Successful Employee Engagement: beyond the rhetoric

15th April 2010
MacLeod’s enablers

**Leadership** ensures a strong, transparent and explicit organisational culture which gives employees a line of sight between their job and the vision and aims of the organisation.

**Engaging managers** offer clarity, appreciation of employees’ effort and contribution, treat their people as individuals and ensure that work is organised efficiently and effectively so that employees feel they are valued, and equipped and supported to do their job.

**Employees** feeling they are able to **voice** their ideas and be listened to, both about how they do their job and in decision-making in their own department, with joint sharing of problems and challenges and a commitment to arrive at joint solutions.

A belief among employees that the organisation lives its values, and that espoused behavioural norms are adhered to, resulting in trust and a sense of **integrity**.
Olympic Delivery Authority
CIPR Conference

John Armitt, Chairman, ODA

Leadership
Safety First
Olympic Park Supervisor Graduates
Successful Graduates of the Supervising Behavioural Practice course
February 2010

Be proud
be safe

All reversing operations for plant and large goods vehicles must be controlled by a competent vehicle marshal or banksman.
Thank you
Tanith Dodge
HR Director
Marks & Spencer
Employee Voice
Engaging for Success

This is the Chinese expression for crisis

It comprises the two characters, danger and opportunity
The M&S story

• Closed 30 under-performing stores
• Cut capital expenditure investment by £400 million
• Capped increases to our final salary pension scheme
• Redundancies

But employee morale and commitment increased over the year…
Two way communication
Channels of communication

- M&S Intranet
- Quarterly results broadcast
- Top 100 briefing
- Your M&S Employee magazine
- Quarterly Retail Conference
Employee Voice

• Director Breakfasts
• In-store listening groups
• Focus Groups
• Business Involvement Group
Problems & Solutions

• Shared approach with BIG
• Work with them to canvas employee opinion
• On shelf availability in food division
• Implemented new ‘Food Fill’ policy
• Cost savings of over £4million
Responding to feedback

- Employee opinions need to be heard and addressed
- Public accountability fosters best practice
- Builds relationship of trust
Employee Engagement

The top three predictors of employee engagement:

Opportunity and Wellbeing

Pride in the Company/Brand

Trust

Source: Towers Perrin Survey of 100,000 employees in 18 countries
Engaging for Success

- Opportunities & Wellbeing
- Harnessing our employees passion and commitment for the brand
- Using key events to bring employees together with a shared vision
- Regularly celebrating employee successes
- Incentivising staff to go the extra mile
- Demonstrating responsible leadership
- Fostering a relationship of trust
Opportunity & Wellbeing

• Your Wellbeing Programme
• Live Well Work Well Programme
• Training and Development
• Career Opportunities
Passion for the brand
Demonstrating Responsible Leadership
Fostering a Relationship of Trust
Busts 4 Justice

FOR EVERY WOMAN WITH MORE THAN A HANDFUL

Don’t tax bigger boobs during crunch

HANDS OFF OUR BOSOMS

The Sun says stop excise duty on bigger bras

STARS WHO MIGHT BE HIT

Keeley Hazell Page 3 legend

Sir Stuart Rose M&S Boss

It’s great that a businessman like Sir Stuart Rose is not afraid to admit when he’s made a mistake – that’s why he’s so successful I guess

Page 3 legend

May 8th, 2009
Doing the right thing

It's true our fantastic quality larger bras cost more money to make, and we felt it was right to reflect this in the prices we charged.

Well, we were wrong, so as of Saturday 9th May, the storm in a D cup is over!

We will reduce the price of our larger bras by up to 25%.

And for 2 weeks™ from Saturday we will reduce ALL of our bras by 25%.

Every woman can now experience the difference a well made quality bra will make.

25% OFF

Available instore and online at marksandspencer.com
Engaging for Success

- 94% response rate
- Positivity results - 74%
- Employee Engagement - 73%
- Mystery Shopper scores
Q4 Business results

Bernstein  “M&S reported good Q4 LFL performance”

JP Morgan  “Q4 trading ahead of estimates”

Ambrian  “M&S enters a new era; it is starting in a stronger position ……
…… he (SR) leaves M&S in a much healthier position than he found it.”
Conclusion

• Listen and Act
• Use your company DNA to fill employees with passion for your brand
• Connect with employees through timely events or achievements
• Keep the lines of communication open
• Show you are committed to doing the right thing
The Unipart Group

Engaging Managers

Frank Nigriello, Director of Corporate Affairs
Unipart’s step change occurred when it privatised and placed the business in the hands of managers who were committed to change.

- 1987 Management Buy Out
- “Britain’s Worst Factory”
- “The Best place to sleep in Oxford”
- Single contract – with Rover
- Legacy of disputes
- Poor quality and unhappy people

But a deep commitment to change
Over the past 20 years, the Group has recreated itself as a global logistics company

<table>
<thead>
<tr>
<th>10,000 people</th>
<th>£1.1b turnover</th>
<th>Majority owned by employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commitment to engaging people &amp; engaging customers</td>
<td>Blue chip clients such as Sky, Vodafone and Jaguar</td>
<td>Recognised as a leader in implementing Lean</td>
</tr>
</tbody>
</table>
At the heart of that transformation was the codification of our approach to operational excellence which we called The Unipart Way

A *philosophy of working*, underpinned by a set of tools and techniques that:

- Form part of our knowledge management systems
- We continuously improve based upon our experience
- Enable us to improve faster than the best alternative available to our existing and potential customers
Within the structure of The Unipart Way is a capability for introducing and sustaining high levels of employee engagement… which can be measured

<table>
<thead>
<tr>
<th>Engagement Metric</th>
<th>Tool</th>
<th>Engagement Levers</th>
</tr>
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</table>
| I know what is expected of me day-to-day                   | Comm Cell 
Key Performance Indicators                                   | Listening Skills  
Empathy  
Recognition and Respect                                         |
| I have the skills to do my job                              | Gate to Great 
development plan  
Competency Matrix  
Faculty on the Floor                                            | Coaching Skills  
Personal development planning                                      |
| I’m encouraged to come up with suggestions & solve problems | Our Contribution 
circles  
Insight Star                                                      | Self Awareness, Listening Skills  
Empathy, Recognition and Respect                                   |
| Commitment to improve continually                          | Communication Cell  
Standard Work  
Value Stream Mapping                                                | Self Awareness, Listening Skills  
Empathy, Clarity of purpose and commitment to vision |
Today Unipart has developed a culture that promotes and practices engagement

<table>
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<tr>
<th>High employee engagement recorded</th>
<th>Unipart Way pervasive across Group</th>
<th>On-going development programme for all employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rapid global expansion for consultancy</td>
<td>Market differentiator</td>
<td></td>
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...but it took many years and deep commitment
The initial part of the journey to implement The Unipart Way took place over ten years.

- **1994**: Introduced in manufacturing sites
- **1997**: Introduced in distribution and offices
- **2001**: Unipart Way defined and codified
- **2002**: Company-wide training programmes introduced
- **2003**: Pockets of expertise established
- **2004**: Management Conference

...represented a Tipping Point
How do we engage our managers and inspire ownership and commitment?

Five Stages of Learning

- Behaviour
- Personalisation
- Acceptance
- Understanding
- Awareness

Percentage Retention Rates

- Reading
- Demonstration
- Discussion
- Doing
- Teaching
Our plan was to create a two-day learning event that would meet demanding criteria:

- Knowledge
- Speed
- Emotion
- Fun
- Confidence
The impact was faster than expected and deeper than expected
Managers now actively advocate employee engagement in a development framework to build expertise in a structured way.

Employees follow a five stage programme for personal development:

- See
- Learn
- Do
- Teach
- Coach

“If you have that existential quality of motivation you can begin at Unipart's Front Gate and with hard work and deliberate practice over many years you can become great”

John M Neill, Group Chief Executive
Lessons learned...

We never set out to engage managers, we wanted to develop leaders.

The learning experience integrated knowledge with belief...and fun.

We had to stretch our own imagination before we could capture the imagination of our colleagues.
Thank You
“Successful Employee Engagement: beyond the Rhetoric”

Integrity

CIPR Event
15 April 2010
“Bankers collectively occupy a place in public opinion significantly lower then a cannibalistic paedophile”

Boris Johnson
Mayor of London – March 3rd 2009
What is integrity?

• "integrity" stems from the Latin adjective *integer* (whole, complete).

• In this context, integrity may comprise the personal inner sense of "wholeness" deriving from honesty and consistency of character.

• As such, one may judge that others "have integrity" to the extent that one judges whether they behave according to the values, beliefs and principles they claim to hold.

• **Integrity** as a concept has to do with consistency of actions, values, methods, measures, principles, expectations and outcome.

• Some people use the term hypocrisy in contrast to integrity for asserting that one part of a value system demonstrably conflicts with another, and to demand that the parties holding apparently conflicting values account for the discrepancy or change their beliefs to improve internal consistency.
Amazing People!
Amazing Culture!
Amazing Service!
first direct brand anatomy

• **Our mission:**
  Pioneering Amazing Service

• **Our objective:**
  To be the UK’s most loved brand

• **Our brand essence:**
  “Expect Respect”

• **Our customer benefit:**
  Only *first direct* creates “Magical Rapport” between people

• **Our reason to believe:**
  Only *first direct* understands that “People Matter More”
Our Values:

- Passion
- Always on...
- Family
- Pride
- Original
- Playful
Our “Totems”

- Direction *(pride)*
- Concierge *(original)*
- Family day *(family)*
- Memory wall *(pride)*
- Name badges *(pride)*
- “Pie & Ears” *(passion)*
- Amazing People Dinner *(passion & pride)*
- Employee awards, *(pride)*
- Snowball fights *(playful & always on!)*
- Fun Fair *(family & playful)*
- New starters lunch *(family)*
- Thank you trees *(passion)*
- etc.....
Amazing People – Recruitment

our people are recruited for their personality and communication skills - we teach them banking
Amazing People – Training
Amazing Culture: Playful
Amazing Culture: Original

Say Thank You

Nominate.

step 1 > step 2 > step 3 > step 4

To nominate someone, please follow the steps below. First, look for the person you want to nominate using either their name or employee number.

Note: if the recipient of your nomination goes by a nickname, you may not be able to find them in the search facility below (for example, 'Andy' would be 'Andrew' on the system). If you still cannot find the person you are looking for please contact them for their details.

Find Nominee
please complete any one or more of the following for your search:
First Name: 
Surname: 

- Less than 60 sec
- To make someone's day!

- Once you see those familiar golden stars
- You know you’ve made a difference to someone.
Amazing Culture: Original

Usage of First Direct’s "say thank you" recognition site
Launch to current date

- % employees using the site
- Unique Employees Nominated
- Unique Site Users
- Total Nominations made

Introduction of "Thank You Received" Star notification on fidnet