

Grass Roots Employee Engagement Forum

SUMMARY DOCUMENT



About the Grass Roots Employee Engagement Forum

We were delighted to welcome delegates from a wide range of industries to the Employee Engagement Forum at the Institute of Directors, London.

Many of the organisations represented contributed to the Engaging for Success report to government by David MacLeod and Nita Clarke, and everyone taking part occupied senior roles relating to employee engagement including internal communications, HR and reward.

Professor Katie Truss of Kent Business School and a member of the Employee Engagement Taskforce Guru Group opened the session with a presentation on "Employee Engagement, A Business Imperative".

Attendees then discussed the barriers and challenges for implementing a sustainable employee engagement strategy, and shared ideas and solutions for achieving measurable increases in employee engagement.

This document brings together the outcomes of the group discussions, including the top five barriers to engagement, and ideas and tips that were shared on the day. We have also included a brief summary of Katie's presentation for your reference.

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Today has been really informative, a great opportunity to network with other people, benchmark ourselves and to take a few moments out to think about where to go next with engagement.

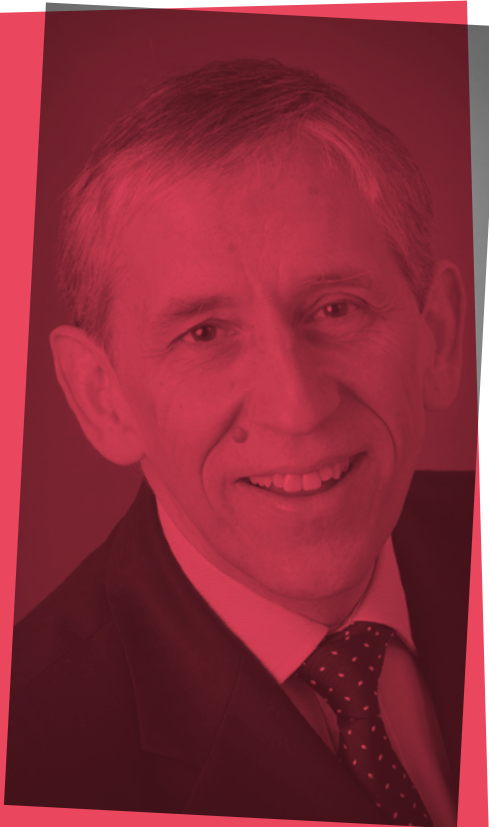
Andrew Wiggins, Head of Engagement at Cable & Wireless Worldwide

Introduction

Thank you for contributing to the success of the Grass Roots Employee Engagement Forum, and for your ongoing commitment to achieving a step change in productivity and performance across the UK through successful employee engagement initiatives.

Events such as these provide an excellent opportunity for organisations to collaborate, share experience and discuss practical tools and solutions for employee engagement.

David MacLeod



Round Table Discussion 1

What are the barriers to implementing a sustainable employee engagement strategy?

Groups were invited to identify the common barriers within an organisation to implementing a sustainable employee engagement strategy.

Through analysis of the discussions, we have identified the five most prevalent barriers as:

Top 5 barriers

1. Line managers' skill and competency
2. Organisational complexity
3. Communication
4. Senior leadership buy-in and skills
5. Lack of a compelling business case



Many front line managers are high performers in their area of speciality, but lack people management skills.

Barrier 1: Line managers' skill and competency

This was by far the most common challenge shared by the groups. Specific examples of how line management skills and competency can be a barrier to delivering effective engagement strategies included:

- Line managers can feel stuck in the middle between senior stakeholders and front line employees, unsupported and unclear about the overall engagement strategy and their role in delivering it.
- Line managers often have little previous management experience or training, and in some cases the job design itself is wrong.
- Line managers are sometimes ineffective at helping their teams to understand the structure of the organisation, and each employee's role within it.
- Line managers can lack the right balance between role competency and people skills. The need for 'hands on' experience and knowledge varies considerably (for example, it's considered essential in the legal and medical sectors), but the requirement for people skills is universal.
- Some employees have more than one manager, which can make consistency for the employee a real challenge.
- Some organisations have reduced their investment in management skills for new line managers.
- Line managers need to understand the link between employee and customer engagement, to enable them to align the behaviour of their teams to customer expectations.

More than a quarter of British employees do not respect their manager and nearly half are not motivated by them. One in three employees (36%) say their supervisor fails to provide clear instructions, while one in four workers (23%) dislike their managers.

ICM Research 2011

Barrier 2: Organisational complexity

The groups discussed how organisations are often multi-faceted and constantly evolving. This can cause challenges for the implementation of a consistent engagement strategy across the entire organisation. Barriers identified included:

- Understanding and achieving consensus on what employee engagement means for a particular organisation can be a lengthy and difficult process.
- Applying rigid universal engagement principles to different sites and populations is ineffective - the spread of people across the country or globe means that one engagement strategy may work in one area but not another.
- There are often multiple stakeholders which can create confusion and break the 'line of sight' when messages and management styles are inconsistent or conflicting (for example in global and unionised environments and those with cross functional project teams).
- Organisational structure and traditional hierarchy can lead to disenfranchised individuals or groups (by region or department).
- Different areas of the business may have their own culture and way of doing things, and resist influence from a Head Office or central team.
- Achieving consistency between external and internal brand perceptions can be tough, particularly where the industry may have potential negative associations.

One size doesn't fit all.



“ Not all leaders behave in a way that is consistent with company values and behaviours. ”

Barrier 3: Communication

The single biggest problem with communication is the illusion that it has taken place

George Bernard Shaw

All groups agreed that poor communication can be a significant barrier to effective engagement initiatives:

- Employees are ‘switched off’ by generic communication approaches that are not personalised or relevant to the individual. Communication with different areas of the business needs to be done in a tailored way (particularly for global organisations).
- There is a need to ensure that line managers have the necessary communication skills to cascade information and key messages to their teams.
- Generic feedback from employees to the organisation is of little value if not acted upon. Surveys, comments and suggestions must drive change within the business in order to avoid disenfranchising staff.
- People do not always understand or place enough value on their entire reward and benefits package because of ineffective communication.

“ In large organisations it’s not easy to ensure that the right message gets to the right people at the right time. ”

Barrier 4: Senior leadership buy-in and skills

Discussions highlighted challenges associated with the senior leadership community, with some common themes emerging from each group:

- Values and behaviours may not be delivered consistently (or visibly) by the leadership team, particularly when conflicting stakeholder pressures come into play.
- Senior leaders may underestimate the significant impact that their own behaviours have on the overall culture and environment within the organisation and employee engagement levels.
- Leadership teams don’t always make the link between employee engagement and profitability, so employee engagement is not always a key performance measure.

Trust in executives has a stronger correlation with high engagement than trust in immediate managers; however employees are more likely to trust their immediate managers than the executives in their organisation.
Blessing White
Global Engagement report 2011



Barrier 5: Lack of compelling business case

The need to produce a business case demonstrating the commercial impact of employee engagement and its overall effect on profitability was regarded by many as a barrier to implementing engagement initiatives:

- Conflicting stakeholder pressures can put a stop to engagement strategy implementation or move engagement down the list of priorities.
- Drawing on the success of other organisations and on the research conducted by academics is helpful, but not always enough to justify the investment in engagement initiatives.
- Predicting and demonstrating return on investment for a particular organisation can be perceived as complex, time consuming and sometimes intangible.
- In particular, producing company-specific evidence that links employee engagement with customer engagement metrics can be a challenge.

We need people to take engagement seriously so that it doesn't get dropped when another initiative comes along.

Round Table Discussion 2

Ideas and solutions for achieving measurable increases in employee engagement.

Eight headline topics emerged when we brought together everyone's thoughts, ideas and suggestions for strengthening employee engagement and removing the barriers to implementing successful engagement strategies.

1. Foster people management skills
2. Make engagement meaningful for your organisation
3. Enhance the employee experience from start to finish
4. Create alignment between employee and customer engagement
5. Make the shared responsibility of employee engagement clear
6. Communicate, communicate, communicate
7. Develop inspirational leaders
8. Build the business case

Great people management should be recognised, just like any other business skill.



People look to their managers, not just to assign them a task, but to define for them a purpose. Managers must organise workers, not just to maximise efficiency, but to nurture skills, develop talent and inspire results.
Chartered Management Institute, May 2011

The HR Director for AXA shared that they put a cardboard tree in reception and asked employees to write down just one nice thing their line manager had done and stick it on the tree. After a couple of days this tree was absolutely covered with post-it notes of all the things that the managers had done that employees had really appreciated. They linked it in with some of their reward and recognition schemes.
Professor Katie Truss

1. Foster people management skills

- Ensure that the job design for each manager is up-to-date and adequately reflects what is required of them in terms of people management and engagement.
- Provide succession planning training and support so that candidates are ready to manage people before they are actually promoted to management level.
- Help new managers to understand the difference between being a great employee and being a great manager, through training which is supported and modelled by their own manager.
- Get the balance right between technical ability and management skill when selecting managers.
- Ensure that managers are equipped to translate vision into day-to-day business practices, and help them to show individuals the value of their role in achieving the organisation's goals.
- Give managers all the information they need to help make their lives easier.
- Ensure that line managers are included in engagement initiatives - engaged managers are more able to help their teams become engaged.
- Balance the visionary and leadership capability with task management when selecting line managers.
- Measure and manage success for people managers by including engagement in their KPIs.

2. Make engagement meaningful for your organisation

- Define what engagement is for your people, your culture, and your business – cut down on the jargon.
- Understand and define what engagement looks like in different areas and within different roles, and how it links to your organisational values.
- Identify what employees should experience day-to-day in an engaged environment.
- Identify what success would look like and how success will be measured for example: positive feedback from employees, higher volume of good ideas generated, organisational values being reflected in behaviours, employees using 'we' rather than 'they' when referring to the organisation.
- Make engagement a KPI throughout the business.
- Develop and articulate values in a way that is meaningful to people, and ensure that they are consistently demonstrated day-to-day.

Use employee forums and union relationships to test ideas and formulate solutions that impact engagement levels.





3. Enhance the employee experience from start to finish

- Review the recruitment and selection processes as well as job designs to ensure the right people are being recruited to do the right jobs. It is proven that job fit plays an important role in engagement.
- Identify and understand the needs of individuals at different points in their 'lifecycle', for example, pre-joining, anniversaries, promotions, maternity / paternity leave, project successes.
- Modify content and tone of voice so that employees are treated as individuals, and that they receive messages that are immediately relevant and interesting.
- Help employees to understand the organisation's business strategy and their role in delivering it.

Rather than the typical scenario, in which a supervisor decides whom to hire, the employees who will be the new worker's peers make the choice.

CFO.com on Beaulieu of America

Support employees, particularly when people outside the organisation (friends, press, public) may be derogatory about the business. Let them know who to go to for further explanation if needed.



4. Create alignment between employee and customer engagement

- Allow employees to define how they would deliver the brand and the customer experience by asking questions such as "What does this value mean to you, and how can you display it in a customer situation?"
- Plot customer satisfaction against employee engagement and share correlations widely across the business.
- Use the Gaps Model of Service (Parasuraman et al. 1985) to help identify the differences between customer expectations and experience. There have also been additional important gaps identified to enhance this model, such as:
 - o The discrepancy between customer expectations and employee perceptions of customer expectations
 - o The discrepancy between employees perceptions of customer expectations and management perceptions of customer expectations
- Align external and internal brand perceptions wherever possible.
- Ask customers and employees at all levels in the organisation to give their view on what the brand or the customer experience means to them. Then play it back to teams to demonstrate the impact they have, so that any misalignment can be addressed.

Certainly our research - and probably your own experience - has shown that where you have engaged employees, in all probability you are going to have engaged customers as well
Prof. Katie Truss



Get to know your audiences really well. We did, and now we have some internal communications that go out in a Sun-like format, as that tone of voice resonated best.

5. Make the shared responsibility of employee engagement clear

- Ensure that having named 'Employee Engagement' departments or management positions does not engender an attitude that it is 'all their responsibility'.
- Some organisations now use the word 'communications' instead of 'engagement'. If your organisation considers the term engagement to be faddish, consider what language would work better.
- Make the most of existing mechanisms (such as performance reviews and employee forums) and use them as opportunities to discuss areas of responsibility, involvement and ownership.
- When sharing employee survey results, ask for suggested solutions from all levels of the business.

The entire workforce needs to be accountable for their piece of the 'engagement equation' every day
Blessing White 2011

6. Communicate, communicate, communicate

- Provide a feedback structure through which employees who are closest to the customer can share their issues, challenges and ideas for making things better.
- Communicate what action you have taken as a result of feedback received.
- Develop 'Employee Engagement Champions' who are outside the mainstream hierarchy, but have special training around engagement and organisational values and how they can be implemented.
- Work with regional internal communications teams to help them accurately interpret corporate messages, and convey them in a way their local teams will respond well to.
- Check how messages are being disseminated through the business, with a view to ongoing improvement of communications impact.
- It is common practice to measure customer communications against key metrics of success such as levels of feedback or click through rates on emails. Applying this principle to employee communications can provide equally valuable insights.

One large multinational has found that by using web discussion forums rather than email to ask questions within a 100,000+ global workforce, half the respondents to a question posed came from people unknown to the person asking the question. Of all the answers back, the most useful came from those unknown respondents.
Unwired and Regus, May 2011





7. Develop inspirational leaders

It's important for employees when they look up in the organisation to see senior managers delivering the values.
Prof. Katie Truss

- Develop emotional intelligence across the leadership team, including awareness of their own behaviours and how they are perceived by and impact upon others.
- Equip leaders with the tools and support needed to create a compelling vision and share it with others in an inspiring way.
- Help the leadership team to break engagement issues into short, medium and long term goals. Support the development of solutions with leaders at all levels, focusing on actions and outcomes.
- Encourage leaders to be visible, asking questions and giving employees the opportunity to ask questions of them.
- Develop future executives by providing an ongoing leadership programme for those identified as having high leadership potential.
- Make engagement an ongoing conversation at the highest levels of the business.

8. Build the business case

- Use existing relevant case studies and evidence, such as examples from Chapter 2 of Engaging For Success by David MacLeod and Nita Clarke.
- Collaborate with other business areas such as marketing, customer service, HR and internal communications to build a cross-functional business case.
- Surveys may already show that some departments or locations have higher engagement rates than others – these can be compared and contrasted with performance levels to identify correlations.
- Pilot studies can be used to prove the viability of an engagement programme before organisation-wide roll-out.
- Include the risks of what would happen if no action was taken.

Analyse data from across your business to build your business case. We found a correlation between low customer satisfaction, low engagement and high absence and used this to make a compelling case for action.
Leading UK retailer

Hold 'skip level meetings' where leaders spend time with employees who are not their direct reports. This is an opportunity to demonstrate their visibility in the organisation, and to hear about the challenges employees face from a fresh perspective.





Katie Truss spoke about why employee engagement matters and what makes a difference. Here are few of the points she made during her presentation.

Employee Engagement: A Business Imperative

Highlights of the presentation by Professor Katie Truss[®]

The Employee Engagement Taskforce

The concept of engagement has clearly won the hearts and minds of successive governments in the UK. The second MacLeod Review has just been announced, and when David Cameron introduced the work of the Taskforce, he said "Employee engagement is about corporate performance and also individual wellbeing" – clearly the main reason why government is so willing to invest in these reviews.

Feedback following the first MacLeod Review was "You have made a great case for the importance of engagement, but what do we do now?" The second MacLeod Review is therefore charged with providing guidance about where we should be going next in terms of actions and interventions that really make a difference in the workplace.

An engaged employee...

- Thinks hard about work
- Discusses work with others
- Feels good about work

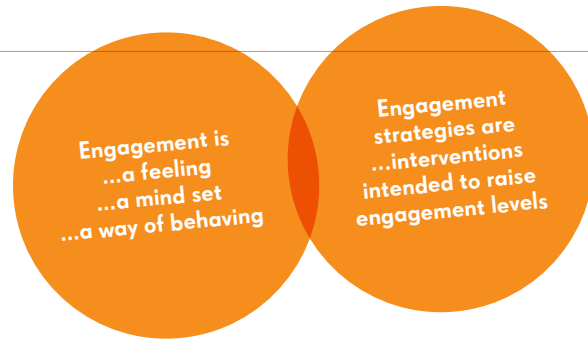
The key questions for employee engagement:

1. Am I in the right job?
2. Do I make a difference?
3. Am I treated with respect?
4. Do I know where we are going?

If an individual can answer all four positively, then in all probability they will be engaged.



In 2007, Nampak Plastics found that 80% of their employees would not recommend them as a good place to work. They managed to turn the situation around so that three years later the absolute reverse was true: 80% would recommend their company as a good place to work. They also attributed raising levels of engagement to a reduction in the number of accidents, which went down by 23% over a 3 year period.



Employer advocacy

Research about engagement for the CIPD in 2006 showed that only 36% of employees could be identified as champions (that is, happy to recommend both the products and services, and also happy to recommend their employer to someone else), and 47% emerged as fence sitters. There is an awful lot of untapped potential there. Most of the people who are champions are also the engaged employees.

Effective mission and values

The most powerful missions and values are very simple, very snappy and have emotional appeal. The LV= mission is to "To help people look after what they love", and the company has four core values:

- Know your stuff
- Don't wait to be asked
- Treat people like family
- Make it special

Selecting for engagement

There are associations between certain personality traits and levels of engagement. Extroverts and those high on conscientiousness are more likely to be engaged than introverts and those low on conscientiousness. However, these associations are really not that strong, so there seems to be limited scope and appeal in selecting employees for their propensity to be engaged. Focussing on what we do and how we manage employees is a better way forward.

There is a lot of evidence to show that engaged employees also experience a superior level of wellbeing. In other words they are happier, more contented and more healthy.

Prof. Katie Truss

A recent employee survey showed that 93% of LV= employees strongly believed in the company's values. LV= went from making a loss of £30.1 million in 2008 to turning a profit of £7.9 million in just the following year. Within three years they had quadrupled the sales of their insurance premiums – a massive achievement – and halved sickness absence at the same time as significantly raising engagement levels.

If there was one thing I could change that would raise the health of the workforce, it would be to improve the quality of line management in the UK.

Dame Carroll Black, author of the influential report 'Working for a Healthier Tomorrow'

Thank you

Everyone attending the forum played a part in shaping this document, and we extend our thanks and appreciation to you all.

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|--------------------|--------------------------------|
| Alison Meale | Prudential UK and Europe |
| Alison White | Grass Roots |
| Alyson West | Citi |
| Andrew Wiggins | Cable & Wireless Worldwide |
| Andy Cartwright | Grass Roots |
| Andy Lister | Grass Roots |
| Angie Main | Barclays |
| Becky Stewardson | British Gas |
| Carolyn Nixon | UK Power Networks |
| Catherine Fallon | HSBC |
| Claire Ford | Marks & Spencer |
| Claire Marlowe | Barclays |
| Elizabeth Thompson | RBS |
| Francis Goss | Grass Roots |
| Graham Browning | Freshfields Bruckhaus Deringer |
| Hilary Osmend | Everything Everywhere |
| Jennifer Batey | BAA |
| Jodie Carroll | Everything Everywhere |
| Kathryn Milne | BP |
| Katie Truss | Keynote speaker |
| Kirstie Miller | Cable & Wireless Worldwide |
| Lindsey Oliver | British Gas |
| Miriam Futter | John Lewis |
| Neridah Jarrett | PricewaterhouseCoopers |
| Nicola Mayling | British Gas |
| Paul Bartlett | Grass Roots |
| Peter Scraton | BAA |
| Phil Key | Barclays |
| Ruth Chapman | Grass Roots |
| Sally Jackson | Prudential UK and Europe |
| Steven Weeks | NHS Employers |
| Tansy Baxter | Grass Roots |
| Valerie Moncur | Berwin Leighton Paisner |
| Vicky Edwards | Grass Roots |






About Grass Roots

Practical tools and solutions

With over 30 years of experience, Grass Roots has developed a suite of practical tools and solutions that address the common barriers to employee engagement in an organisation. We can support you in delivering a positive employee experience for all or any of the five employee engagement drivers:

- Culture & Environment
- Leadership & Management
- Reward & Recognition
- Purpose & Development
- Communication

Whether you require a localised or organisation-wide solution, we have the tools and expertise to help you to deliver measurable and sustainable improvements in employee engagement.

 CULTURE & ENVIRONMENT	 LEADERSHIP & MANAGEMENT	 REWARD & RECOGNITION	 PURPOSE & DEVELOPMENT	 COMMUNICATION
<p>Organisational behaviour change programmes</p> <p>Behavioural competency framework development</p> <p>Employee engagement health check</p>	<p>Leadership and management skills development</p> <p>Management assessment centres</p> <p>Manager's engagement toolkit</p>	<p>Recognition and incentive tools</p> <p>Tax efficient benefits</p> <p>Total reward communications</p>	<p>Employee feedback and pulse surveys</p> <p>Skills assessment and role alignment</p> <p>Skills and knowledge development tools</p>	<p>Employee Engagement Hub</p> <p>Employee lifecycle and segmented communications</p> <p>Live employee communication events</p>

For more information on our engagement tools and solutions, please contact Francis Goss: email francis.goss@grg.com or call 07711 435 494



Grass Roots
Pennyroyal Court
Station Road
Tring, Herts
HP23 5QY
01442 829400
www.grassroots.uk.com