

KCC Employee Engagement Strategy - April 2010 to March 2012



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1.0 Introduction/What is employee engagement?

1.1 In October 2008, David MacLeod and Nita Clarke were commissioned by the Department for Business (BIS) to take an in-depth look at employee engagement. The MacLeod Report, *Engaging for Success*, (2009) argues that wider delivery of employee engagement is critical to meet the future challenges of international competition and of providing public services with constrained resources. It proposes a national awareness campaign and across-the-board development of workplace employee engagement strategies.

1.2 The Institute for Employment Studies (2007) defines employee engagement as “A positive attitude held by the employee towards the organisation and its values. An engaged employee is:

- Aware of business context; and
- Works with colleagues to improve performance within the job for the benefit of the organisation;

The organisation must work to develop and nurture engagement, which requires a two-way relationship between employer and employee.”

1.3 This definition highlights an important but subtle point – that employee engagement is more than simply commitment or satisfaction. True employee engagement comes from a strong identification with the organisation, its corporate culture and organisational objectives.

2.0 Aims and objectives

2.1 The aims and objectives of this strategy are therefore to:

- Optimise employee engagement levels across the Council;
- Equip line managers and senior managers with the skills to successfully engage their workforce, particularly during times of change;
- Set out a consistent framework for delivering employee engagement across the Council; and
- Propose high level actions for distillation at a Directorate, Business Unit and Team level.

2.2 Its scope encompasses all KCC non-schools staff.

3.0 The business case for an employee engagement strategy at KCC

3.1 The research on employee engagement is conclusive. Organisations that have high engagement levels:

- Have employees that **perform 20% better** and are **87% less likely to leave** than their disengaged colleagues (*Corporate Leadership Council*, 2007);
- Have a 53% better understanding of customer needs (*Measuring True Employee Engagement, Right Management*, 2006);
- Take 3.5 less sick days per year (*Gallup*, 2003);
- Benefit from a 57% increase in discretionary effort from staff (*Corporate Leadership*, 2004); and
- Benefit from Improved **levels of service delivery and customer service** (*Towers Perrin*, 2007).

3.2 In addition, organisations that adopt employee engagement strategies also benefit from improved **employer brand, health & safety and employee well-being**.

3.3 Conversely, organisations that do not make a concerted effort around employee engagement can experience de-motivation and low morale amongst staff; loss of the best talent; resistance to change; poor customer service and low productivity. In these organisations, rumour and gossip become trusted sources of information and the result is a workforce that is unprepared for economic recovery.

3.4 If we accept that engagement produces significant business benefits, then it is clearly in KCC's interests to understand and adopt the optimal drivers of engagement for its staff.

3.5 Whilst employee engagement should be incorporated into business processes as a matter of routine and good practice, there is a **compelling argument for giving it even more emphasis at times of change**. As KCC goes through a prolonged period of budget cuts and downsizing in the forthcoming years, delivering on the key engagement drivers for change - strong visible leadership and direction; regular communications; a positive working environment and autonomy; involvement and achievement - will be fundamental to retaining staff, ensuring they are flexible enough to adapt to change and at their most productive. The engagement principles that underpin change will therefore form a vital component of this strategy.

3.6 Additionally, employee engagement techniques will undoubtedly be a major factor in helping KCC to achieve its vision for 2014.

4.0 How is KCC doing on employee engagement?

4.1 In the last staff survey run by ORC in June 2008, KCC's engagement score was 72% from a response rate of 40%. Although this score varies by up to 7% across Directorates, ORC's opinion is that this is an excellent score.

4.2 Particular strengths for KCC in the last staff survey were:

- Level of staff understanding around how their work contributes to the objectives of the team/service (89% positive);
- Levels of support from colleagues during stressful times at work (85%);
- The amount of discretionary effort from staff (85%); and
- Level of staff understanding around how their work contributes to the objectives of the organisation (82%).

4.3 Weakness however, were:

- Levels of support from the organisation during stressful times at work (25%);
- Senior Management awareness of issues faced by staff on a day-to-day basis (28%);
- Management of change across the organisation (29%);
- Level of staff resourcing (30%); and
- Openness and honesty of staff communications (34%).

4.4 Nevertheless in November 2008, KCC narrowly missed out on making the Times Top 100. As demonstrated in Appendix 1, this was largely due to employees' perceptions of leadership, senior managers and the organisation's values and principles; its pay and benefits package; and the perceived returns from the employment package (i.e. extent of a fair deal).

5.0 Key enablers of employee engagement

5.1 Nationally, research into the optimal conditions for employee engagement reveals that important enablers are:

- Meaningful work; strong employee voice; clear senior management communication style and vision; supportive work environment; person-job fit; and supportive line management style (*CIPD*, 2010);
- Having opportunities to feed your views upwards, feeling well-informed about what is happening in the organisation; believing that your manager is committed to your organisation and fair and just management processes (*CIPD*, 2009);
- Leadership that explains direction and vision of organisation; engaging managers that offer clarity and training, treating people as individuals and listening, encouraging and organising work; employee voice; saying "thank you"; strong organisational integrity with values reflected in behaviours; underpinned by culture of value and respect for individual (*MacLeod Report*, 2009);
- High quality line management with clearly defined objectives; fair performance evaluation and supporting professional development; career development; quality and variety of work; and freedom to make

decisions. NB. Team spirit and a good pension scheme were found to be hygiene factors (i.e. de-motivators if they weren't there) although not inherently motivating (*TNS*, 2008);

- Meaningful work; opportunities to collaborate; fairness, autonomy; recognition; growth; connectedness with leaders; and connectedness with colleagues (*The Ken Blanchard Companies*, 2007); and
- Saying "thank you" which results in a 20% increase in engagement (*Tanner & Towers Perrin*, 2009).

5.2 Best Companies meanwhile measures employee engagement against the following indices which it has identified as key attributes of highly engaged organisations:

- **Leadership**

How employees feel about the head of the organisation, senior managers, and the organisation's values and principles

- **My Manager**

How employees feel about and communicate with their direct manager

- **Personal Growth**

What employees feel about training and their future prospects

- **Wellbeing**

How employees feel about stress, pressure at work, and work life balance

- **My Team**

Employees' feelings towards their immediate colleagues and how well they work together

- **Giving Something Back**

The extent to which employees feel their organisation has a positive impact on society

- **My Company**

The level of engagement employees have for their job and organisation

- **Fair Deal**

How happy employees are with their pay and benefits

5.3 These parameters highlight the need to address employee engagement at all levels, i.e. Organisational, Directorate, Business Unit and Team. They also focus attention on the personal nature of employee engagement and the need to find out individual employees' engagement drivers as part of any strategy.

5.4 Appendix 2 contains details of national research aimed at identifying the key disablers of employee engagement whilst Appendix 3 contains details of KCC 'hot topics' which have the potential to disengage employees.

6.0 What are other organisations doing?

6.1 Appendix 4 contains several employee engagement case studies that are pertinent to KCC. Elements of good practice contained within these case studies have been used to inform KCC's employee engagement strategy and associated action plan.

7.0 KCC's employee engagement model

7.1 In drawing up KCC's employee engagement model, the parameters identified in section 4 have been mapped against KCC strengths and weaknesses to determine priority areas for action:

i)Enhanced leadership capacity - to provide a clear vision articulated through authentic leadership and leaders who connect with staff;

ii)Enhanced employee voice - to enable employees' thoughts and suggestions to shape the future of KCC;

iii)Effective change management - to provide leaders and line managers with the skills to successfully manage and support staff through change;

iv)Improved sense of community - to facilitate a sense of belonging at all levels across KCC (i.e. Team, Business Unit and Directorate);

v)Communicating and tailoring the reward package - to ensure that employees feel recognised and appreciated by colleagues and their line manager - and to optimise the role of financial reward in the challenging economic times ahead;

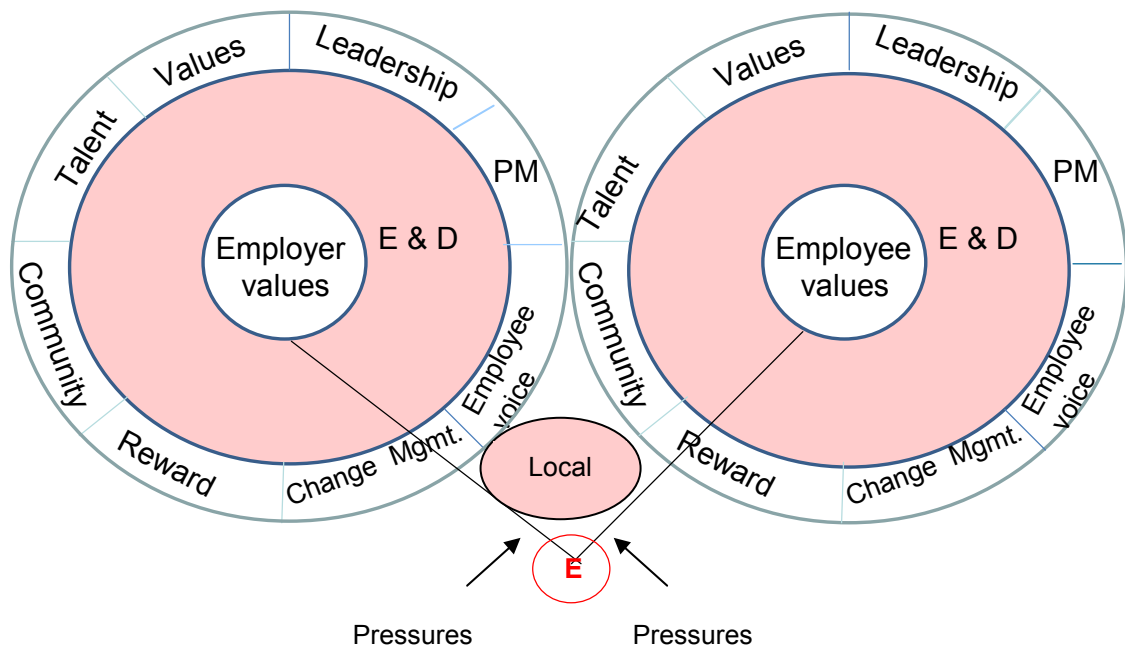
vi)Communicating our values - to provide employees with a strong sense of purpose and a framework for behavioural standards;

vii)Attracting and retaining talent - to ensure that KCC continues to attract and retain talent during the challenging times ahead; and

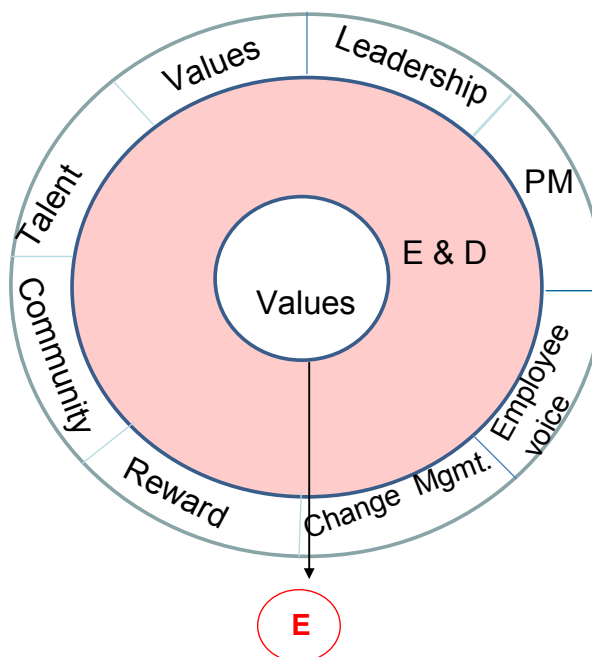
viii)Effective people management - to ensure that managers are adopting best-practice employee engagement techniques to engage the workforce and elicit optimum performance levels.

7.2 In addition, extensive focus groups and face to face interviews have been held with staff across all levels of KCC, to ensure that the right areas and actions have been identified.

7.3 KCC's model is based on a set of concentric circles for both the employer (on the left) and the employee (on the right). At the heart of these lie the employers' and employees' values together with their diversity characteristics - factors such as educational, cultural or religious background; sexual orientation, age, gender identity or nationality. In the outer circle, the eight motives (or key areas for action) of KCC's employee engagement strategy are listed which may be tailored according to local priorities or affected by current pressures:



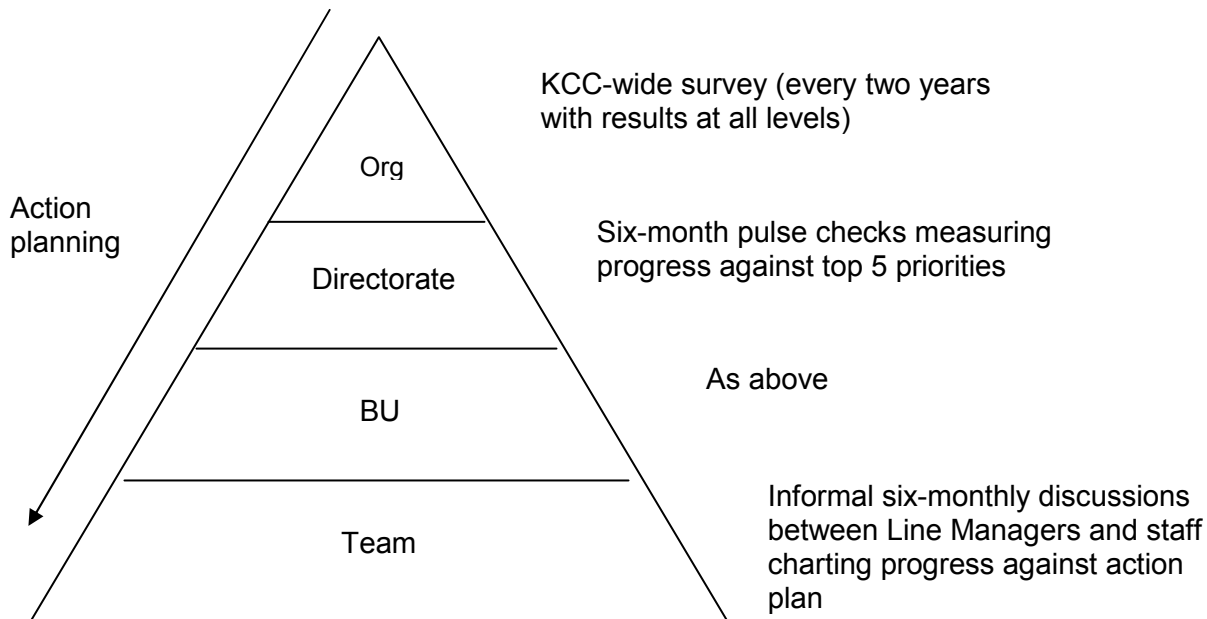
7.4 True employee engagement (denoted by the red 'E') occurs when there is a close meeting of employee and employer values; when the skills of a diverse workforce are used to their full potential; and when best practice engagement techniques are deployed to match organisational and individual priorities, i.e. when the two concentric circles merge:



7.5 This highlights the fundamental role of the line manager in creating an engaged workforce. The skill of the line manager lies in adopting best practice engagement techniques around the eight motives (see actions identified in section 10.0), in a way that is pertinent to both KCC and the individual employee. As an example, an employee that is relatively senior and long-serving may place job enrichment and improved work-life balance high on their list of priorities, whilst an employee at the beginning of his/her career may favour increased employee voice and extensive development.

8.0 Measuring engagement

8.1 The Employee Engagement measurement process to be adopted by KCC is summarised below:



8.2 On an organisational level, KCC will carry out a bi-annual employee engagement survey which will be sent to all staff, either electronically or in hard copy format (for those without IT access). Results will be distributed via Employee Engagement User Group representatives (see section 9.2) across KCC, to commence the action planning process. Spot 'temperature checks' around key change projects will also be achieved via mini surveys and opinion polls, with the aim of gauging staff and manager receptiveness towards these.

8.3 Once the survey results have been rolled out to Directorates and Business Units, a series of staff and line manager focus groups will be held at each level by Employee Engagement User Group representatives (see 9.2), to investigate the reasons behind the survey responses. These will form the basis of action plans at both levels, progress against which will be measured by six-monthly pulse checks or mini-surveys around key areas for action. Appendix 5 contains a sample action plan and pulse check survey which can be customised for use.

8.4 Finally, using the minimum sampling method possible (c. minimum of 10 responses), team results will be provided by Employee Engagement User Group representatives (see section 9.2). These will be used as a basis for informal dialogue between line managers and staff, to help improve employee engagement within each team. Each team will be required to have an action plan.

9.0 Communicating and delivering the strategy

9.1 The following groups are key stakeholders, critical to the delivery of KCC's employee engagement strategy:

- Senior leaders and Councillors - critical influencers and providers of the vision;
- Line managers - key gate holders for a positive employment relationship;
- Personnel & Development and Communications staff - the target audience for engagement and the providers of critical information about organisational improvement;
- Staff who are going through organisational change - who may be experiencing lower levels of engagement;
- Unions and staff groups – critical forums for employee voice, change management and line management practice; and
- Press – critical commentary on important employee issues.

9.2 These audiences have been identified in the action plan below and critical tasks have been allocated around them. In addition, specific communications around the strategy and associated staff survey will be tailored towards each of these audiences.

9.3 As a key delivery mechanism, an Employee Engagement User Group has been established. Consisting of Directorate and Business Unit representatives across KCC, its role is to deliver the strategy and measure progress via the staff survey, focus groups, action plans and pulse checks. This meets on a quarterly basis.

10.0 Action plan

10.1 The key actions that KCC will take to deliver its employee engagement strategy, are listed below:

| Areas | Objectives | Timescale | Responsible |
|---|--|----------------------------|---|
| General: Employee Engagement | | | |
| Employee Engagement User Group | <ul style="list-style-type: none"> Create Employee Engagement User Group to deliver the strategy across KCC. Consider involving Building User-Group and Change Champions in wider delivery. | By June '10 | <ul style="list-style-type: none"> AH |
| Communication around plan and survey | <ul style="list-style-type: none"> Communicate key themes of plan and outcomes of survey to stakeholders via Intranet, and briefings | Ongoing through 3 & 4Q '10 | <ul style="list-style-type: none"> AH |
| KCC Employee Engagement methodology | <ul style="list-style-type: none"> All Directorates, Business Units and Teams to adopt methodology outlined in section 8 | By October '10 | EE User group Reps. |
| Motive8 strand 1: Enhanced leadership capacity | | | |
| Develop culture of authentic leadership | <ul style="list-style-type: none"> Build session on authentic leadership into leadership forum sessions (KS12 +) | 3Q '10 | <ul style="list-style-type: none"> HM |
| Improve visibility of leaders | <ul style="list-style-type: none"> Develop range of staff briefing opportunities for COG (at a KCC, Directorate and BU level) to be integrated into existing events | Ongoing from 3Q '10 | <ul style="list-style-type: none"> HS + Directorate comms. leads |
| | <ul style="list-style-type: none"> Introduce 'back to the floor' sessions for senior leaders | 1Q '11 | <ul style="list-style-type: none"> HM & HS |
| | <ul style="list-style-type: none"> Enhance existing coaching and mentoring programme to introduce reverse mentoring for senior leaders | 1Q '11 | <ul style="list-style-type: none"> SC |
| Develop leadership capacity to manage change | <ul style="list-style-type: none"> Improve leaders' capacity to manage change by building requirements into existing Future Leaders (KS10-12) and Leading Kent 2014 (KS13) programmes | 3Q '10 | <ul style="list-style-type: none"> HM |
| Leadership model and behaviours | <ul style="list-style-type: none"> Formalise and embed KCC leadership model and behaviours into all HR practices, e.g. talent management, succession planning and PDPs Develop a consistent competency and behavioural framework to assist in recruitment of leaders | 3Q '10 | <ul style="list-style-type: none"> HM |
| | | 3Q '11 | <ul style="list-style-type: none"> Recruitment Manager |
| Leadership competencies | <ul style="list-style-type: none"> Build leadership competencies by establishing corporate budgets or ring fencing training spend for Future Leaders and Leading Kent 2014 programmes | 1Q '11 | <ul style="list-style-type: none"> HM |
| Future and interim leaders | <ul style="list-style-type: none"> Succession plan for future and interim leaders through Established Leaders' Talent Pool. | From 2Q '10 | <ul style="list-style-type: none"> NF & HM |
| Motive8 strand 2: Enhanced employee voice | | | |
| High quality communication | <ul style="list-style-type: none"> Carry out a health check and improvement plan for existing communication channels | 2Q '10 | <ul style="list-style-type: none"> HS |

| | | | |
|---|--|---|--|
| Enhanced staff voice | <ul style="list-style-type: none"> Development of proposal for stand alone or joint staff forum (i.e. with unions) NB. Consider linking in with Building User-Groups and Change Champions | 1Q '11 | <ul style="list-style-type: none"> AH & NL |
| Informing staff first | <ul style="list-style-type: none"> Commit to informing staff first about important decisions which affect them | Ongoing | <ul style="list-style-type: none"> COG and Cabinet |
| Involving staff | <ul style="list-style-type: none"> Commit to involve staff in issues that affect them | Ongoing | <ul style="list-style-type: none"> CIG & Cabinet |
| Line management capacity | <ul style="list-style-type: none"> Build line management capacity to enable informal feedback to be sought and acted upon | 1Q '11 | <ul style="list-style-type: none"> P & D operational teams |
| Motiv8 strand 3: Effective change management | | | |
| Managing change well | <ul style="list-style-type: none"> Implement the Managing Change Well Framework and promote the 6 overarching principles through engagement activity by: <ul style="list-style-type: none"> -Improving organisational agility -Encouraging & enabling leadership behaviours -Developing staff personal & professional resilience -Developing Manager competence and confidence | Ongoing from 1Q '10 | <ul style="list-style-type: none"> EM |
| | <ul style="list-style-type: none"> Develop Internal change management expertise that can be flexibly used across KCC | Ongoing from 1Q '10 | <ul style="list-style-type: none"> EM |
| | <ul style="list-style-type: none"> Identify barriers to staff engagement during change through the change group and change champions | Ongoing from 1Q '10 | <ul style="list-style-type: none"> AH |
| | <ul style="list-style-type: none"> Develop effective communication mechanisms for geographically dispersed workforce, promoting consistency in change messages | Ongoing from 1Q '10 | <ul style="list-style-type: none"> HS |
| Achieving engagement in times of change | <ul style="list-style-type: none"> Build leadership and line manager understanding of tools to maintain engagement through presentations and briefings | Ongoing through 3 & 4Q '10 | <ul style="list-style-type: none"> AH |
| Motiv8 strand 4: Improved sense of community | | | |
| Team building | <ul style="list-style-type: none"> Identify and build cost-effective opportunities for team-building into KCC, Directorate, BU and Team engagement plans | 1Q - 4Q '11 | <ul style="list-style-type: none"> AH & HS (KCC), KASS, CFE, CMY, EHW & CED Reps.; and all BU reps. |
| Improved team working | <ul style="list-style-type: none"> Emphasise benefits of joint problem solving and collaborative working within teams through line manager training programmes and employee engagement line manager pilot Make L&D motivation questionnaire more widely accessible | 3Q '10 | <ul style="list-style-type: none"> HM & AH |
| Understanding of diverse needs | <p>Understand and respond to the diverse needs of staff through:</p> <ul style="list-style-type: none"> Improved diversity training uptake; and Incorporation of any issues identified by staff survey into Directorate, BU and team action plans | Ongoing | <ul style="list-style-type: none"> All All |
| Physical working environment | <ul style="list-style-type: none"> Introduce strategies to maximise 'employee connectedness' as a result of the Workplace Transformation programme, including promotion of 'managing the flexible workforce' training programme | Targeted by location according to WT plan | <ul style="list-style-type: none"> P & D Business Support |

| | | | |
|--|--|-----------------|--|
| Partnership working | <ul style="list-style-type: none"> Strengthen links with partner agencies/organisations to improve sense of community | Ongoing | <ul style="list-style-type: none"> All |
| Motiv8 strand 5: Communicating and tailoring the reward package | | | |
| Changes to Kent Scheme and Total Contribution Pay | <ul style="list-style-type: none"> Continue to embed changes to Kent Scheme and TCP, highlighting more equitable distribution and training managers to use the new system appropriately | Q4 '10 & Q1 '11 | <ul style="list-style-type: none"> CM & AH |
| Total Reward Statements | <ul style="list-style-type: none"> Pilot the use of Total Reward Statements at 1:1 following/on receipt of TCP outcome letter to communicate full value of financial and non-financial KCC benefits to staff | Q1 '11 | <ul style="list-style-type: none"> CM |
| Current benefits | <ul style="list-style-type: none"> Reconcile current benefits package to ensure it is fit for purpose for challenging times ahead | Q3-4 '10 | <ul style="list-style-type: none"> CM |
| Communication project | <ul style="list-style-type: none"> Deliver communication project around KCC's total reward strategy, emphasising non-financial benefits; targeting benefits closely to appropriate audience; and enabling employee to construct fit-fit for purpose benefits package. | Q3 '10 | <ul style="list-style-type: none"> AH |
| Employee recognition | <ul style="list-style-type: none"> Work with Directorate and BU reps. to promote a range of non-financial reward mechanisms (e.g. eCards) to recognise achievements of staff and maintain employee motivation in challenging times ahead. | Q1 & 2 '11 | <ul style="list-style-type: none"> CM |
| Motiv8 strand 6: Communicating our purpose (values) | | | |
| Clear vision and mission | <ul style="list-style-type: none"> Communicate revised vision from GMD derived from new four-year targets. Articulate via existing Directorate and BU events attended by new GMD | 1Q '11 | <ul style="list-style-type: none"> HS + new GDB |
| Revisit current values | <ul style="list-style-type: none"> Revisit current values and assess whether they need to be revised or not | 1Q '11 | <ul style="list-style-type: none"> HS , EM or AH |
| Communicate values | <ul style="list-style-type: none"> Deliver a communication programme centred around current/new KCC mission/vision/values | 2Q '11 | <ul style="list-style-type: none"> HS , EM or AH |
| Strategy 4 Staff | <ul style="list-style-type: none"> Integrate messages into revised strategy 4 staff | 2Q '11 | <ul style="list-style-type: none"> AH |
| Understanding what we stand for | <ul style="list-style-type: none"> Introduce 'service sampler' day, allowing staff to spend a day experiencing another service as part of their development NB. Flexibility to be provided for sessional/reduced hrs. staff | From 1Q '11 | <ul style="list-style-type: none"> P & D operational teams |
| Monitoring staff perceptions of conforming to new purpose | <ul style="list-style-type: none"> Monitor extent of transmission through HR impact measurement | By 4Q '10 | <ul style="list-style-type: none"> PR |
| Motiv8 strand 7: Attracting and retaining talent | | | |
| Recruit right first time | <ul style="list-style-type: none"> Develop a strategy to select staff based on newly established KCC values | 3Q '10 | <ul style="list-style-type: none"> JT & NF |
| Organisational agility | <ul style="list-style-type: none"> Develop flexible approaches to deployment and re-deployment to retain talent whilst downsizing | 2Q '10 | <ul style="list-style-type: none"> NF & NL |
| Talent Management | <ul style="list-style-type: none"> Continue to roll-out talent management programme across KCC providing clarity on use of pool (i.e. KCC or function wide) | Ongoing | <ul style="list-style-type: none"> NF |
| Guidance for managers | <ul style="list-style-type: none"> Provide information and guidance to managers on each of the above | From 2Q '10 | <ul style="list-style-type: none"> NF & P & D operational teams |
| Diverse workforce | <ul style="list-style-type: none"> Include targeted measures to achieve a diverse workforce in all of the above | Ongoing | <ul style="list-style-type: none"> NL |
| Motiv8 strand 8: Effective people management | | | |
| Line manager training | <ul style="list-style-type: none"> Establish corporate budget/ring fence budgets to enable a proportion of line managers to access Accredited Line Managers' programme. | 1Q '11 | <ul style="list-style-type: none"> JP |

| | | | |
|---|---|------------|--|
| Employee engagement training | <ul style="list-style-type: none"> Incorporate employee engagement training (i.e. around key principles of good job design; meaningful work; autonomy; recognition; fairness etc.) into line manager training programmes and pilot bite-size training programme on employee engagement for line managers | 3Q '10 | <ul style="list-style-type: none"> AH & HM |
| People profile | <ul style="list-style-type: none"> Develop a consistent competency and behavioural framework to assist in recruitment of line managers | 3Q '11 | <ul style="list-style-type: none"> Recruitment Manager |
| Performance management cycle | <ul style="list-style-type: none"> Improve consistency of performance management cycle (TCP process) and associated professional development through implementation of IT monitoring system and 360 degree appraisal | 3 & 4Q '11 | <ul style="list-style-type: none"> CM |
| Coaching culture | <ul style="list-style-type: none"> Develop a 'manager as coach' culture to improve skills acquisition and motivation across KCC through ongoing advice and provision of training | 1-4Q '11 | <ul style="list-style-type: none"> CI |
| Provide enhanced support to line managers | <ul style="list-style-type: none"> Support managers to manage more effectively through implementation of the Business Partner Model | 3-4Q '11 | <ul style="list-style-type: none"> P & D operational teams |
| EE targets for line managers | <ul style="list-style-type: none"> Measure performance of line managers by employee engagement scores | 4Q '10 | <ul style="list-style-type: none"> AH |
| Open line management culture | <ul style="list-style-type: none"> Develop an open line management culture where staff are encouraged to discuss positive and negative aspects of their roles through ongoing advice and training | 1-4Q '11 | <ul style="list-style-type: none"> P & D operational teams & CI |

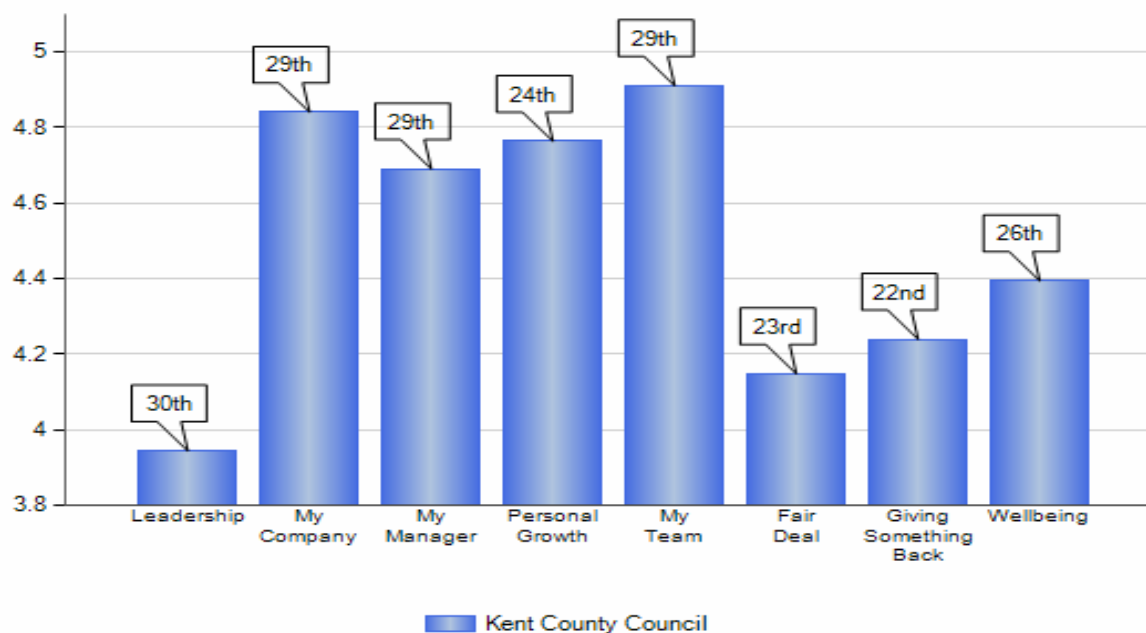
10.3 Progress against these actions will be tracked on a quarterly basis through KCC's Employee Engagement User Group.

11.0 Conclusion

11.1 In adopting this more strategic approach to Employee Engagement, it is anticipated that rather than being a one-off bi-annual process, employee engagement will become a continual focal point for the organisation, significantly contributing to organisational development and performance improvement.

Appendix 1: Best Companies Results, October 2008

Overall by Factor



Appendix 2: Employee Engagement 'Disablers'

2.1 The following areas have been identified nationally, as the major source of dissatisfaction responsible for employees leaving an organisation:

- Managers' approaches and behaviours; reactive decision making; inconsistent management style; lack of fluidity in communication and knowledge sharing; poor work-life balance; and low perception of senior management (*McLeod report, 2009*);
- Pay; and low job satisfaction (*CIPD Employee Engagement Survey Report, 2006*); and
- Bad supervisor relationship; dissatisfaction with working conditions; and lack of career development (*Taylor, 2002*).

Appendix 3: KCC hot topics with potential to disengage staff

| Topic | Issue | Action | By when? | Owner |
|--|---|--|----------------------------------|---------|
| Potential staff reductions due to budget deficit | Uncertainty and lack of security may lead to staff looking for alternative employment; feelings of disengagement; and poor employee well-being. | Educate managers around how to support and motivate staff through times of change, ensuring the most motivated remain with KCC | Ongoing through change programme | EM & AH |
| | Perceptions that redeployment processes are not sophisticated enough to ensure true talent is kept within KCC. | Development of revised approach to redeployment | 2 & 3Q '10 | NL |
| | Perception that | Involve staff in | 2 & 3Q '10 | JC & AB |

| | | | | |
|---------------------------------|--|--|---|---------------------------|
| | <p>decisions are being made without staff and service-user involvement.</p> <p>Perceptions of poor future pay and benefits package leading to search for alternative employment</p> | <p>discussions re. cuts/re-structures at pre- and post-decision stage</p> <p>Where possible, achieve savings through fundamental service reform rather than targeting pay and benefits. Where pay and benefits cuts are made communicate extensively around the rationale for doing this and ensure that staff are involved in decisions that affect them.</p> <p>Also, stress competitive and non-financial aspects of retained reward package.</p> | <p>3Q '10</p> <p>4Q '10</p> | <p>COG</p> <p>AH/CM</p> |
| Workplace transformation | <p>Perception of enforced home working</p> <p>Potential isolation from increased flexible working</p> | <p>Involve teams in thinking about future solutions</p> <p>Provide training and ongoing support to managers on how to manage a flexible workforce + provide peer support to managers who are experiencing challenges in this area</p> | 3 & 4Q '10 | TM |
| Car parking | <p>Relative reduction in car parking spaces as buildings close, e.g. 17 Kingshill Avenue</p> <p>Perceived inequity over allocation of car parking spaces (non-business critical use)</p> | <p>Options such as charging for parking; sourcing additional parking; or improving travel alternatives exist and require high level buy-in</p> <p>Clarity provided in communications around programme</p> | <p>1Q '11</p> <p>1Q '11 (post re-org)</p> | Resource Management Group |

Appendix 4: Employee Engagement Case Studies

1. Staff engagement rises at Marks and Spencer despite job losses

People Management magazine

Publication date: 1 September 2009

Communication key to boosting morale at work, says HR director

Claire Churchard



Levels of employee engagement have increased at Marks and Spencer despite recent job losses and store closures, *PM* has learnt.

HR director Tanith Dodge said the retailer's latest employee survey revealed higher scores in staff attitudes towards the company, their manager and their job. Almost three-quarters (72 per cent) of the scores were positive despite the announcement of 1,200 job losses, 27 store closures and the capping of the company pension scheme in January this year.

She added that the company was "very proud" of a 92 per cent response rate to its staff survey, called Your Say, which was conducted in May. Among the questions that recorded a higher score than last year were "Do you think that you will be working with M&S in 12 months' time?" and "Would you recommend M&S as a great place to work to your friends?"

Dodge, who joined M&S in March last year, said that keeping the firm's 78,000 employees informed about changes was critical to maintaining engagement during economic uncertainty. "I don't believe you can ever communicate too much," she said.

"Communication is important so staff can get behind the key messages and ensure they land properly in stores. It's about keeping people informed so they have a sense of belonging and an understanding of what is happening," she said.

Dodge has overseen an increase in the level of communication. This includes a rise in the frequency of store conferences from annually to quarterly, the introduction of regular conference calls to store managers and an increase in the number of all-staff briefings. Daily "huddles" among staff are also encouraged, while communication is boosted when trading results are announced or in the case of a big event.

Employees are also regularly invited to breakfasts hosted by directors, where there is no fixed agenda and they have the opportunity to ask questions. The outcomes of these meetings are then reviewed at executive committee level.

Having regular dialogue with a large employee representative group was also critical to staff engagement and members conducted pulse surveys to find out how employees were, Dodge said. Other communications initiatives included "listening groups" and a series of employee focus groups.

Dodge said the way in which messages were delivered to staff was also important. When M&S changed its final-salary pension scheme by capping the amount that an individual pension would increase by, Dodge and other

senior leaders took the message to staff directly. “I visited many stores to explain, as did our operations director and Stuart [Rose, chief executive],” she said. “It is really important that employees understand not just what we are doing, but why we are doing it.”

2. The BEST programme: improving employee engagement in Birmingham City Council

Summary

Change for any organisation can be hard. The frontline workforce can often feel left out. Birmingham City Council has placed its staff at the heart of the process, boosting their motivation in the process. Birmingham has set up a network of groups that are helping shape the future.

Key learnings for other councils

- Train frontline staff, rather than managers, as the leaders of workshop groups – this allows others to develop their skills and brings a different dynamic to the programme.
- Communication is essential – Birmingham has used email, newsletters and an intranet page, and programme leaders are given one-to-one support.
- The support of senior leadership is critical to the success of the programme.
- Allow people to innovate – people have the ideas and need the freedom and flexibility to make it happen.
- Keep an open mind – your staff know your customers best.

Background to the council

Birmingham City Council is a large local authority with a workforce of 55,000 serving one million residents.

The council is in the middle of a £450 million transformation plan. It aims to revamp its back office activities, including IT, finance and procurement. But in 2006, at the start of the project, the council was facing some serious challenges. It had been struggling to improve its two-star comprehensive performance assessment (CPA) rating. It became clear that the basic problem was that staff did not feel engaged with the organisation. Surveys showed that only around half of staff felt motivated, while confidence in management was even lower.

The problem and how we tackled it

Senior managers, led by the then newly-appointed Chief Executive Stephen Hughes, set out to find a way of empowering the workforce. To this end they sought the help of the organisational development consultancy Stanton Marris.

Birmingham designed a workshop programme around four values:

- **Belief**
- **Excellence**
- **Success**
- **Trust**

or BEST, as it became known.

The council set up a network of 1,800 BEST leaders, selected from each council team. They were trained to run group workshops. Each group was then asked to come up with three or four actions for improvements around customer service, partnerships or team working.

Workshops are held each year, although BEST items can also be raised at weekly team meetings.

In the first year alone, more than 6,000 service improvement actions were suggested. These included everything from ensuring people say “good morning” to re-working the way services are delivered.

As the programme has evolved, Birmingham made money available to help groups implement their initiatives. Following a summit of hundreds of BEST leaders in September 2007, the council found that many ideas were struggling to get off the ground for lack of funding. Birmingham therefore established a monthly 'Dragon's Den' event, allowing BEST leaders and their teams to present a business case for up to £1,000.

The funding has led to a series of measures covering everything from office renovations to staff award schemes. The mobile library service was one of the recent teams to benefit after being given funding to produce over 1,000 commemorative silver anniversary reusable canvas bags to hand out to customers.

Meanwhile, the behavioural and support services team is developing an outside classroom after being granted £1,000.

More than 30,000 staff have been involved in the BEST workshops so far and feedback suggests they are having a major impact. The latest survey shows that staff motivation has increased from 56 to 86 per cent, while confidence in management has gone up from 29 to 68 per cent.

Hughes is delighted with the results:

"So often change causes anxiety and resistance because staff aren't part of the process and feel powerless. We wanted them to feel this was their change and be able to personally commit to plans which they had decided upon together. I am immensely proud of the BEST programme and specifically the passion, energy and commitment that our staff have shown to making it a success. We should not underestimate the power of us all working together as one organisation."

Who was involved and resources

BEST is overseen by Raffaella Goodby, the council's Employee Engagement Manager. The programme is supported by five BEST programme managers – one from each directorate – plus one communications manager.

The team reports to Jason Lowther, the Strategic Director for Policy and Delivery, as well as the Chief Executive and Councillor Alan Rudge, the Cabinet Member for HR and Equalities.

Goodby believes the programme represents excellent value for money, costing less than £40 for each employee taking part in a workshop. What is more, the staff surveys indicate that £17 million has been saved through improved productivity. This is based on estimates by experts that re-engaged employees are worth about £2,000 each in increased outputs and productivity.

What we could have done better and next steps

Some BEST groups have found that managers have blocked ideas emerging from workshops. The council seeks to address this in 2009. According to Goodby:

"We need BEST leaders and managers to interact and understand each other more. We will probably hold a series of networking events with the aim of getting managers understanding and appreciating the values of BEST more."

Overall, Goodby is delighted with the progress made in the first two years:

"We have come a long way and that is a testament to the enthusiasm of everyone involved. We will carry on with the workshops next year and hopefully get lots more good ideas to improve the council."

The success has even led to demands for Birmingham to share its experiences with other councils. BEST officials have spoken at a national event organised by the IDeA and are due to give a presentation at the Chartered Institute of Personnel and Development employee engagement conference in 2009.

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Appendix 5: Sample Action Plan

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|---|---------------|----------------|-----------------|--------------|
| Name of Directorate (KASS, CFE, CED), Business Unit (Personnel & Development, Finance) or Team : | | | | |
| Action plan owner: | | | Date: | |
| Date of last review (if applicable): | | | | |
| Area of strategy | Action | Outcome | By when? | Owner |
| Enhanced leadership capacity | | | | |
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| | | | | |
| Enhanced employee voice | | | | |
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| | | | | |
| Effective change management | | | | |
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| Communicating and tailoring the reward package | | | | |
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| Improved sense of community | | | | |
| | | | | |
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| Communicating our values | | | | |
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| Attracting and retaining talent | | | | |
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| Effective people management | | | | |
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