this is a legislative matter, which is under review, it is not appropriate to speculate on this issue. We understand that the intention is for the future relationship to be limited to the use of Police like Powers on the back of the latest Police Reforms and work is currently underway to make these proposed changes.

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## Chapter 5:

# Conclusions and all recommendations

## Closing comments

This report has been the conclusion of my work as an independent and hopefully objective voice on how far I see HMRC measures up to its goal of respect at work. It has been a pleasure to be asked to undertake this work by ExCom and I hope my report sets out a balanced view of where HMRC should seek to improve the workplace experience. The consultation that went into building HMRC's values reflects a senior leadership very focussed on delivering within a stretching but supportive framework and the invitation to myself as an external reviewer shows a clear appetite to reinforce and further embed these values. I look forward to seeing what progress has been made as I return for further discussions later this year.

## Recommendations

What follows here are all the recommendations found in the main body of the report, split into a number of different sections:

- Implementation Principles
- Priority recommendations
- Further recommendations
- Suggestions HMRC may wish to explore

In gathering together the recommendations, I have tried as the independent Review lead to prioritise some of the actions. In formulating the priorities, I have selected the issues that I believe will make the most difference to the most people. I've also tried to balance being specific about what outcomes the recommendations are trying to achieve, without tying the organisation down into overly specific solutions – success for me will be those within HMRC who work most closely within these procedures being empowered to redesign them.

I'd also like to note here a few things about implementation. I have left it to senior leaders within HMRC to determine how any of these recommendations will be implemented, as well as whether these will be implemented across the board, or piloted in specific business units or organisations like VOA. Some of the recommendations aren't new ideas, and may dovetail with existing work or plans. Others may be new, and mean that tough choices have to be made about what should take priority. The priority order I have suggested therefore does not necessarily mean that HMRC will implement the recommendation in this order. This is for the very important reason that even as I have got to learn more about HMRC over the last few months I don't have the appropriate understanding of all the competing pressures that HMRC must juggle outside of Respect at Work. This Review is important and addressing its findings is critical. I will visit HMRC in 6 and 12 months' time to hold them to account for delivery, but I do believe it is important not to be too prescriptive and let HMRC's leadership to determine the right way ahead.

### Implementation principles

The principles below outline the implementation approach I believe will equip HMRC best for success in implementing this Review to achieve sustainable change towards a values-driven culture. These are:

- Approaching all implementation with the HMRC values are at the centre of everything: from process redesign, to redesigning support and learning, the HMRC values should be at the centre.

- Data is critical to measuring the overall health of HMRC's organisation, and to proactively identify problems and areas of good practice. IG, HR and line of business data guardians must establish a working group to determine data protocols around how HMRC logs, stores and reports on inappropriate behaviour, in compliance with GDPR. This work should set out how HMRC can measure the impact that the actions taken on Respect at Work have on everyone working in the organisation, to track what is making a difference and where issues still remain.
- All implementation must be supported by communications which are timely, consistent and honest.
- Using an appropriate methodology, HMRC should seek to undertake analysis of which recommendations would enhance the employee experience the most
- As well as these principles, HMRC must continue to work as closely as I have seen they already do with both colleagues across Civil Service HR, with Trade Unions, and the Diversity Networks. This will enable the implementation and solutions developed to draw from best practice, minimise duplication by taking on the initiatives from the Sue Owen Review, and learn from the wealth of knowledge available within HMRC.

No.*	Theme	Recommendation
<b>Priority recommendations</b>		
1	Support and enabling	Policy simplification must be rolled out in conjunction with an accessible HR support structure, with just-in-time training for those responsible for enacting policies. This will enable the goals of simplification to be delivered in a way that is sustainable and supportive.
2	Policy reform	I recommend an urgent redesign of the grievance process aligned with the principles specified in chapter 3. This should include more widespread and robust use of mediation and early resolution. Other policy areas that are interrelated and would benefit from revision include discipline, conduct, whistleblowing, and how we dismiss, suspend and investigate).
3	Assurance	Strengthen governance around recruitment, promotions and appointments. This should include defining what independence is, and what recourse individuals have if process was not handled appropriately.
4	Support and enabling	The attendance management policy should be reviewed in the context of how work-related absences are addressed, and considering whether additional support may be required for managers and employees in these circumstances. This work should ensure that mental health issues, and the support and training offered to help support colleagues with these issues, are properly considered.
5	Setting clear standards	HMRC must clearly define its standards and actively signpost what happens when people fall short even if in "minor" or "low level" ways. Induction, our policies, and development packages should be clear on the basic standards we expect, and what should happen if they are not abided by.
6	Creating an inclusive culture	I suggest HMRC reviews the process by which reasonable adjustments are delivered to understand staff and manager's practical experience, where pinch points are, and the experience of those working with the adjustment and those trying to access adjustments on the individual's behalf (often the line manager). I recommend that CDIO work with colleagues across HMRC to map out the technology requirements of the future, and how accessibility requirements can be mainstreamed as standard. This review will also need to explore how adjustments are being communicated, especially in cases where requested adjustments cannot be delivered. I have reason to believe from insights shared by a number of individuals that in cases where an adjustment has not been or is not possible there has been an unwillingness to have a difficult, but respectful, conversation about whether their employment can continue in its current form. Thus where reasonable adjustments cannot be delivered it would be more respectful and honest to say so and have an adult to adult conversation about this.
<b>Recommendations that could be implemented relatively quickly</b>		
7	Setting clear standards	As an organisation, HMRC needs to be clear that it values people coming forward to tell them when something isn't right – whether that's someone acting as a whistle-blower in good faith, regardless of whether the allegation has substance, or raising a grievance against bullying or inappropriate behaviour. HMRC should use communications to outline its standards and actively signpost what happens when people fall short even if in "minor" or "low level" ways. Induction, policies, and development packages should be clear on the basic standards expected, and what should happen if they are not abided by. This could be enabled by an increased focus on emotional awareness, widening access to reverse mentoring, amongst other considerations. As well as communicating expectations of behaviour, action must be taken when this expectation has not been met.
8	Policy reform	A policy on relationships at work should be designed and scoped to protect all parties from adverse effects, such as perceptions or the reality of unfair treatment. This policy should include how the organisation will help individuals move roles if this is appropriate in instances of relationships within the management chain, and consider whether more stringent rules should apply to certain parts of the organisation (for example audit, HR or security) given the nature of information available in these roles.

Continued

No.*	Theme	Recommendation
9	Policy reform	The use and misuse of alcohol and drugs should be explicitly cited as an example in conduct policies, and not stipulated in a standalone policy. HMRC needs to treat all its workforce as adults, but also maintain and enforce clear standards that alcohol consumption that interferes with performance of duties is an unacceptable breach of conduct. HMRC should not allow alcohol to be claimed as part of travel and subsistence, to bring it in line with other Government Departments and to send a clear message that consumption of alcohol is not encouraged in work-related contexts.
10	Policy reform	High performance awards criteria should be changed, so individuals are only eligible for an award if delivery has matched the behavioural standards articulated in HMRC's values.
11	Communicating our values	The new performance policy must make clear that it is about how as well as what delivered, as this is not clear for many people.
12	Communicating our values	HMRC should build on its values by sharing people's stories of what they mean – using local and national communications to share stories of good practice and celebrate behaviour, whilst acknowledging that people's definitions of respect will differ. This could also try to share people's stories in a way that builds on the disability "walk in my shoes" programme. Individuals could share their stories of what it felt like to have someone say ill-judged comments based on stereotypes, or how use of inappropriate language in the workplace affected them.
13	Setting clear standards for behaviour	There is clear confusion about what constitutes the work environment when colleagues are together outside of the physical office environment. Socialising after work at team events, even if informally arranged, can often feel like an extension of the workplace. This is even more confused when social media is taken into account. HMRC must issue much clearer guidance on this to ensure people are aware that the expected standards of behaviour continue in other environments, and provide people with the tools to make appropriate judgment calls on what constitutes a work environment or a purely personal one.
14	Creating a positive workplace environment	Estates should undertake a Review of the existing provision for offices due to remain open beyond this year, to identify issues with both hard facilities management (safe running of the buildings and its equipment) and soft facilities management (clean and comfortable work environment). The findings of this should be reported transparently in local areas, to build trust that issues are being managed. If contractual issues with buildings persist, this should be escalated further. On the other side, individuals who are found to treat the working environment disrespectfully should be aware that in many cases this constitutes minor misconduct.
15	Creating an inclusive culture	The support and advice available for those making a complaint and those against whom a complaint is made should be reviewed – irrespective of outcome it is essential that all parties involved feel supported and fairly treated.

#### Other suggestions HMRC could explore

16	Policy reform	HMRC should invest time into determining how individuals are moved into different roles as a result of conduct / grievance issues being raised. HMRC should determine principles that establish the basis of these moves, for example the governance or assurance that underpins it, what consent and transparency is required to ensure moves are undertaken for the right reasons, and the mechanism by which managed moves could be undertaken. This should be explored particularly in the context of regional centres, to ensure that this is in a whole-HMRC approach rather than in specific lines of business or directorates.
17	Balancing performance with people	I recommend that further work is done to understand how KPIs interact with culture, and particularly whether a balanced scorecard approach could be used to focus attention towards people wellbeing metrics as well as operational performance.
18	Communicating our values	Internal Communications in HMRC should maintain behavioural standards within comms as a visible way of demonstrating what is expected in the organisation. Individuals can and should disagree with the organisation, but only in a respectful way. There are positive changes in the comms sphere to improve quality and reduce quantity of comms to make updates clearer, moving to Yammer for dialogue and interactions. This is to be welcomed.
19	Investing in our people	Professions within HMRC should assess the health of their development offer and whether it is building the short- and long- term skills needed, in a range of ways that helps people with different learning styles. This should apply to both technical / professional training and management/leadership training. The health check of the offer could set out what the goals are of the learning offer, what the aspirations of people in that profession are, and how far these can be met within the resources (time and financial) that HMRC has.



HM Revenue  
& Customs

# Respect at Work Review

Annex to main report

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# Annex A – Team Contributions to the Respect at Work Review

Laura Whyte – Independent Lead of the Review, commissioned work and data as required from the following areas:

## Supporting Laura

- The Respect at Work Review Programme Team – Leanne Price, Sheldon Whatmough, Hannah King
- Continuous Improvement Service Process Mapping Team – Paula Gardner, Darren Pringle, Lisa Wall, Paul Shaw, Pete Stuttard, Phil Ross, Ridwana Lorgat, Neil Price, Jason Pells, Lisa Houldsworth, Neil Luff.
- KPMG advice
- Employee Experience Team – Colette Webster, Michael Lynch, Loraine Thompson, Fiona Smith, Margaret Wilson
- KAI (Operations, Strategy and Transformation) – Tom Withers, Debbie Hardwick, Charlotte Smith, Sam Frenz, Rabeeah Shah, Aparna Jyothikumar, Paul McCafferty, John Williams, Alison Parrott, and Alice Whiteway
- Regional Change Leads – Emma Spear, Helen Barton, Gill Ashworth, Bryan Mason, David Odd, Mike Hamilton, Vicky Johnson
- Expert advice and support was provided to the Review by Internal Governance, all teams in CPO, colleagues in HR teams in VOA and RCDTS, and Trade Union colleagues.

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# Annex B – Findings from previous studies

The next few pages outline previous studies the Respect at Work Review examined, and outline some learnings and observations from them.

# Diversity and Inclusion

**Headline:** HMRC is fully committed to becoming the most inclusive employer in the UK, as outlined in the Civil Service Workforce Strategy. Many people told the Review HMRC is struggling to meet this: we don't have the data to tell us the workforce is representative of the UK, and some experiences of colleagues with protected characteristics suggest HMRC is not delivering a wholly positive workplace experience (although this is a very difficult bar to meet).

**Exam question:** How can we create a workplace that is representative of the UK population, that respects the background of others, and includes all of our people?

Ideas raised in studies – (relatively) successfully implemented	Ideas for improvement that haven't (entirely) worked	Respect at Work Review Observations
<ul style="list-style-type: none"> <li>• Diversity networks have gone from strength to strength: a great example of how our workforce is supported and represented, in a grassroots way rather than imposed from the top down. There has been a rise in members of Diversity Networks. Currently, 10% of staff are members of Diversity networks.</li> <li>• There have been some positive moves to improve diversity and inclusion in HMRC such as Unconscious Bias Training, which is a starting block to building capability.</li> <li>• Data collection has been improving. There has been an increase in diversity declarations overall.</li> <li>• Different approaches to recruitment: from rethinking minimum qualification requirements for vacancies to lower the playing field, to advertising on different platforms to reach more potential applicants with different backgrounds.</li> <li>• HMRC also runs outreach events at schools and universities to represent HMRC, as well as rethinking communication to younger people with the aim of appealing to potential applicants before they start university.</li> </ul>	<ul style="list-style-type: none"> <li>• Training is perceived as a "tick box" exercise and individuals aren't engaging with e-learning enough. The data is not conclusive on whether uptake has increased or decreased.</li> <li>• Data collection on our workforce is still lacking and we fail to explain why disclosing protected characteristics is encouraged and what happens to the diversity data in a particularly user-friendly way. Data is not currently mapped to regional data, and reporting is not up for AA/AO colleagues.</li> <li>• Data on the impact of interventions such as outreach events or using different recruitment approaches is lacking in robustness.</li> <li>• We know that individuals with protected characteristics, different working patterns or backgrounds, are more likely to experience bullying, harassment and discrimination because colleagues feel that reasonable adjustments are ignored, development opportunities are geared towards full time staff, and older or more experienced staff are often left out of development opportunities.</li> </ul>	<p>Understanding the workforce:</p> <ul style="list-style-type: none"> <li>• HMRC should try to understand why individuals are less likely to disclose their characteristics, and communicate more clearly how this information will be used.</li> <li>• Offering practical training for individuals to supplement the basic theories taught in e-learning. This should cover how to offer and enact reasonable adjustments, as well as other areas where managers and job holders feel lost.</li> <li>• Enhancing Diversity Networks.</li> <li>• Changes are underway to enhance the role of Diversity network leads. The work to understand the role of D&amp;I leads in regional centres is welcome.</li> <li>• As Diversity and Inclusion is such an important value for HMRC, there is space to develop a national HMRC Diversity and Inclusion forum.</li> </ul>

Studies used: Research to Support HMRC Diversity and Inclusion Strategy, People Survey data 2014-18.

# Empowerment

**Headline:** The HMRC workforce feels disempowered compared to those undertaking similar roles in other Government Departments, and many people tell us they feel they cannot be innovative.

**Exam question:** How does HMRC get the best of its people by empowering everyone to deliver in a personally fulfilling and creative way?

Ideas raised in studies – (relatively) successfully implemented	Ideas for improvement that haven't (entirely) worked	Respect at Work Review Observations
<ul style="list-style-type: none"> <li>• HMRC's Continuous Improvement Service was set up as a way to allow colleagues to suggest ways to better achieve the organisations strategic objectives of: maximising revenue, transforming tax and payments and designing and delivering a professional, efficient and engaged organisation.</li> <li>• Having a clear and concise way to make suggestions and mount challenges – e.g. Fresh Thinking (a vehicle for colleagues to submit their innovative ideas that reach beyond team or local level. During the full life span of Fresh Thinking 15,926 ideas have been submitted. (But there are qualifications to its success, as outlined in the box to the right.)</li> </ul>	<ul style="list-style-type: none"> <li>• Managers are not felt to be empowering or have confidence to deal with issues that can improve colleagues' engagement and ownership of their working life. For example, flexibility around working pattern, working from home and increased decision making abilities. A cause of this was thought to be a lack of the tools, time and capability to deal with challenges to current systems.</li> <li>• Considering how to balance empowerment at work with governance and procedures.</li> <li>• Fresh Thinking has enabled HMRC to access ideas. However, only 10% of those submitted have been implemented which suggests there are blockers in the business which prevent change being implemented (or that ideas have not been practicable, for reasons we lack data on). Work is ongoing to understand these blockers and to change the way that Fresh Thinking is positioned within the organisation.</li> </ul>	<ul style="list-style-type: none"> <li>• HMRC should consider putting in place training to support all people in how to construct and receive suggestions for improvement or innovation. We welcome the review of how Fresh Thinking works as it provides a useful vehicle for suggestions but is struggling to implement ideas for various reasons of capacity etc. structures within the organisation where colleagues can put forward suggestions and ideas. Suggestions should be met with open discussion and feedback, whether they are successful or not. Putting forward ideas and making challenges, should be celebrated as an illustration of commitment at work, and engagement.</li> </ul>

Studies used: Trust and Empowerment, A Qualitative Study of HMRC staff views, Feb 2018; Diversity in Thinking Qualitative Research, Enablers and Barriers. 'Employee engagement: qualitative research comparing views and practice amongst staff in HMRC and DWP'

# Bullying and harassment

**Headline:** A number of studies have tried to understand why HMRC has persistently high scores of BHD in the People Survey, at over 10% since at least 2012.

**Exam question:** How does HMRC prevent bullying and harassment, and deal with it better?

Ideas raised in studies – (relatively) successfully implemented	Ideas for improvement that haven't (entirely) worked	Respect at Work Review Observations
<ul style="list-style-type: none"> <li>• Most activities on BHD have happened locally.</li> <li>• BHD advocate networks to provide confidential support for people that feel they are mistreated and signpost to the reporting procedure.</li> <li>• BHD awareness sessions to recognise and challenge inappropriate behaviour. For example, micro behaviours and reflective leadership sessions for Senior Leadership teams.</li> <li>• Statements and messaging setting out behavioural standards expected.</li> <li>• As part of the development of Regional Centres, we have set up a working group consisting of CPO and DTUS representatives looking at Liverpool RC to understand how we can make the transition a positive experience for all, building on lessons learnt from Croydon and Canary Wharf. An early target is to improve the experience of disabled colleagues moving to Liverpool.</li> </ul> <p>Centrally, HR is complementing this activity by:</p> <ul style="list-style-type: none"> <li>• Working with hot spot areas to understand the underlying reasons behind their scores and work with them to design interventions.</li> <li>• Gathering insight through sessions with HRBPs to share best practice and cross cutting issues to inform future interventions.</li> <li>• Reviewing the Diversity, Inclusion &amp; Wellbeing activity across HMRC, undertaking external research to utilise best practice in order to streamline the offer to have more impact within HMRC.</li> </ul>	<ul style="list-style-type: none"> <li>• The impact of local initiatives is not clearly defined or measured.</li> <li>• Interventions that have been planned on a organisation-wide level do not seem to have made a difference or been implemented. These suggestions include: having independent investigations surrounding allegations, and having more options of where to go to raise a concern.</li> <li>• Reports have found that managers need more training and more support when dealing with incidences of bullying, harassment and discrimination. This has not been forthcoming in the past. Training should support all parties to practise resilience and wellbeing when something like this happens, so they are equipped to deal with the issue for their team members.</li> </ul>	<ul style="list-style-type: none"> <li>• HMRC has taken steps to show it will not tolerate BHD. As a result, some areas have seen an increase in reporting of concerns, for example around sexual harassment. Higher reports is not an indicator of failure, and can reflect greater faith in the system to remedy issues.</li> <li>• Process and policy reform has not happened in the recent past for those areas governing BHD. In chapter 4 we will recommend reform of many of the processes governing this area.</li> <li>• HR has been challenged to position its support in a more appealing way: 'taking the HR ego and jargon out of it'. At present, initiatives and policies are perceived as irrelevant to the business climate by many. Engagement is seen as a separate area of work for managers and is often de-prioritised compared to delivery of task. If it was positioned as 'how to improve team work through innovation' it may land better.</li> </ul>

Studies used: Trust and Empowerment, A Qualitative Study of HMRC staff views, Feb 2018; Diversity in Thinking Qualitative Research, Enablers and Barriers. 'Employee engagement: qualitative research comparing views and practice amongst staff in HMRC and DWP'

# The Role of the Manager

**Headline:** Management and leadership style is vital for creating a happy, supportive and engaged workforce. Many studies have examined whether line management capability and capacity are fit for purpose and found in some cases a ‘command and control’ management style exists which priorities delivery of task over developing and supporting their people.

**Exam question:** Does HMRC have the right managers in place, and support them to perform and develop their teams effectively?

Ideas raised in studies – (relatively) successfully implemented	Ideas for improvement that haven't (entirely) worked	Respect at Work Review Observations
<ul style="list-style-type: none"> <li>Greater support for line managers has been created: Early Support Line Manager Cafes, as part of the Expert Advice and Early Support Team. These cafes aim to support managers who are going through the office closure process to ensure that they have the right skills, tools and training to be able to support their colleagues, as well as managing their own wellbeing and resilience</li> <li>The learning offer for management and leadership continues to evolve and grow, with apprenticeships available within HMRC, as well as the Civil Service Leadership Academy and Civil Service Learning.</li> </ul>	<ul style="list-style-type: none"> <li>The theme of rethinking recruitment and better training for managers is a constant throughout previous reviews. There are concerns from colleagues that often staff are promoted to a management position despite this not always playing to their strengths. Sometimes people are promoted to management positions based on how well they do their current job – rather than on their people management and leadership skills. Training was regarded as inadequate and has not been boosted.</li> <li>The way in which managers enact policies is overly focussed on definition rather than on effective resolution through dialogue: for example defining what constitutes a disability to enact a reasonable adjustment, rather than finding a common-sense solution that works for all parties.</li> </ul>	<ul style="list-style-type: none"> <li>Building management capability is something that many organisations struggle with, no matter what the sector. HMRC has clearly invested in this and experimented with different options over time.</li> <li>The move to success profiles should be used as an opportunity to select managers in future who have the right interpersonal and engagement skills – more on this in chapter 4 of this review.</li> </ul>

Studies used: BHD HMRC level results time series by demographics. Engagement Drivers and Organisational Culture of HMRC and DWP. People Engagement in HMRC – To ExCom and Trade Unions 2012, Analysis of free text comments from 2017 People Survey.

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## Annex C – What Respect at Work means to you

The Word Cloud shows how “treat” is used most frequently, in the sense of treating others in a particular way, whilst other words such as “people”, “everyone”, “colleague”, “manager” and “individual” also echo how people define respect as interactions between people and thus it is a very personal experience.

Grade, age, belief, religion, disability, gender, background, and “equally” all feature on the Word Cloud as commonly cited words. Our contributors had a real focus on respect meaning that people feel included in the workplace regardless of their background or characteristics. The other facets of what respect means can be understood in some of the action words used: “listen”, “appreciate”, “trust”, “value”, “support” and “recognise”, all being highlighted as desirable actions that people and the organisation should take on to create an environment of respect. Others mentioned “living and working by the Civil Service Code”.

Focus groups answered this question with the following areas of broad agreement:

We should all seek to have “unconditional positive regard” for others, in the words of one participant – trying to see the best motivations in others unless evidence showed otherwise. Almost all agreed that this was the right aspiration, but as fallible human beings we will not always live up to these. What is then necessary are best endeavours, and apologising when we don’t live up to the standards to which we aspire.

Everyone’s individual contribution should be valued, with frequent thanks given for hard work, and the ability for people to innovate and experiment with as little bureaucracy as possible.



# Annex E – Detailed analysis of policies

## Recruitment and promotions

**Overall assessment:** The recruitment policy is relatively complex. The movement to success profiles is a welcome way of trying to recruit on a rounded basis, reflecting the range of skills, experiences and competencies an individual brings to a position.

The Good	The Uncertain	The areas for improvement
<ul style="list-style-type: none"><li>• The recruitment policy sets out the big picture and the wide range of corporate responsibilities that need to be undertaken by senior leaders and HR.</li><li>• There is a useful mention of the requirement to declare a conflict of interest and for the panel to be independent.</li></ul>	<ul style="list-style-type: none"><li>• It is unclear how independence in the recruitment process is enforced or assured.</li><li>• We heard from many individuals that bulk recruitment campaigns resulted in individuals being posted into areas outside of their skillset with limited support.</li></ul>	<ul style="list-style-type: none"><li>• It is not immediately clear how to progress recruitment as an individual line manager.</li><li>• We heard from multiple parties a real concern over how fair and open recruitment was in practice</li><li>• There is limited guidance on how to resolve issues or conflict.</li></ul>

**Recommendations:**

There are gaps in how HMRC receives assurance its recruitment process is working. A more robust definition of what an independent recruitment process is required to be stipulated in the policy, as well as outlining more clearly the recourse available if a process was not handled appropriately. Strengthening governance around recruitment should be explored to build employee confidence in the system.

## Pay and reward

**Overall assessment:** The Respect at Work Review is not about pay. We are focussing on how the culture of HMRC aligns or falls short of its values, and where this can be improved to make a tangible difference. However, it is impossible to ignore the strength of feeling about pay. Of the initial comments on the launch blog, and in subsequent submissions to the Review, many were about pay. Many individuals in HMRC feel disrespected due to a series of below inflation pay rises and the previous pay freeze.

The Good	The Uncertain	The areas for improvement
<ul style="list-style-type: none"><li>• HMRC follows the Civil Service framework on pay.</li><li>• Pay and contract reform project is underway and examining these issues.</li></ul>	<ul style="list-style-type: none"><li>• There are mixed and irreconcilable views of pay within the organisation: from individuals who believe in an equitable system of pay increases based on consistency and continuity, divorced from performance or market rates of pay, to those who think that high performance and scarce skills should be rewarded commensurately.</li></ul>	<ul style="list-style-type: none"><li>• There is a clear breach of the psychological contract (the “deal” between an employer and its staff) for many people. Many people felt promises have been broken by HMRC’s leadership in failing to advocate the workforce’s case for higher pay to politicians.</li><li>• To be eligible for a high performance award, performance related payments (bonuses) can be paid to individuals for task or behaviours.</li></ul>

### Recommendations:

We would suggest in the remit of the Review that payment for completion of task whilst laudable should not be the only factor for consideration. Ensuring that individuals deliver in alignment with the HMRC values is also important, and in some cases the way in which individuals deliver could be rewarded. Superlative delivery could be delivered in the short term through bullying or inappropriate behaviour that would prove counter-productive in the long term, and should not be rewarded.

The pay and contract reform project is committed to listening to the feedback provided in this review and will continue to engage with HMRC staff.

## Performance management – the new system

**Overall assessment:** Given the unpopularity of the old system, it is to be welcomed that the performance management policy and process was revised in an inclusive, crowd-sourced way.

The Good	The Uncertain	The areas for improvement
<ul style="list-style-type: none"><li>The new performance management system reconfigures expectations in an “adult to adult” fashion enabling pragmatic decisions to be made that fit circumstances on the ground for example setting the frequency of conversations within a broad range.</li></ul>	<ul style="list-style-type: none"><li>It is still too early to assess whether the new performance management policy will deliver improved, respectful outcomes both for the organisation at large, as well as individuals themselves.</li></ul>	<ul style="list-style-type: none"><li>However, from the contributions we sourced from focus groups and interviews, there was a troubling understanding that the new performance management system no longer valued behaviours and was focussed solely on outcomes.</li></ul>

### Recommendations:

We conclude here only that its co-creation and the empowering nature of its framework has established conditions for possible success. However, the perception that values are less important requires further communication to ensure that everyone in the organisation understands that how outcomes are delivered is still hugely important to the organisation and the new Performance Management system is clearly centred around this.

## Performance management – the old policy

**Overall assessment:** The previous performance management policy was hugely unpopular and staff cited it repeatedly to the Respect at Work Review as being a “flagship” policy for disrespecting the workforce. Ordinarily, it seems of little utility to examine a previous policy. However given the strength of feeling in this particular case, the Review took a look at this old policy to see what lessons we could learn from it.

The Good	The Uncertain	The areas for improvement
<ul style="list-style-type: none"><li>The old policy did seek to establish an equal weighting between the “how” of behaviours and the “what” of delivery of task, which signifies that in theory values and respect should have been front-and-centre of its approach.</li></ul>		<ul style="list-style-type: none"><li>As is often the case, the practice of enacting the old PM policy was experienced very differently in some areas, where it was felt that it arbitrarily forced undeserving individuals into the lower performance rating with detrimental impacts on wellbeing (as well as concretely on pay).</li><li>The old performance system had an optional separate process for staff at AO/AA level. Whilst this represents a pragmatic way of managing a large volume of staff, minimising a bureaucratic process of evaluating individuals, this review concludes it might be reasonably construed as disrespectful to fail to engage individuals as individuals, and instead default to a simpler process. Revising processes to suit business circumstances may sometimes be required to deliver a balanced outcome, but ultimately if it sends the signal that certain individuals in the organisation are less valuable and “worthy” of management oversight, this is fundamentally at odds with HMRC’s values.</li><li>Many staff cited research of poorer outcomes through the performance management policy for staff with disabilities or those who worked part time. This eroded trust in the system and made staff feel disrespected. Several studies were undertaken to understand this problem better and failed to find a cause and effect between performance outcomes and particular characteristics, but the perception of unfair treatment nevertheless remains important and impacts on employee experiences hugely.</li></ul>

## Attendance management

**Overall assessment:** HMRC's policies on attendance management walk the tightrope common for many organisations: demonstrating a positive and supportive workplace culture whilst not creating an atmosphere of excessive tolerance that might be exploited. However, we heard many people felt uncomfortable with how the policy was enacted – both line managers and their teams felt there was a lack of capability and support in delivering the right outcomes, in the right way.

The Good	The Uncertain	The areas for improvement
<ul style="list-style-type: none"> <li>Extensive guidance and support materials are available, as well as employee support forums, for different types of illnesses.</li> </ul>	<ul style="list-style-type: none"> <li>There are guidance and training packages available for managers, but as mentioned earlier they can be overwhelming. There is a "wellbeing portal", a "stress and resilience" hub, and the "attendance policy" with 14 associated hyperlinks.</li> </ul>	<ul style="list-style-type: none"> <li>Whilst there are complex support materials out there, some basics appear missing. Many people the Review spoke to mentioned that managers would breach confidentiality with other team members, or contact them whilst they were off sick outside of office hours at times they felt were inappropriate.</li> </ul>
<ul style="list-style-type: none"> <li>Leaders talking more openly about mental health indicate that this cultural shift may start to permeate through the organisation.</li> </ul>	<ul style="list-style-type: none"> <li>Many individuals contributing to the Respect at Work Review suggested that certain types of illnesses were more "acceptable" than others, and stigma around mental health in particular created environments where they did not feel respected or empathised with. Reasonable adjustments were described as being enacted inconsistently, slowly, and in a way that was not sustainable (i.e. could not be accommodated over the long term).</li> </ul>	
<ul style="list-style-type: none"> <li>The attendance process is far more time-bound than many other policies, with specific actions required at certain trigger points. This is best practice for ensuring robust and empathetic conversations (creating a rhythm for both manager and the individual who is absent to ensure absences are as short as possible and that checkpoints for how best to support are built in).</li> </ul>	<ul style="list-style-type: none"> <li>Many individuals contributing to the Review felt that illnesses that were influenced or might be considered to be caused by work, such as a workplace injury or work-related stress, were managed without regard to the link that work had to the illness. Many felt that trigger points should not apply to issues like work related stress as it was a double penalty, as the absence would not have emerged without the workplace conditions.</li> <li>Keeping in touch with those absent from work, for whatever reason, is a critical role for the manager to make sure that colleagues can return to work as soon as they are able, with the support they need. However, the need to respect boundaries between work and personal life remains important, and managers should be advised that the basics of confidentiality and appropriate contact to ensure they achieve the right balance between support and oversight.</li> </ul>	

### Recommendations:

The attendance management policy should be reviewed in the context of how work-related absences are addressed, and considering whether additional support may be required for managers and employees in these circumstances. This work should ensure that mental health issues, and the support and training offered to help support colleagues with these issues, are properly considered.

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# Annex F – Policy Definitions

## Grievance

Used in instances where individuals in the organisation wish to complain about the actions or behaviours of a colleague.

## Discipline

Used in instances where the organisation has a suspicion or belief that an employee's behaviour or actions have been inappropriate and breached the employment contract or gone beyond organisational acceptability.

## Whistleblowing

Used in instances where an employee or other stakeholder wishes to declare a suspicion of wrongdoing within the Department that the individual reasonably believes is in the public interest to disclose.

## Investigations

Used to ascertain the facts and circumstances arising in cases of alleged grievances or in instances where whistleblowing has taken place, and to indicate whether there is a case to answer or not.

## Internal Governance referrals

Determining where investigations should be undertaken – within the line of business or within IG.

## Suspensions

The basis by which HMRC can temporarily restrict an individual from performing duties at work and being present in the workplace, if allegations of the appropriate seriousness are levelled at them.

## Dismissals

The protocol used to remove an employee from being employed by HMRC due to proven gross or repeated serious breaches of duties.

# Annex G – detailed findings on processes

(In)consistency of process	Failure to observe process	Subjectivity of process
<ul style="list-style-type: none"> <li>For grievances, it was noted that record-keeping is dependant on line management for minor cases. This means that multiple occurrences of minor cases may not be correctly escalated. Evidence provided from workshops indicated that record-keeping at a centralised level is also poor, with reasons for dismissal not being held on file if the matter was not criminal. As a result, there were anecdotal instances of employees dismissed and then successfully re-applying to work for HMRC in a different team.</li> <li>Informal grievance resolution and minor disciplinary cases are managed in the line of business. However, it is unclear for each who can be relied upon by line managers to provide expertise and advice. While checklists and how-to guides are available to line managers, they are inconsistent in the level of detail they provide, and may not apply to each case.</li> <li>Checklists are not employed consistently throughout the processes, with some elements (such as the referrals of cases in IG) being based on collective experience. This can lead to further inconsistencies, and does not aid with improving the transparency of the process in order to improve trust.</li> <li>The investigations process map was noted within the workshops as being very complex and confusing, with multiple loops and unclear stakeholders. It was unclear who could be relied upon by the investigation manager to provide advice to aid them in their work, or who needed to be communicated with. There was no process outlined for the appointment of an investigation manager. This means that there could be high levels of inconsistency within the investigation process, compounded by a lack of clarity within the line of business throughout the process.</li> <li>It was noted that the clear delineation between an investigation manager and a decision manager was supportive of producing a process that was fair and transparent.</li> </ul>	<ul style="list-style-type: none"> <li>Cases should be determined for employment and civil matters according to what is likely on the balance of probability. There is a different threshold for criminal matters both within and beyond HMRC, which is beyond reasonable doubt. Sometimes HMRC staff want to continue to investigate to meet the higher bar than is reasonable, and sometimes our people want irrefutable proof rather than make an assessment on what is probable. This means positively that investigations are thorough, but also that they take too long and are unnecessarily resource intensive.</li> <li>Our process is unclear on how an informal resolution of an issue might work, and it forces people into formally recording their issues rather than having an early and open conversation. The grievance test in particular encourages individuals to “store up” issues rather than address them as they arise, as people wait until their experience passes the threshold set in the test. A formal grievance once initiated does not ask what remedy those involved would want and therefore does not deliver satisfactorily.</li> <li>Participants in process mapping noted that alternative process steps and sequences were often used in practice, and the processes themselves are unclear to participants.</li> <li>The appeals process is inconsistent and opaque for users, based upon a lack of guidance available to parties via the intranet, and a lack of awareness within the line of business through poor training on the rights of parties to appeal a grievance or disciplinary decision. This has led, as noted in the workshops, to parties submitting multiple appeals for single decisions, as well as continuously appealing a decision on more than one occasion. The process maps did not include the appeals process for disciplinary or grievance cases.</li> </ul>	<ul style="list-style-type: none"> <li>Cases are all different, and have different contexts and circumstances at play.</li> <li>Individuals have different interpretations of what has happened, and when assessing whether what has gone wrong is serious enough to be investigated independently by IG, significant individual judgment comes into play.</li> <li>There are different views within HR and IG about what the “bar” is for serious or gross misconduct, for example, which can lead to tensions and inconsistencies</li> </ul>

Lack of accountability within process	Feedback loops are incomplete or missing	Capability gaps
<ul style="list-style-type: none"> <li>Where a decision is made that looks truly perverse according to experts in HR, or managers who have more experience in cases, there is nothing that anyone can do to reverse or influence the decision of a decision manager. On the one hand, this reinforces the independence of the decision manager in the system. On the other hand, it means that expertise is not used to make sure the organisation as a whole is making the best decisions possible.</li> <li>The IG Civil Investigations process was not sufficiently linear and lacked identifiable stakeholders and handoffs. The process lacks clarity and certainty for all parties involved, and has inconsistent timescales due to considerations in the process 'looping' without a clear outcome. Workshop outputs indicated the lack of transparency of processes does not inspire confidence in the degree to which the process is fair or accurate. Issues with this process may partly be a symptom of the broader issues identified from other policies being scoped, or a lack of detail on the specific areas undertaken within each process step.</li> <li>There are no clear handoffs between line of business, investigations managers and decisions managers. Policy guidance wording confused decision managers with line managers for minor disciplinary cases, and accountability for each stage of the process was insufficiently clear. The role of decision managers is not clearly set out in a single location.</li> <li>Effective management of processes is inconsistent across processes, especially in relation to timescales. Disciplinary cases have clear KPI's which are well communicated throughout the process and guidance documents to all parties. However, this is not reflected in grievance cases, where timescales appear to be based on the relevant line manager's prerogative.</li> <li>Timescales are well communicated for disciplinary cases, as evidenced by the policy guidance, process map and workshop outputs. However, this is not the case for grievances, which appear to be controlled by the relevant line manager. How-to guides and checklists are inconsistent in their approach depending on the process and stage, ranging from being very prescriptive to being open to interpretation.</li> </ul>	<ul style="list-style-type: none"> <li>Throughout the workshops, it was noted that IG is siloed from other teams within the process, and may not learn the outcome of a case it was involved in. This was replicated in the process maps, where learning and feedback loops were not present. The outcome of this is that learnings from previous cases may not be taken on board, and continuous improvement not fostered.</li> <li>IG's role is to provide guidance and support to the line of business, based on their expertise and experience. However, as the line of business doesn't need to inform IG of whether it has taken on board advice, learnings taken from either the line of business or IG are not shared.</li> <li>As the investigation process is unclear, as highlighted by participants in the workshop and through the process mapping exercise, it is often unclear for line managers who is responsible for maintaining a relationship with the parties involved when an investigation is ongoing. This has been referenced as being an issue over multiple cases.</li> </ul>	<ul style="list-style-type: none"> <li>Mandatory training does not appear to cover what should happen if things do go wrong either in induction or in newly-appointed line manager training. This would aid in terms of clarity of process and understanding the role of the line manager (e.g. in communicating to parties involved). Workshop outputs highlighted the lack of support for all parties, with line managers in particular drawing attention to a lack of experience in conducting grievances and disciplinary cases.</li> <li>While expert advice was offered through IG and CSHR to line managers, workshop outputs made it clear that parties involved were uncertain when it was appropriate to seek advice, and whether this advice could be relied upon later in the process. This could lead to a lack of confidence in the decisions taken within the line of business.</li> <li>Experts such as the IG Referrals Development team and IG investigations managers clearly have high levels of knowledge and experience. However, little of this is codified in checklists or documents, meaning the decisions taken could be inconsistent (particularly if advice isn't taken on board by the line of business) and feedback from previous cases is not shared between IG and the line of business.</li> </ul>

Lack of clarity on communications	Failure to identify appropriate alternative routes
<ul style="list-style-type: none"> <li>• Many of our processes are shrouded in secrecy. In cases of discipline, individuals who have raised an issue are never informed what happens to the respondent due to concerns over confidentiality, whilst individuals who are going through a grievance either as a witness to alleged bullying, the “bully” or the “bullied” individuals themselves are prohibited from talking about their issues within the workplace and therefore getting support from their own local networks.</li> <li>• Throughout all process maps, it was unclear which parties should be communicated to, when, by who, and using which channel. This means that inconsistencies were commonplace based on feedback gained from the workshops, with some stages in particular leading to long periods without communication, such as investigations conducted by an independent investigations manager.</li> <li>• Guidance provided to parties was found to be fragmented across the intranet, with multiple documents and sources. This could lead to too much information which is irrelevant to the needs of the party involved. The fragmentation of documents was compounded by the language which was also inconsistent. KPMG found evidence in documents of collaborative language alongside far more ‘assertive’ terms relating to the process. This was considered to have the potential to cause fear and anxiety by workshop attendees.</li> </ul>	<ul style="list-style-type: none"> <li>• Our processes refer individuals to the line manager as the first port of call, or the management chain if not appropriate. Many individuals feel unable to approach the problem in this way, as their issue is with the manager/management chain. The provision for going elsewhere is confusing, particularly when confidentiality is prized so highly. When the case is sufficiently serious to involve an independent investigator (through IG), this route is often not sufficiently understood and people may either fail to involve IG and muddle through alone, or may provide an unclear referral which slows down the process of IG determining whether it meets the threshold of requiring action outside of the line of business.</li> <li>• Whistleblowing is an unclear policy with substantial gaps in who is accountable at various parts of the process, and how individuals can navigate these in a way that is sensitive to the seriousness of allegations that are made in the course of blowing the whistle.</li> </ul>

Lack of a range of penalties	Lack of support within process
<ul style="list-style-type: none"> <li>• Our penalties for inappropriate behaviour are punitive and do not try to address root causes or prevent them from happening in the future, for example by offering more training, mediation, or support.</li> <li>• If someone is dismissed for serious or gross misconduct, the Civil Service has only limited levers to avoid recruiting them back into the organisation. Individuals are expected to honestly record their history on applying, and there is no central register at present to capture this information and flag cases where reappointment within a certain timeframe would not be desirable. The Internal Fraud Register is one of the few places where cross-Government cases of this type of misdemeanour are recorded, but there is a lack of clarity within HMRC of who is accountable for its data quality and utilisation in the Department.</li> </ul>	<ul style="list-style-type: none"> <li>• The duration and heightened emotions of experiencing a formal process of being investigated, suspended, involved in a grievance or disciplinary means that often individuals become unwell and are unable to attend work. This impact on health is regrettable purely on a human level, but it also means that processes are slowed down even further from resolution as it is hard to obtain evidence and statements from affected parties.</li> <li>• It was hard to find our values of respect in “recognising the achievements of others” and “being friendly and courteous” within the policies. The process did not include opportunities to thank participants for their support to the process, and the documentation supporting the process lacked warmth or empathy.</li> </ul>



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