

Engaging for Success

Enhancing performance through
Employee Engagement
- the Macleod Review

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SPF Partnership Fund event
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The Macleod Review

- **Report to government on Employee Engagement published 16 July 2009; Clare Chapman, Justin King spoke at launch**

- **8 months**
 - **30 consultation events, including TUC, individual unions**
 - **5 regional events**
 - **60+ case studies**
 - **300 on-line responses to call for evidence**
 - **255 submissions and reports**

What is it; does it matter; what enables it and what gets in the way. 3 key recommendations

We believe...

‘Engagement, going to the heart of the workplace relationship between employee and employer, can be a key to unlocking productivity and to transforming the working lives of many people for whom Monday morning is an especially low part of the week.’ para 4 introduction

- **It's a way of running and managing a company or delivering a service which maximises the input, commitment and voice of employees to maximise the effectiveness, quality and performance of the organisation.**

- **it's the way we do things here.**
- **You know it when you see it!**
- **It's a partnership**
- **It's how you do what you need to do, better**
- **It's when the organisation values its people and people value the organisation**

What it isn't...



Does it matter?

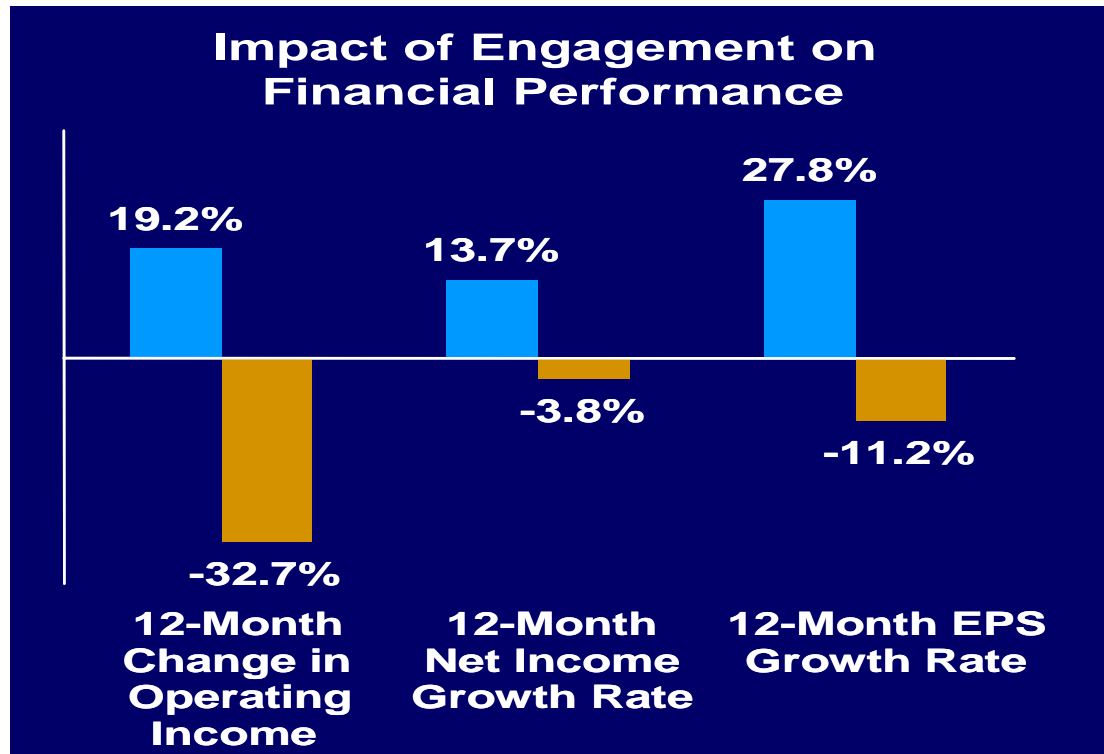
- **Employee engagement levels correlate with:**
 - better financial performance
 - better outcomes in the public sector

- **Other benefits include:**
 - higher levels of innovation
 - more employees advocating their organisation
 - lower rates of absenteeism
 - employee well-being

- **Vital for taking advantage of the upturn and dealing with consequences of public sector spending squeeze, Generation Y, BRICS**

- **Engaged employees generate 43% more revenue (Hay Group)**
- **Engaged employees: 2.7 sick days per year
Disengaged employees: 6.2 (Gallup)**
- **Engaged employees are 87% less likely to leave (Corporate Leadership Council)**
- **67% of engaged advocate their organisations;
only 3% of the disengaged do (Gallup)**
- **9 out of 10 of key barriers to successful change,
people related (PWC)**
- **59% of EE say “work brings out their most
creative ideas” – only 3% of disengaged agree
(Gallup)**

What proof have we got?



Based on 12-month global study conducted by Towers Perrin ISR involving 664,000 employees from 50 global companies across a range of industry sectors.

Engaged organisations have

- **Better performance**
- **Absenteeism lower**
- **Creativity/innovation higher**
- **Customer service better**
- **Shrinkage lower (retail)**
- **Fewer accidents**
- **Attraction retention**
- **Greater advocacy**

So what's the problem?

- A 2007 IPA survey found that most organisations were aware of a need for employee engagement; less than half knew how to implement it.
- Recent research from Kingston University found only 35 per cent of employees actively engaged – main factors in disengagement include: way organisation managed, chances for promotion, pay, recognition for good work, attention paid to suggestions, opportunity to use abilities

Key enablers

- Strong and visible leadership provides a strong *strategic narrative* about the organisation
- This gives a line of sight between the job and the organisation's vision
- this is communicated clearly, consistently and constantly
- Everyone knows what we are trying to do, why we are trying to do it, when we are going to do it, and how we are going to do it.

- ***Engaging Managers***, who offer clarity and training, who treat people as individuals, who listen and encourage and who ensure work is organised efficiently.
- Managers know their staff, care for their staff and value them.
- The quality of managers is seen throughout the organisation as key to success – and is monitored
- Remembers, people join organisations, but they leave a manager
- But training for and in management very low in UK

- There is *employee voice* throughout the organisation, for reinforcing and challenging views; between functions and externally; employees are seen as part of the solution – not the problem
- This voice is an informed one because information is widely shared early and often
- Employees views are sought and followed up; explanations are given if ideas/views not adopted
- Employees are involved in developing solutions early – not informed of the next initiative
- Options for change are discussed
- There is partnership with employee representatives/trade unions

- There is organisational *integrity* such that espoused values are reflected in behavioural norms
- These expected behaviours are explicit and bought into by staff
- Keep it real - staff see through corporate spin quicker than customers or the public
- There are mechanisms for ensuring what you say is what you do – ie ‘staff are our greatest asset’

Public services: the engagement gap

- Just as important in the public sector for ensuring quality of service and performance
- Research (2006) shows public sector workers have a more negative experience of work, with more bullying and harassment
- Public sector workers are less satisfied with opportunities to use their abilities
- Reform something done to staff rather than with staff
- Stronger trade union presence in public sector. Need to ensure industrial and employee relations strategies are aligned

- **Public sector lags on awareness of strategic direction and clear vision**
- **Quality of management**
- **Trust and confidence in leadership**
- **Belief in organisational messages**
- **Change for change's sake**

Public sector staff: undervalued

- The 2008 NHS staff survey highlighted the problems
- 39 per cent of staff were satisfied with the recognition they got
- 31 per cent were satisfied with the extent trust valued their work
- 21 per cent said they would probably look for a new job

uninvolved

- 51 per cent said they were involved or consulted on decisions that might affect their work area/ team department
- 27 per cent agreed senior managers involved staff in important decisions
- 33 per cent thought staff were encouraged to suggest new ideas
- Fewer than a third reported that senior managers acted on feedback from staff

ignored...

- Fewer than half of staff felt their trust communicated what it was trying to achieve effectively
- Only 55 per cent said they knew how their role contributes to what the trust was trying to achieve
- 51 per cent would recommend their trust as a place to work

...disillusioned

- Many public sector staff aren't convinced their organisations live their values or are effective
- In the NHS staff survey only 46 per cent agreed that care of patients and service users was their trust's top priority
- Only 55 per cent agreed that their trust took effective action to deal with problems.

Disengaged employees

- **Leave and take time off**
- **Fail to advocate their services – when public services need all the public support they can get**
- **Reduce the effectiveness of new policies and initiatives**
- **Will react badly to new financial pressures**

Solutions are out there

- **Research in mental health sector (Alimo Metcalfe) found that engaging leadership styles at all levels had greatest impact on staff attitudes to work and wellbeing and showed it is how people are treated that really acts on organisational performance.**

- **And there are excellent examples in the public sector – ie Chorley, Birmingham and Aberdeen Councils, Blackpool NHS Trust and London Ambulance Service, Department of Work and Pensions among case studies in report.**

Employee engagement in the NHS

- Puts employees at the heart of the service
- Operates at the front line – individual staff empowerment
- Builds on public service ethos
- Drives change, ensures open-ness and transparency
- Builds on the foundations of partnership, it does not replace it
- Engagement is a mutual gains agenda between employers, the workforce and their representatives

What did the social partnership review find?

Where partnership is in place, many of these issues are addressed. Partnership:

- ensures all parts of the trust work towards the same strategic goals
- ensures the whole community recognises challenges and opportunities
- ensures proper dialogue between staff (including their representatives) and management at all levels to address problems and develop positive solutions
- Hugely benefits and empowers staff
- Impacts positively on service users

Aims of partnership working

Recognising shared values and common purposes, enable trade unions and employers to:

- **contribute to policy development at a formative stage**
- **contribute ideas on workforce implications of developing policy and implementation**
- **Communicate effectively with each other ...as part of the overall goal of improving the NHS**

Horse and carriage

- **Social partnership essential underpinning framework for employee engagement in NHS**
- **Important enabler for engagement by ensuring collective voice**
- **SP gives staff confidence that essential ‘hygiene issues’ are being looked after**
- **Behaviours and expectations very similar**

The challenge ahead

- **Against the background of employee disengagement, public sector now faces biggest challenge for a generation of doing more with less.**
- **Partnership and engagement will become more important as spending is cut**
- **How can we best highlight and share good engagement and partnership practice to meet challenge**

People are the solution

- In times of difficulty, your people are your best allies.
- Staff know how to cut costs, how to work smarter and more productively.
- Public sector employers need to engage all their employees - and all their employees' understanding, effort and commitment to getting through the next period.
- Engagement provides a means of doing this
- Services that come of the recession best will be those who endorse and embed employee engagement

To sum up

Employee engagement:

- ensures all parts of the public service work towards the same strategic goals
- ensures the whole community recognises challenges and opportunities
- ensures proper dialogue between staff (including their representatives) and management at all levels to address problems and develop positive solutions
- Builds on a social partnership approach
- Hugely benefits staff
- Impacts positively on service users

About the IPA

- Not-for-profit, registered charity focussed on employee involvement, participation and engagement to increase performance and competitiveness through releasing the potential of all employees
- The lead body providing training and support for companies and organisations on workplace, consultation, partnership and representation – extensive client list and good practice networks
- Provides guidance to Government and unions on Information & Consultation and partnership issues
- Nita Clarke co-author of Macleod Review
- www.ipa-involve.com
- **Employee Engagement Report & Recommendations:**
Employee.engagement@bis.gsi.gov.uk