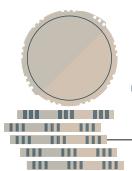


# EMPOWER AND INSPIRE THE RIGHT PEOPLE AND THEY WILL EXCEL

Getting the best from staff can mean the difference between success and failure in a business world full of ups and downs, as Tim Smedley reports



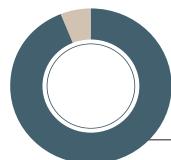
## EMPLOYEE ENGAGEMENT



**£25.8bn**

Predicted increase in GDP if the UK improves engagement levels to match middle-to-top performing countries, such as the Netherlands

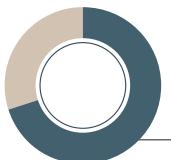
Source: Engage for Success



**94%**

Of the world's top companies believe their efforts to engage employees have created a competitive advantage

Source: Hay Group



**70%**

Of engaged employees indicated a good understanding of how to meet customer needs

Source: CBI-AXA



**80%**

Of business leaders say employee agility, the ability to anticipate and lead change, was most critical to their company's success

Source: CEB



**30%**

Of employees are now working directly with 20 or more colleagues on a daily basis, so employers must be more focused on engaging staff for collaboration

Source: CEB

Employee engagement could also be known as “getting employees so excited about their job and the company that they give their all, and in doing so make the company more successful”. It sounds too good to be true. But in actual fact, there are plenty of examples out there of how this can be achieved.

The multi-sector services company Sodexo, for example, won the Investors in People Award this year by focusing on communication, recognition, and learning and development.

Across its 35,000 people in more than 2,000 locations, this included chief executive

roadshows, leadership Q&A sessions, health and wellbeing initiatives, recognition awards, and even recruiting a former rugby world cup winner Matt Dawson as an “engagement ambassador”

Taken individually, such things might seem gimmicky, but taken as a whole they reinforce a message that employees are valued and their ideas matter.

“When people started talking about this 20 years ago, it was about sending out messages from the top and newsletters,” says Jeremy Starling, managing director of employee engagement consultancy Involve, whose clients include AstraZeneca and Vodafone.

“But it has moved on to being about... employees helping to create and contribute to the purpose of the company.”

At Sodexo this came down to “having the right infrastructure to say ‘we trust you in your day-to-day role to make decisions that you believe are right for our customers,’ says Angela Williams, HR director for Sodexo UK and Ireland. “That means there’s an entrepreneurial spirit and a lot of autonomy.”

Creating staff autonomy and measuring performance by outputs, rather than by prescribing their inputs, is central to improving employee engagement. “It’s freedom within a framework,” says Mr

Starling. “It’s the leadership’s job to sell the why and the what – why we are doing this, what we are all about – but then you ask your people the ‘how’. Your people are the experts; by asking them and by acting on their ideas they feel they have a stake in it, that it’s theirs and not just something being done unto them.”

In the mid-2000s, the Gleneagles luxury hotel in Scotland launched an employee engagement scheme for its 800 staff. Staff quarters were refurbished to look as plush as the guest suites, a new canteen was built, and artistic black-and-white photos of staff were taken and framed. Community initiatives



were also launched and staff visited schools to talk about careers in hospitality. The hotel subsequently avoided catastrophe during the recession via the goodwill of its employees helping out in new roles. Chauffeurs even became golf caddies. HR director Janette Scott puts this down to “communication on a two-way basis and being absolutely open. In the recession, people did what they did because they were truly proud to work for Gleneagles the brand and the organisation, and felt they wanted to do their bit to protect it”.

The same approach doesn't necessarily suit every business. Engagement consultants Hunter Roberts were called in by global chemicals company Chemtura in a last-ditch attempt to stave off bankruptcy. “We agreed a very clear business plan,” recounts Susy Roberts, Hunter Roberts’ founder, “and cascaded this right through the organisation by giving every single person their own commitment and results plan, showing them what they needed to do and what their measure of success was.” \$100 million was added to the company’s market value within a year. It had given previously disillusioned employees a new clarity and purpose to their role, and also a renewed sense of freedom by trusting them to achieve the results as they saw fit.

Employee engagement, measured as discretionary effort and intention to stay in the company, is the highest it's been in the past five years, according to leading member-based advisory company CEB. Record numbers of employees are volunteering for

extra roles and responsibilities at work. Yet this is largely to protect their jobs, rather than feeling more engaged with the company. In fact, 60 per cent of highly engaged employees report they are now less engaged and that the work they do is not aligned with company goals.

One of the simplest yet effective metrics for employee engagement is optimism – conveying a belief that the organisation will perform well in the future. In many cases higher effort comes from a combination of pride, energy and optimism, more so than so-called ‘concrete’ benefits, says CEB.

Focusing on values is best suited to a business that is already performing well and is attempting to increase performance still further. Focusing on role clarity and a clear business goal is better for businesses that need turning around. The same goes for small or large companies, but the tools may be different. “In small companies it’s much easier and quicker to get alignment, because you’re not working across a global audience,” says Ms Roberts. “But equally you’ve not got the same power of support functions, such as HR and internal comms, that you have if you’re a big global company.”

Similarly, says Mr Starling, the most powerful way to boost employee engagement is face-to-face. “It’s an emotional conversation, you can’t do it by e-mail,” he says. “A smaller business can get all the management together quite easily. A global organisation can’t do that, so then you start to bring in things like webcasting and building champions within

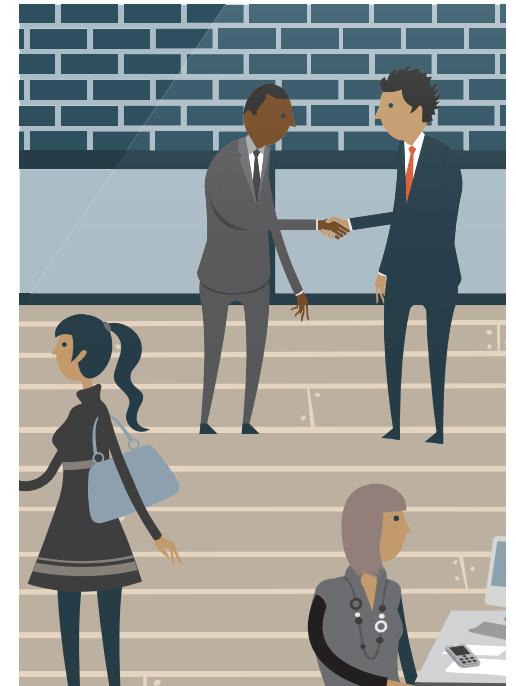
the business – a self-selected group of people who are very passionate about business purpose and about bringing it to life.”

Some may still believe that employee engagement only really comes down to one thing – how much people are paid. As a concept, however, this has been increasingly and vocally discredited, says Ms Roberts. “Pay and reward has to be reasonable, but providing it is reasonable, then giving someone a pay rise is only a motivator for two days. [Pay] is actually only a demotivator, if they really feel undervalued by what they’re paid,” she says. A significant proportion of engagement though does come down to hiring the right people in the first place. As Gleneagles’ Ms Scott

says: “If people are a miss-match culturally to the organisation, it’s always going to be very difficult to engage them. Part of the recruitment process is trying to make sure the people we do recruit can believe in and support the core values set and culturally fit the organisation.” But every company has to start somewhere. “The first step is what are you going to engage employees with?” advises Mr Starling. “They have to be engaged with something. The biggest trend we are seeing is that companies are really trying to articulate their purpose – what they stand for.” B&Q, for example, has even simplified its purpose down to one word – “helpfulness”. Engaging employees around a clear business goal, giving them the support and freedom to achieve it, and ensuring that they feel valued means you are more successful, you have better customer experience, you’re more

efficient, you have better ideas coming in and are quicker to change, says Mr Starling. “It’s not some side project to get a little bit more out of people, run by the HR department. It resonates across the whole organisation and is a massive, ongoing effort.” 

**The most powerful way to boost employee engagement is face-to-face. [...] It's an emotional conversation, you can't do it by e-mail.**



# SEVEN DOESN'T HAVE TO BE LUCKY IF YOU HAVE A SYSTEM

Want to turn your rabble of yawning shirkers into an elite squad of motivated over-performers? Then try these seven simple tips, each drawn from exceptional corporate environments by **Charles Orton-Jones**

BEST PRACTICE

## 1 HOST YOUR OWN GLASTO

Away days don't have to be awful. Digital marketing agency iCrossing threw iFest, its very own music festival in the countryside outside Brighton. It had bands, DJs (mostly iCrossing staff), tipis, photo booths, Pimms, local ales and hog roasts. The 150 staff brought their families and partied through the night. The response was so positive, the firm immediately set about planning the next one.

## 2 NURTURE HIGH-FLYERS

At Nationwide, the world's largest building society, the HR team creates annual programmes for employees at all levels of their development. These include individual assessments, writing plans for their progression, modules of formal learning, peer coaching, visits to other organisations to learn from their practices and secondments to Nationwide's charity partners to work on their business projects. Gill Hill, Nationwide's head of talent, says the scheme pays for itself many times over: "It increases employee engagement, retention of staff and length of service, and supports succession planning."

## 3 SHRUG OFF FAILURE

Ernst Stavro Blofeld had no time for failure. Yet despite his plans for world domination, James Bond always won in the end. Brompton Bicycles takes a different approach to Blofeld and seems to be thriving because of it. Managing director Will Butler- Adams says: "At Brompton we have a strong culture of not over analysing an opportunity. We calculate the worst-case scenario, make sure we can afford that and then get on and go for it. If we muck it up, those responsible feel bad enough as it is. The silver lining is that we learn and make sure it doesn't happen again. Calculated failures are a part of learning and growing – embrace them."

## 4 MAKE WORK A GAME

Bizarrely, some of your workers would rather be at home playing Grand Theft Auto 5. Why? Because games are fun. Work is hard and gruelling. So why not turn work into something more "gamey". In fact, gamification is a hot trend right now. Take customer relationship management (CRM) packages. It is tedious to insert data. So CloudApps has created a Salesforce.com plug-in which awards points and badges to

the best users. The firm's motto is "Turning adoption into addiction". Does it work? Cisco says it achieved a 64 per cent increase in adoption by its sales team via the gaming approach.

## 5 FOCUS ON THE LITTLE THINGS

Tiny acts of recognition can be powerful motivators. Virtual secretary firm Moneypenny answers calls for 6,000 UK firms. It creates teams of four to foster togetherness and local decisionmaking. Good performance gets a bonus of £10 which teams save up for an outing. A "Wall of Fame" recognises outstanding ideas, and those serving ten years get a reserved parking space and Walk of Fame star. There are free ice-cream van visits, eggs at Easter, roses on Valentine's Day, competitions, and a company newsletter, The Khazi Times, is posted on toilet doors. In an industry where 35 per cent staff churn is normal, Moneypenny has less than 2 per cent and has never needed to advertise for staff.

## 6 BE A LEARNING CULTURE

And how can you be a learning culture? By giving employees both the time and money to invest in their development. At branding

agency RPM, employees are encouraged to take career breaks to pursue education or to "just have an adventure outside work". An "Experience Fund" offers up to £1,000 for time-off or volunteering. Breaks can last up to six months.

## 7 ASK YOUR WORKERS

Perhaps we are doing this all wrong. Instead of gleaned your tips from Raconteur in The Times, you should be listening to your staff. At marketing agency DigitasLBi, a group of 22 employees are picked each year to form a "Culture Club". This examines the way the firm works, looks at the best way to make life better for employees and challenges the status quo. The firm has 6,000 staff in 25 counties, so needs an effective way to monitor and improve the corporate culture. □



**It increases employee engagement, retention of staff and length of service, and supports succession planning**

