

High Performance Working: Employer Case Studies

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Foreword

Launched on 1st April 2008, the UK Commission for Employment and Skills is a key recommendation in Lord Leitch's 2006 review of skills *Prosperity for All in the Global Economy: World Class Skills*. The UK Commission aims to raise UK prosperity and opportunity by improving employment and skills. Its ambition is to benefit individuals, employers, government and society by providing independent advice to the highest levels of the UK Government and Devolved Administrations on how improved employment and skills systems can help the UK become a world class leader in productivity, in employment and in having a fair and inclusive society.

Research and policy analysis plays a fundamental role in the work of the UK Commission and is central to its advisory function. In fulfilling this role, the Research and Policy Directorate of the UK Commission is charged with delivering a number of the core activities of the UK Commission and has a crucial role to play in:

- assessing progress towards making the UK a world-class leader in employment and skills by 2020;
- advising Ministers on the strategies and policies needed to increase employment, skills and productivity;
- examining how employment and skills services can be improved to increase employment retention and progression, skills and productivities.
- promoting employer investment in people and the better use of skills.

We will produce research of the highest quality to provide an authoritative evidence base; we will review best practice and offer policy innovations to the system; we will undertake international benchmarking and analysis and we will draw on panels of experts, in the UK and internationally, to inform our analysis.

Sharing the findings of our research and policy analysis and engaging with our audience is very important to the UK Commission. Our Evidence Reports are our chief means of reporting our detailed analytical work. Our other products include Summaries of these reports; Briefing Papers; Thinkpieces, seminars and an annual Research and Policy Convention. All our outputs are accessible in the Research and Policy pages at www.ukces.org.uk

This case study report reports on findings from a number of visits to employers and is part of a wider project exploring skills utilisation in the UK. It's intention has been to provide a better understanding of how high performance working is implemented in a selection of businesses to more effectively utilise staff. As such it seeks to provide real-life examples of HPW in practice, to encourage wider take up. Other parts of the project include a detailed analytical report of the case studies, a synthesis of literature and a policy review.

We hope you find the report useful and informative in building the evidence we need to achieve a more prosperous and inclusive society.



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1 Introduction

1.1 Context

The way in which people are managed at work makes a difference to organisational performance. There is now considerable evidence that a coherent approach to managing people provides the basis for significant performance gains. Recently, a new approach to managing organisations has emerged that places people and their skills centre-stage. This approach is known as ‘high performance working’ and involves **securing greater employee involvement and commitment in order to achieve high levels of performance** (UK Commission, 2009). The precise form this takes varies, but it includes activities in human resource management (e.g. pay and incentives, appraisal, workforce development), work organisation (e.g. team working and job design), employment relations, management and leadership (including strategic management and business development as well as line management), and organisational development. In high performance workplaces all of these **policies and practices are underpinned by a philosophy of people management that emphasises autonomy, participation and learning.**

Many organisations are already taking a high performance working approach and are reaping the benefits of doing so, but for those who have not, it can sometimes seem a costly and daunting possibility. Despite the evidence of gains, the perceived difficulty of adopting such comprehensive change can be a real barrier.

This report describes the experiences of 11 organisations that have made the transition to high performance working, and through their experiences we show what can be done and how it can be achieved. We hope that in doing so we turn the difficult and daunting into something accessible and exciting and at the very least this could stimulate discussion and the sharing of good practice from one business to another.

A list of the case studies and a brief description of who they are is in the table below:

Case studies	Who they are
ACCA (Association of Chartered Certified Accountants)	ACCA is a not for profit global training, development and membership body for professional accountants. ACCA has around 860 employees spread across three buildings in London and one in Glasgow. They also have a global presence in 30 non-UK countries.
Autoglass	A UK based windscreen repair and replacement business part of the Belron group of companies. Some 2,200 employees based at the head office in Bedford and 109 branches throughout the UK.
Content and Code	A service based software supplier formed in 2001 by its two directors, grown rapidly since then and now with 67 staff based in London.
firmus energy	Transmits, distributes and sells Natural Gas. A small and growing company with 58 employees set up in 2005. firmus energy is a subsidiary of Bord Gais and is based in Northern Ireland.
gem	gem was established in 2000 and is a privately owned outsource contact centre based in Belfast, Londonderry, and Debrecen in Hungary. There are around 700 employees with the large majority in Belfast.
Macphie of Glenbervie	Established in 1929 the company is based on the family's 2,000 acre estate near Aberdeen. They are the third largest food manufacturer in the UK concentrating primarily on producing complex raw ingredients.
Merseytravel	Based in Liverpool, Merseytravel is the transport authority for the Liverpool area responsible for transport planning and maintaining and developing the transport infrastructure. It has just under 1,000 employees.
Pilot Drilling Control	Pilot Drilling Control was started in 1991 by the Managing Director to combine both design and manufacture of specialist drilling equipment to the oil and gas industry. It has grown to 25 staff members, with a financial turnover of £2million. Last year the company was sold to a US corporation.
United Welsh Housing Association	United Welsh Housing Association are a Registered Social Landlord, providing affordable housing and services mostly based in Caerphilly, Blaenau Gwent and Cardiff. They have existed in their current form for about 20 years. They employ some 70-80 people in the Head Office in Caerphilly with small numbers elsewhere.

Case studies	Who they are
West Lothian Council	The Council came into being 13 years ago following the merger of three local authorities. The Council is a unitary authority, providing a wide range of services via three major directorates and employs 8,500 people.
Wychavon District Council	A local authority based in Pershore, Worcestershire covering 260 square miles of mostly rural area, and responsible for housing, parks, sports, arts, planning permission, environmental health, waste collection and recycling and street cleaning. It has 332 staff.

Our case study organisations were carefully selected to provide practical and accessible insights into how organisations have adopted HPW practices that have made a considerable difference to their performance. But we wanted these organisations not only to demonstrate the impressive performance gains that are possible but also to be interesting and varied, so that as many organisations as possible will find something of relevance here. Taken together they provide a fully rounded picture of the variety of different high performing work practices and approaches that can be adopted. To ensure that we did not just review the ‘usual suspects’ we compared potential case studies on a range of criteria:

Organisational performance	The focus was on high performing organisations to understand what factors contributed to their success.
Business strategy/HPW	We looked for organisations that had thought about people management and that saw people as a distinct part of their competitive strategy.
Sector	We wanted potential case studies to represent a range of sectors including the public sector.
Size	They should include different sizes of organisation measured by number of employees.
Nation	Cases should be drawn from across the UK.
Award scheme	Award schemes can be an indicator of interesting practice and were used to help identify potential cases.
Age of company	We sought a mix of well established and more recent organisations to explore a full range of culture and context.

All case study visits took place between January and August 2009. Visits constituted a series of hour long interviews with senior management, HR professionals (where they existed), any employee representatives and focus groups with staff and line managers; visits were an average of two days. Holding discussions with people at all levels across the organisation allowed us to obtain a fully rounded picture of the organisation and to ensure that what was experienced and believed at some levels of the organisation was or was not felt at other levels. For example, whilst senior management or HR might have suggested that certain policies or practices were fully embedded and operational within the organisation, it was vital to see if this was also felt to be the case by line managers and others. Similarly, with discussions about the culture and values of the organisation – certain values might be suggested in the organisational documentation, but it was important to ascertain whether staff really believed this to be the case in practice.

1.2 Getting started on the journey

One of the uniting features of all our case study organisations is **a clear underpinning belief about the value of people to the organisation**. Such a belief often comes from the top and is a recognition and acknowledgement that great workplaces are forged through a partnership of effort and endeavour. No matter where you start from (and some of our case studies started from quite bleak places of conflict and disengagement), the hoped for end point was mutual respect and mutual gains from an approach that emphasised people, their skills and ensuring the full application of these skills in the workplace through an emphasis on motivation and performance.

Getting started is often about finding a way in, something to begin the transformation of the organisation and to build on: a hook (or two) in effect to hang the detail on. The ‘hooks’ for the case study organisations varied, for some it was **learning**, for others it was about **autonomy** – finding ways of working that maximised the opportunity for individual decision making and responsibility for the customer experience. Some placed their emphasis on a **management and leadership** approach that would work to develop openness and honesty across the organisation, some wanted to be very **people focused** and create a great place to work.

Getting started also sometimes needs a **helping hand**, and our case studies found and used help as needed.

1.3 Learning

Many organisations pay attention to learning – new equipment, new ways of working, new people or new roles all need some degree of learning to make them work effectively. However some organisations see learning as a more important lever than that, they see it as able to effect significant change: unlocking the talents of people who would not normally voice their ideas; or in providing an opportunity to shift working relationships; as facilitating progression; or as part and parcel of their competitive advantage.

At Merseytravel, for example, the Chief Executive is passionate about learning and this has permeated throughout the organisation. Investment in staff is a key plank of the overall business strategy, in true recognition that people are the main resource. In a 'blue collar' working environment, not normally associated with high levels of learning, the strategy has been to use learning to build trust and release business benefits through an initiative called 'Merseylearn'.

At Western Health and Social Care Trust too, widening the participation in learning has sought to unleash talent in the organisation in a workforce with low expectations of learning and poor experiences in the past. At ACCA there is a fundamental belief in the importance of training and development and getting the right skills in place to face the future, as well as using learning to grow people into their roles. Macphie, has a strong belief in the potential of people. Opportunities for personal development mean that people can grow and take on extra responsibility, with numerous examples of individuals starting in junior jobs and working through to highly responsible positions, as well as being supported through external qualifications. Development needs are identified as part of the annual review process with the guiding principle that *'we grow our own'* and an emphasis on identifying natural aptitude and best fit. Finally, Autoglass has a National Accreditation Centre to ensure that all technicians are trained and their skills accredited – a unique approach in the industry which provides a quality advantage and a recruitment and retention benefit.

1.4 Autonomy

Autonomy sounds simple but in reality is a complex undertaking requiring people to be skilled, motivated and trusted. If those things can be achieved however, it is a major enabler of high performance. It speeds up action and decision making; it can provide a better customer experience and creates far more fulfilling jobs for people.

The underlying philosophy of HPW at Content and Code was described as one of letting people grow through the fostering of a very personal and open culture. There is considerable focus on team spirit, and the building of relationships. The belief is that people drive success and the two joint directors see an important part of their role being to foster innovation, drive, accountability and enable fun. There is a strong culture of **team ownership**, with teams responsible for ideas that change the ways of working; there are daily team 'stand up' meetings where members will talk about their progress on projects, the challenges they faced and what their objectives are for the next day. The company also uses break-out problem solving sessions where they work through issues that they face. This team responsibility is carried through to working closely with the customer (the team presents to potential customers and each team has a customer desk positioned amongst team members).

A similar emphasis on team and autonomy was visible at Wychavon District Council – a major shift from their previous culture. To support this transformation staff were reorganised into cross-functional work teams and a middle management team was created to help embed change. All job descriptions were reworked to place an emphasis on flexibility, and people were deliberately given responsibility for areas that were not within their current function. In doing so the Managing Director hoped that individuals could develop skills and expertise in areas that interested them but more importantly could feed their energy into developing a 'can do' and enthusiastic culture. Employees mentioned high levels of **trust** in the organisation '*they trust us, we trust them*'. The organisation was seen to be forward-thinking and willing to take chances, an approach bound up with autonomy and trust, and in strong contrast to many, more traditionally-run, local authorities.

West Lothian Council had a similar desire to shift their culture to be more flexible. A key characteristic of the organisation is its ability to break down and work across silos. The directors manage on a corporate basis, and the principle of avoiding a silo mindset is designed in from appointment, with directors and heads of service appointed to roles outside their own specialism. This flexibility includes dealings with other agencies and a new headquarters will mean that the Council, police, health service and court systems will be co-located. This flexibility requires autonomy to be effective. The overall approach to people management is described by the HR Manager as '*positive and participative...the Council tries to foster less command and control and more of a delegated and self managed approach... .*' **Lean management systems** are in place so that people can contribute to better ways of doing things and raise and work on issues that are not working. Improvement teams are drawn from the front line and drive change, with a high level of personal empowerment, combined with an investment in personal development, meaning that people are equipped to make decisions.

Merseytravel has used its emphasis on training to provide the basics for much greater **empowerment**. Staff across the organisation are provided with development opportunities to enable them to take on the responsibilities of the level above which enables them to operate with much greater confidence and to feel they can act when they see the need.

This emphasis on creating a **culture of proactivity** through autonomy was also clear at firmus energy; their aim was to develop a great culture where people 'step outside of the box'. To do so they find good people, train them well and '*allow them to fly*'. They place considerable emphasis on self management and develop people specifically to enable them to behave autonomously.

1.5 Management and leadership

All our case studies understood the importance of management and leadership to creating the right kind of change in the organisation. The emphasis is on openness and engagement which is very much tied in with trust, risk taking and innovation. For example, the Managing Director of Wychavon District Council instigated some key changes to ensure that openness was encouraged. A hugely symbolic change was to have his office walls replaced with large glass panels. He also maintained high visibility through walkabouts, emphasised an open-door policy to all managers and encouraged staff to approach him directly. Senior managers engaged with front line staff through a 'Back to Front' initiative involving spending a day delivering a service.

At Autoglass the focus is on 'Engaging our people so they give a great service'. The emphasis is on a **management style** that enables and allows people to be effective and they use specific models of leadership styles and 'climate'¹ to set the benchmark for what they expect of managers in the business. All senior managers are trained and get feedback and a report on climate and style and all more junior managers have the opportunity to do so. A coherent approach to training leaders was also important at firmus energy and the organisation invested in personal leadership development for all staff, and leadership training for managers about two and a half years ago.

The open, inclusive and non-dictatorial culture at ACCA allows for different management styles to thrive across teams as needs require. There is a can do, optimistic culture with a common set of values and a common working framework. A concerted effort is made across the organisation to communicate these values. The new Chief Executive in 2003 brought a new style of people management to ACCA, and a shift towards an open, flexible and less formal environment – unusual in the often formal world of accountancy.

¹ Leadership styles describe the preferred way of working for leaders. Climate is a measure of organisational culture, in this case monitored through an employee survey.

Management and leadership underpin the flexible approach at West Lothian Council and is seen to be a vital part of facing up to the challenges that potentially confront the organisation in the future. Adapting to major cuts in expenditure and placing greater emphasis on innovation to help maintain services is requiring additional investment in middle and senior managers in particular, so that they will be able to sustain engagement and promote innovation.

1.6 Being people focused

Many organisations would say that people are their greatest resource. All too often it is difficult to breathe some life into this so it does not become an empty cliché. Our case studies show that a fundamental **belief in the value of people and a desire to create a great working environment** are not incompatible with running an efficient business. All of our cases demonstrated a mutuality of both endeavour and gains (i.e. ensuring that employees see benefits to themselves too from their efforts) that underpinned their approaches.

At the United Welsh Housing Association there is a strong focus on staff recognition, celebration and engagement with initiatives such as ‘great day out’, and an annual staff conference. A walk around firmus energy makes the importance of people clear with various sayings about maximising the contribution of people and setting appropriate cultures painted on walls around the office such as *‘The purpose of an organisation is to help common men do uncommon things’* (from Peter Drucker), and *‘Never follow a rule and break a value’*. Brand values are core; clarity, integrity and empathy and are seen to be essential to delivering great customer service.

gem places employees at the centre of its customer strategy realising great customer care comes from people who are motivated and engaged. New recruits get the message that the customer is the most important person (and that employees need the right attitude to ensure this) reinforced throughout their induction. There is also a big emphasis on performance, with high performance standards being set for employees. They ensure all employees are well managed, understand the organisation and are listened to and trusted. There is a degree of care and concern to gem’s approach too. The company believes that the welfare of employees and the fostering of a family culture is important. Most employees are young, and a substantial proportion come from abroad. A support structure is in place, which helps to ensure loyalty, commitment and ultimately success.

Macphie is a family owned business and this creates a very specific people focus. Family values are central to the approach, *'family is the word. We would like everyone employed here to feel part of the family'*. Trust, integrity and honesty are fundamental principles and seen as delivering success, together with *'relative security'* – while there is no formal redundancy policy, there is a general awareness that every other avenue would be explored first. There is a strong caring culture with regard to people who are supported if personal issues arise, there is also an atmosphere of give and take so that managers can use their discretion to allow time off. An occupational health assistance scheme and an employee trust fund ensure more tangible support.

1.7 A helping hand

Our case studies could not always make the changes they wanted to by themselves and several sought **help from others** to get them started on their journey towards becoming a high performance workplace.

As a small organisation with limited internal HR resource, Content and Code commissioned an external supplier to help them develop their performance management system. Autoglass used their existing staff survey supplier to help them make the shift to an engagement focus. The HR manager at Pilot Drilling worked with Business Link to draw down mentor support and with Investors in People to provide the framework for change. United Welsh Housing sought funding from the government to enable them to implement a 'partnership at work' project using some support from a consultant to help with implementation. firmus energy were able to call on HR and organisational development specialists in their parent company to help design and implement key policies. Merseytravel worked with the Advisory, Conciliation and Arbitration Service (Acas) to help resolve a specific dispute and shift the culture of employee relations.

1.8 The importance of purpose

For many of the organisations the focus on people is seen as an essential part of creating a **strong guiding purpose**. Such purpose is not just an end in itself but also serves to bring people together behind something meaningful. For example at Merseytravel the aim is to make Liverpool a better place to live, at Autoglass their competitive strategy is to deliver customer delight. At firmus energy as we have seen there are values of clarity, integrity and empathy; and customer empathy specifically is a distinctive attempt to challenge what they perceived as the prevalent operational culture of utilities companies.

Values are another important means by which case study organisations provide some backbone to HPW approaches. Macphie for example has strong family values of trust, integrity, honesty and of genuinely valuing and caring for employees. Wychavon District Council also has strong values in place, which are simply expressed: and staff identify with them. Examples include: 'Brilliant customer service', 'great services every time' and 'innovative, always improving.' This is also true of Content and Code's five pillars of success underpinned by a value set which emphasises customer engagement and authenticity.

Also using an overarching framework, the overall philosophy of gem is encapsulated by the 'gem temple', which links its vision with goals for success, underpinned by the company's values. The predominance of the customer and customer service, the belief in people and the importance of performance are all apparent within the framework.

1.9 Why make the effort?

The case studies each have their own reasons for trying to adopt the high performance approach. For some it is difficult to spot a single driving force; rather progress has been made in a number of areas together, for example a developing HR function may play a role alongside a shift in leadership adopting a HPW champion or different expectations of a culture and climate. However, for most case study organisations there were some clear drivers that seem to have created the momentum for change:

- A growing emphasis on the customer.
- A drive to excellence.
- A pressing problem.
- Growing complexity.
- A clear 'champion', often at senior level.

1.9.1 Customer emphasis

For ACCA part of their journey was the recognition that **people have higher expectations of service** than was once the case and they therefore developed an initiative to focus on the customer. It is this initiative that is driving much of the culture change in the organisation. At firmus energy finding **a differentiated business strategy** was important to them and customer empathy helped them stand out in their sector. gem operates in the highly competitive call centre environment and creates competitive advantage through an **emphasis on quality**. Cost based competition is not an option for the organisation given that many competitors operate in low wage countries. Instead a focus on great performance underpins the organisation.

1.9.2 Drive to excellence

For some there is a **desire to embed excellence** in the organisation in all things – product/service but also staff management too. This is often reflected in the ambitions of a leader. Wychavon District Council for example aims to deliver great services – it has an explicit strapline to this effect on its values *‘we expect to deliver a lot to our customers so we expect a lot from our staff’*. Other sayings in the organisation are *‘entrepreneurial not municipal’* to highlight the emphasis on innovation and risk-taking complemented by a genuinely blame free culture – as managers commented *‘In most organisations the first response is to blame, at Wychavon the first response is to sort it out’*.

At West Lothian Council great emphasis is placed on high performance and **measurement and continuous improvement** are central to their approach. Over a period of five years the Council has developed its own assessment tool, the West Lothian Assessment Model (WLAM), which has subsequently been adopted by other authorities.

1.9.3 A pressing problem

Sometimes a specific issue is pulling the organisation down. For Western Health and Social Care Trust and Merseytravel the **lack of staff engagement** in ongoing learning was seen to be inhibiting performance. In both cases the solution was to make learning accessible to low skilled staff with negative experiences of learning and low confidence regarding their ability to learn new skills. **Poor staff relations** can be another major drag on productivity and effective cultures and these were experienced in United Welsh Housing Association and Merseytravel. The emphasis in both cases was to create openness and a sense of mutual endeavour. For example, Merseytravel used support and funding from the government to help them shift from an adversarial situation ten years ago to strong partnership working with the unions focused on common goals with learning as a key enabler and robust policies for people management practices.

1.9.4 Growing complexity

Growing pains are common in rapidly growing organisations especially at the point they pass the small stage. Small organisations generally find that information disseminates effortlessly and informal processes suffice, and yet when they become too big for such approaches, there is often a painful period of adjustment. Content and Code had experienced quite phenomenal growth and the accompanying need to formalise communications, HR policies and practices, performance management arrangements and to attend more carefully to retention issues. Both Content and Code and Pilot Drilling Control had also seen different parts of their organisations begin to drift apart and were keen to create corporate glue to help bind people back together. Pilot Drilling Control for example had used a questionnaire to identify how people learnt to prompt internal discussion and to ensure that teams were appropriately balanced.

1.9.5 Champions

Change requires persistence and effort and all organisations had **people in place able to plug away** and ensure change was both adopted and embedded. The Managing Director at Wychavon District Council was highly influential, but the Head of Strategy and Communications was another important change champion making sure documents were accessible, staff were kept informed and making it all energetic and fun. Referred to as an 'ideas powerhouse' she has kept communication fresh, vibrant and accessible. Content and Code are lucky to have two managing directors who complement each other and work together well to create a vibrant people centred culture. They have tried different roles between them to arrive at their current ones which complement their skills sets and cover both people and business issues, creating new ideas and embedding initiatives. Merseytravel have a strong top team who gel well together, have a close and productive team approach, and a strong sense of mutual loyalty and pulling together. This results in strong trust and a common voice, and the ability to make challenging decisions and see them through. firmus energy has gained momentum from the General Manager who brings a marketing approach to the organisation and access to an experienced Organisational Development team has helped develop their management development approach.

HR managers have taken up the reins of change agent in Autoglass, Pilot Drilling Control and United Welsh Housing Association. The partnership at work project at United Welsh Housing Association was the brainchild of the (then) HR manager who secured government funding, engaged a consultant to help and worked in conjunction with the union. The HR director at Autoglass created a coherent HR function, and has also played a major role in the creation of the values for the organisation and the skills academy. At Pilot Drilling Control some of the core processes used to bind the organisation were introduced by the HR manager. At gem the HR function is a key component of success and this is reflected in the relatively large size. It is telling that HR has been brought back in-house after a degree of outsourcing in the past.

2 Key HPW practices

The case study organisations have a wealth of practices that they use to help manage people effectively, there are, however, a few of them which are critical to embedding the changes we have seen, and which have helped drive real shifts in culture and values:

2.1 Performance management systems

Performance management processes exist in most organisations with varying degrees of success. Content and Code is an example of how to get it right. The performance system was carefully introduced to meet some key objectives. These were to:

- align individuals' efforts to organisational needs;
- provide the opportunity to earn more as part of a retention package;
- create clarity of expectations;
- embed behaviours into assessments of performance.

The new system was introduced to deal with pressures on recruitment and retention which the organisation was experiencing. The desire was to open up the **bonus system** beyond sales staff and to introduce something that was fair and transparent. It is interesting to note the care and attention that was given to ensuring the introduction went smoothly. All in the organisation were involved through workshops and individual interviews and the directors personally attended meetings with each team to explain the scheme. The scheme itself is comprehensive with:

- Personal **objectives and competencies** being set for everyone and tied to organisational values.
- Individuals are assessed by their manager and two peers of the organisation's choosing.
- A **review** is conducted every three months of objectives and competencies with an annual salary review based on performance.
- In addition every member of staff has a bonus scheme triggered by personal and company objectives and which rewards employees for achieving **key metrics** such as billing time, customer satisfaction and the development of intellectual property.

Since the scheme was introduced they have seen some significant benefits most notably in increased billing time².

ACCA is another of our case studies that placed considerable importance on its performance management system. As part of a growing emphasis in the organisation on HPW there was an overhaul of formal processes and the instigation of a single system across the organisation. The focus of this new system was on full engagement of employees with the process ensuring that objective setting was a live two-way discussion between staff and managers. Careful attention was placed on implementation to ensure **consistency of approach**, with a 2 day training programme for all managers. ACCA have also understood that their new system needs to be regularly reviewed and they are currently looking at it with an eye to ensure that it is aligned with the cultural vision and links to the business strategy and is more accessible and understandable for everyone.

Pilot Drilling Control have looked carefully at their performance processes as the organisation has grown, and have sought to both better align skills of staff with the organisation and to create a more developmental and progression focused culture. They have used **skills matrices**, open door culture and positive feedback to underpin their approach.

West Lothian have developed their own performance measurement tool which provides a tool for assessing improvement and complies with the key external quality standards, including EFQM, Customer Service Excellence and Investors in People and thus includes key people measures as part of an integrated and holistic approach to evaluating the business. The **Performance Review and Personal Development Planning process** is the key way in which personal contribution is measured, and reflects their empowered approach. People are responsible for setting their own objectives, in discussion with their managers, in the context of the strategic plan.

The emphasis at gem on customer excellence is firmly underpinned by their performance management system. Everyone has clear **targets** that they understand, and the targets are linked to the company's goals. Over time, the bar is raised on targets if at all possible, so continuous improvement is a major factor. Business managers referred to the holistic approach that the company takes:

- Individuals have their own **key performance indicators** (KPIs) that link to team KPIs and overall company goals.
- **Performance related pay** (PRP) is linked to achievement of KPIs.

² The proportion of an individual's work time that can be charged to a client.

- Development is also linked, for example opportunities are mostly offered to those who have met or exceeded their KPIs.
- PRP increases with length of service (a key success indicator for gem).
- Tackling poor performance is done well, with plenty of support for managers to move people through the policy in a consistent, structured way.

2.2 Communication

Keeping staff informed of what is going on in an organisation is critical for empowerment, engagement and performance. But using communication more proactively to shift culture can make it a major tool in a change process. Wychavon District Council is a good example of an organisation that has embraced communication in this way. The Managing Director and Head of Strategy and Communications understand the importance of explicit and tacit communications. Explicit methods include a **newsletter**, posters of **value statements**, annual reports, team and all staff briefings, HR policies held on one page to make them accessible and a regular staff survey.

Tacit methods including the drafting of new job descriptions that were less explicit thus providing employees with the flexibility to take on gaps as and when apparent and reducing the need for redundancies, the Managing Director meeting all new staff, entering award programmes such as the Times Best Council to Work For and recently, a film on staff engagement.

The style of such communications is also important: engaging, energetic, simple and straightforward they give appropriate and very accessible messages.

At Macphie, communication is a vital part of the approach to people management. Two way communication is seen as key, and the level of openness reflects the desire for **inclusiveness** that stems from the sense of extended family across the workforce as a whole. The company's growth plans are shared, and there is total **transparency** about sales and profitability. Managers discuss issues and challenges with their teams to find the best solutions.

2.3 Engagement

Engagement is on the ‘wish lists’ of many HR and line managers but it is quite tricky however to think how to go about enhancing it in complex workplaces. It is even more difficult with workforces where terms like engagement do not trip off the tongue very easily. So on both counts Autoglass isn’t an obvious choice for an employee engagement approach. However it is adopted with a hefty dose of **pragmatism** given a large blue collar workforce that works remotely. One step that helped make it a reality was a conscious shift from job satisfaction in the old **staff survey** to a new survey aligned to engagement principles. The original survey was well embedded in the organisation having run for five years but had become quite complex and Autoglass had lost sight of what they wanted from it. Change was not something they undertook lightly however and they held several sessions with different levels of employees to understand what it meant to them, what they were interested in being asked about, etc.

Once they had consulted with staff the new survey was piloted, managers were trained in how to interpret the results to make it more meaningful and much effort was spent on overcoming the embedded cynicism from several years of doing relatively little with the findings. This effort paid off and response rates have risen considerably. The advantage of the survey is that it highlights areas for action – for example communication was an identified issue and as a result regular **one to ones**, **team meetings** and training in how to conduct and energise a meeting have been all been implemented.

Content and Code do not use the term engagement but they do focus clearly on a wide range of practices that make them both an attractive organisation to join and an attractive organisation in which to stay. The focus is on creating a real team spirit, a sense of mutuality, open communication and supportive relationships. Employees say the organisation feels like family. Some of their people management practices act to underpin engagement such as both manager and **employee of the month**, **flexible working**, **wellbeing** initiatives and an emphasis on fun and interaction through **social events**.

2.4 Ensuring policies stack up

Not a particular policy or practice but an obvious win in all of our organisations was aligning policy and practice so that they added up to something greater than the sum of the parts. Merseytravel has an emphasis on job focused training which has evolved over time to now providing development from entry level right up to a Masters programme and is the main plank of its overarching positive approach to learning. A map of embedding and embedded practices shows **four pillars**: empowerment; development and training; HR practices; and communication; with a connecting 'apex' of quality and performance. The training and development emphasis is supported by a range of practices around empowerment such as team working and multi-tasking, communication is supported by team briefing and quality enhanced by 360 appraisal.

At Wychavon District Council policies line up behind a **focus on trust and care**. Employees mentioned 'back to work' policies which assist return from long term absence, the embracing of flexible working, and development and progression opportunities that help people break out of silos. Taken together they support what the organisation says about the importance of people. Content and Code also has an array of policies and practices which support the emphasis on **creating a great place to work** – well being policies include subsidised gym membership, free fruit and health and dental insurance. There are also flexible working arrangements, and an emphasis on social events, including regular dinner parties hosted by one of the directors. It is family values that sit at the centre of the approach at Macphie. People are cared for but also developed, there is an emphasis on personal responsibility reflected in self scoring as part of the appraisal process, and communication is emphasised to ensure complete openness and a strong sense of inclusivity.

firmus energy acknowledges that its **brand values** can only be brought to life through its people and this is therefore reflected in the approach to people management which emphasises three main strands: learning and development (growing people and preparing them to take responsibility); performance management (ensuring clarity of achievement that is in tune with values); and communication (core briefs, quarterly briefs from the general manager, monthly team meetings and regular one to ones). In each of these areas there is an emphasis on equity and fairness. Recruitment reflects the emphasis on values, with candidates selected for their 'fit' with organisational values as much if not more so, than their skills.

United Welsh Housing Association have used a range of practices to support their **partnership at work** project. A philosophy of empowerment is engrained and realised through excellent training and open two way communication of information and ideas. Empowerment also requires everyone to know what they are doing and why, and this is achieved through a performance management system which emphasises targets which are clearly associated with corporate objectives. Flexible work practices enable everyone to make a contribution and there are recognition practices for those who put in extra effort.

gem places considerable emphasis on effective HR policies that contribute towards an effective well run organisation. The **emphasis on customer care** is reflected in a range of policies and practices which ensure the right people deliver exceptional service. Performance management and selection processes ensure the good performance but an emphasis on promoting from within, good employee benefits and great development all help create an engaged and motivated workforce.

3 The benefits

The bottom line question of course is does the high performance approach deliver? There were numerous examples of solid outcomes in each of our case studies:

ACCA has seen changes to the HR function benefit both the function itself (they feel they now offer a **professional support** service to the organisation) and in turn their support has helped ACCA focus on the development of staff and the adoption of better people management practices. Line managers commented on the better HR help and advice available. A more open and inclusive **culture** was welcomed by line managers as it increases input and influence at team level, and staff views are more likely to be listened to and taken into account. Regular staff surveys also help address key issues and staff believe that the survey is taken seriously and is acted upon. Survey results are very positive with high levels of satisfaction and engagement.

The training investments made have also had an effect on how staff have responded within the organisation, there are resources made available for self study which have proved very popular and there is also considerable uptake of mentoring opportunities including peer mentoring and cross boundary mentoring. This has helped to create a more open interactive culture.

At Autoglass, bringing in the Automotive Technician Accreditation (ATA – a voluntary scheme launched in 2008) has had a big impact on **productivity** and their ability to identify where there are problems of work allocation. It has also had a positive impact on retention of the technician population. Pay is linked to achievement on the scheme and been decoupled from the performance review system thereby enabling the performance review process to focus more clearly on behaviours. This has been especially useful with longer serving staff enabling managers to have a more open and honest discussion. Autoglass conducted an evaluation of training delivered for Customer Service Advisors which demonstrated quite clearly that branches which had conducted the training had enhanced **Key Performance Indicators**.

Content and Code have experienced increased **productivity**, all staff are now more focused on customer service, and they have seen increased sales and billable hours; all of which the directors felt was directly attributed to the bonus scheme and the clarity it brings. There has also been a significant boost to staff **morale**, recognised through Content and Code winning the Best Companies Award 2009, as well as good internal staff survey results. Similarly there is very high **staff retention** rate (97 per cent) and low levels of short term absenteeism. The company has collected an impressive collection of awards:

- Best Companies 2009 star status.
- 2008 Deloitte UK Technology Fast 50 with content and code ranking 8th out of the 50 fastest growing companies.

- Growing Business' Young Guns 2008.
- Microsoft UK Search Partner of the Year 2007.
- 2007 Deloitte Technology Fast 500 EMEA, a ranking of the 500 fastest growing technology companies in Europe, Middle East and Africa.

firmus energy have reaped many benefits from their comprehensive approach to people management; staff **retention**, **absence** levels and staff development activity have all improved. Engagement runs high and results in active participation with surveys, suggestions boxes, team meetings etc. **Customer satisfaction** follows this internal engagement with almost 99 per cent of customers saying they would recommend firmus energy to friends and family. The organisation has seen its **market share** grow and is now diversifying into the electricity market.

gem enjoys high **retention** rates for its industry with current average lengths of service of 28 months and performs well on **indicators** such as the number of calls needed to resolve an issue. It has won a wealth of awards for its employee approach but also for its use of technology and for the quality of its service including 2007 Winner Contact Centre World Awards, EMEA, 2008 Belfast Business Top 50, Belfast Media Group and 2007 European Contact Centre World Best use of technology.

Macphie enjoys the lowest level of staff turnover in the food industry, while survey results demonstrate high levels of pride in both jobs and in the company overall. Benefits for the customer include very high levels of reliability, thanks to the mastery of complex processes that teams have built up through a combination of familiarity and experience:

'If you get trained, competent staff who take pride in what they do, you get consistent quality and that can only benefit customers.'

Merseytravel spoke of a better working environment, with more empowered, more flexible staff who deliver better **customer care** and an increased **level of service**. They also now mostly promote from within because there is confidence in the quality of people which enhances their ability to **recruit and retain** staff. Length of service has increased, and there is greater loyalty to the organisation. **Absence** levels have also reduced (in some areas by almost 25 per cent) with direct impact on costs and customer care.

There have also been benefits from better **employee relations**, whereas policies used to 'bounce around' the unions, a joint consultative forum now means there is a more coherent approach and there has been a move away from a grievance culture. Managers also feel more comfortable in their role and the introduction of better HR structure means that managers feel more supported and therefore confident.

They have acquired a number of awards in recognition of their learning offer to employees and their employee engagement activity.

United Welsh Housing Association has seen decision making speed up as a result of its attempts to shift away from an adversarial culture to one that much more clearly recognises partnership working. As a consequence some major changes in culture have followed with increased **engagement** of the workforce and a focus on **commercial awareness** and efficiency. The organisation scored highly both times it entered the Times 100 Best Places to Work coming 5th in 2004 and 4th in 2005. In addition there have also been shifts in some **key indicators**: rent arrears have improved, rental voids have been minimised, staff absence has reduced, and **retention** increased.

West Lothian have found that the positive benefits of the organisation's people strategy include a low attrition rate, with a high level of good quality candidates for job vacancies, as well as good return rates following maternity leave. Results from the EFQM model show that leadership is strong, while the staff survey demonstrates that employees generally feel that their contribution is valued. Other benefits include very positive inspection results from the various statutory and other inspections carried out, a number of external awards and very low customer complaint levels.

Wychavon District Council has been repeatedly judged to be an **efficient** and **effective** council – it was rated 'excellent' in its Comprehensive Performance Assessment (CPA) and was one of only three district councils to achieve top marks in the Audit Commission's 'Use of Resources' assessment for three years running. It is also the only district in the country to obtain a top score of four for '**Value for Money**' from the Audit Commission for three consecutive years.

The council also has a number of other national awards and positive performance indicators:

- the planning authority was the 'most improved' in England in 2007;
- the housing department was the first double excellent rated district service in the country;
- Wychavon District Council won the Local Government Chronicle Council of the Year award 2007;
- staff at Wychavon District Council ranked its leadership as number one in the Times Best Councils to work for survey 2007.

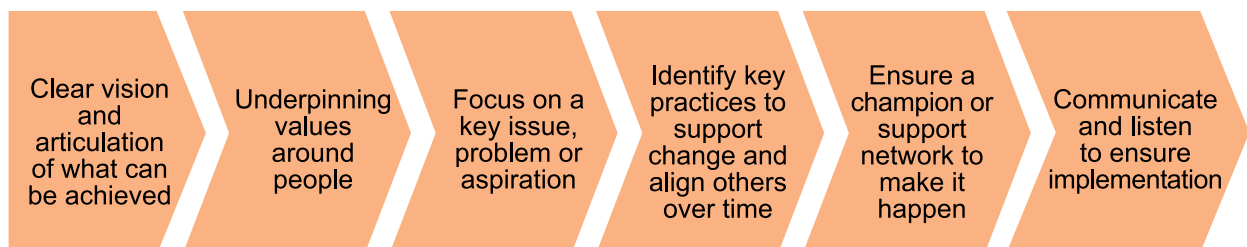
4 Key themes

What emerges from these organisations are some clear themes that point the way to implementing successful HPW, and give a sense of the powerful impact it can have:

- Clear and well articulated beliefs and vision from the top, which can be seen reflected in all policies and practices (and evidenced by employees referring to the same themes). This tends to come from the main leader with strong, effective and coherent top teams around them.
- Strong belief in the ability of people to contribute and their potential to 'grow' their jobs if given the tools, support and freedom to do so. There is a desire to be a great organisation, delivering great products or services and creating a great place to work. This in turn drives an emphasis on cultural factors such as communication, trust, and dealing with mistakes in a positive way.
- The driver for adopting what we call high performance working is sometimes a problem that needs sorting out, or an acknowledgement that as time moves on a problem might arise if something isn't done now, or it might be a sense that things could be much better done differently.
- Our case studies were not afraid to get some support. Some have all the right instincts but do not necessarily know how to make people management great so they enlist help. Some know exactly what they want to do but need extra resource to make it happen. Key contacts include Business Link, Investors In People and the Advisory, Conciliation and Arbitration Service for employee relations issues. Trusted suppliers were also used.
- There are some key steps to creating change and making sure it sticks:
 - A clearly articulated purpose in many cases and people management which acts as a focus for the efforts of the entire organisation.
 - Openness and engagement are key. There is a philosophy of mutuality, mutual gains and partnership running through these organisations. Trust is a common thread.
 - Awareness of the importance of line managers in creating an environment where people can contribute and grow, and investment in them to allow that to happen.
 - Strong commitment to training so as to empower people and provide the learning and support they need to take responsibility for decisions.

- Understanding of the importance of communication and an open communication approach from the top.
- A sense of pride and achievement is nurtured in the organisation hence a focus on customer and quality.
- Finding the key processes and practices that can become real catalysts of change and putting considerable effort into them. This is not about having to do everything all at once, but being clear what is wanted and what key HPW practices would help drive or reinforce it. Making sure such practices are well designed, aligned and well implemented is critical and all too often underplayed in organisations. Our case studies were notable in the care they took to ensure that practices were carefully thought through and introduced. Once the basics are in place, ensuring that new practices support what is there and begin to embed it.

There is no ‘magic bullet’ adopted by these organisations, no one thing that bought about success, and no first step that catalysed everything else. However, we can see that there are a number of generic steps that need to take place:



Getting this right produces real benefits for the organisation but also for those that work in it. It helps create places to work that are enjoyable, productive, innovative, customer focused and autonomous, with a strong sense of responsibility.

In the following sections we give more detail on each of the case studies. A more in-depth analysis of the cases is also included in a separate analytical report (see High Performance Working: Case Studies Analytical Report available on www.ukces.org.uk).

The case studies

5 Association of Chartered Certified Accountants (ACCA)

5.1 The facts

Sector: Professional services

No. of employees: 860 employees

Location: London and Glasgow

Overview: ACCA is the largest and fastest-growing global professional accountancy body in the world, with over 493,500 members and students in 170 countries. ACCA has an extensive network of almost 80 staffed offices and centres around the world.

In 1904 the London Association of Accountants was formed to provide more open access to the accountancy profession. There followed a number of changes, mergers and amalgamations until, in 1984, the Chartered Association of Certified Accountants emerged to reflect the fact that, a decade earlier, it had been granted a Royal Charter of Incorporation. In 1996 it became the Association of Chartered Certified Accountants (ACCA). It has statutory recognition in the UK and Ireland to license members to work as registered auditors and (in the UK) to authorise members to undertake insolvency work.

ACCA's purpose is to offer business-relevant, first-choice qualifications to develop the global accountancy profession and to advance the public interest. ACCA also promotes accountants as advocates of sound business practices, champions of sustainable business development and identifiers of value drivers which lead to high-performing organisations.

5.2 Key themes

- A can-do optimistic culture where employees feel they have the autonomy to take their own decisions and can provide feedback that will be listened to.
- A good work-life balance.
- A newly structured HR function with clear strategic importance.
- Good support for training and development, with a focus on building personal skills for the future.

5.3 The triggers for change

ACCA operates in a competitive market with many different types of accountancy qualifications recognised worldwide. The organisation recognised that in order to maintain the brand, to offer a wide range of services and to maximise the availability of the product, the quality and engagement of its people were key. It also appreciated that in the intensely knowledge and relationship-centric environment in which it operates this places particular emphasis on effective people and talent management as both recruitment and retention tools. ACCA promotes learning and development in the workplace, through its various qualifications and it recognises the need to ensure that it also does so internally. A 15 per cent growth year on year, suggesting a potential 40 per cent growth in the next five years, highlighted the need to have the correct approach to HPW and people management. Similarly, with higher expectations of customer service, the development of an initiative, 'Fit for the Customer', is a significant driver of many of the changes going on at ACCA. Also the challenge facing a siloed organisation is that it may well become more siloed. Changing the approach to people management to overcome this was vital.

The appointment of a new Chief Executive in 2003, with fresh thoughts and ideas helped to herald a new era at ACCA. He had a clear understanding of the global ACCA business and the fact that new procedures and policies were vital to a new coherent approach for the organisation going forward. This was the start of the strategy development process. He also introduced a new style of people management within ACCA, and a shift towards an open, flexible and less formal environment. This triggered the first attitude survey, and significant additions to the HR function. Subsequently ACCA's current CEO, Helen Brand (appointed at the end of 2008), has pushed even further with developing ACCA's focus on people including a thorough review and development of the HR function and the explicit inclusion of investment in people as a cornerstone of ACCA's strategy to 2015.

Organisation-wide feedback has also been a significant trigger for change, both solicited, and in some instances, unsolicited feedback too. The staff survey is held annually, is taken seriously, and acted upon, with the result that it catalyses change at ACCA. All feedback is taken on board as the organisation moves forward, and employees feel that their contribution is listened to.

5.4 The approach

Underpinning the approach to HPW and people management at ACCA is a drive to produce the best customer service. From this flows a focus on the empowerment of individuals, which in turn is supported by the performance management system and training and development of staff. To provide these systems and processes ACCA have concentrated on developing a compelling, coherent and well-established HR function.

A clear HR strategy and redevelopment of the HR function led to the tightening up of HR policies and the development of three teams to deal specifically with different aspects of HR. This, coupled with the inclusion of HR on the executive sent out a clear message to the organisation about the importance it gives to people management.

The communication of ACCA's values is a key focus of the new strategy, to ensure that all employees understand their role in making ACCA the best global professional accountancy body.

In 2005 ACCA did not have a uniform formal performance management system in place across the whole global organisation. The organisation had a few interim measures to keep performance ticking over but a long overdue change to the system came in 2006. The focus of this new system was on ensuring that objective setting was a live two-way discussion between staff and managers, with a 5 point pay scale. There was a two day training programme for all managers to ensure consistency of approach across the organisation. In an effort to continuously improve in this area they are currently reviewing the system to ensure performance management is aligned with the cultural vision and links to the strategy in a way that is increasingly accessible and understandable for employees.

A good work-life balance across the organisation and a strong focus on training and development ensures that employees feel valued and respected. Employees also feel supported by managers to pursue training to ensure they have the right skills in place to be where they want to be. Employees reported an open, can-do and optimistic culture where feedback gets listened to, and they have the autonomy to deliver in their roles and to take their own decisions as to the best way to act in any given situation.

5.5 The challenges

The key challenge for ACCA is to ensure that all employees have a clear understanding of the strategy, their own part in delivering it, and how they are expected to work within the framework of values, and thereby be empowered to deliver their outcomes.

Whilst many of the key strategies, policies and procedures are in place, it is not straightforward to ensure that these are applied consistently across its network of sites in the UK and globally.

Similarly, knowledge transfer is vital to ACCA's success and it needs to deliver on the key elements of its strategy around innovation, knowledge transfer and successful cross-functional working. The nature of ACCA's geographical reach creates a greater demand than elsewhere for strong internal communications, and greater face-to-face contact and internal networking opportunities. Training courses are a vital way of meeting some of this need.

ACCA takes great pride in being the best. Their competitor landscape is a complex one but the ACCA brand is what is most recognised and valued by clients, particularly the route to chartership. ACCA is aware that its brand is its key intangible asset. It is something that employers respect, as well as being important for employee recruitment and engagement. The challenge is to never neglect the brand and to remain sensitive to the need to constantly refresh and enhance it, as well as maintain it, to ensure its value.

5.6 The benefits

Having the right frameworks in place allows for a greater sense of autonomy in staff and freedom to deliver. This coupled with a can-do optimistic culture assists ACCA's strong presence in the accountancy field. Employees take great pride in ACCA being the best organisation in its field and were proud to be working there.

'We are the best, we are world leaders, we are this fantastic organisation...and we are all contributing to that.'

'I've worked in many [other] organisations but I could count the number of times on one hand that I've said god I want to work there'

Staff at ACCA report high levels of satisfaction with their workplace. Levels of overall job satisfaction increased in 2009, with 71 per cent of staff reporting that they are satisfied with their jobs³. Increasing numbers of survey respondents find their work fulfilling, role expectations appear to be clearer and people seem to be more empowered to get on with their work and take the decisions they need to. There is a very good work-life balance, with 72 per cent of survey respondent reporting that they are content.

Of particular note is the sense of personal achievement people get from their work, which has improved significantly over the last two years, and was rated by the survey supplier as high compared to other organisations. Respondents are also significantly more likely to report that their work challenges and stretches them both compared to previous years and the data from other organisations.

Policies around training and development and flexitime, enhance the feeling that people management is important and that staff are valued within the organisation. The encouragement to undertake training and development helps to embed a focus on learning and innovation so as to produce the best products and customer service possible.

³ ACCA Staff survey 2009.

5.7 The future

With the decline of audit and the globalisation of accounting and auditing standards, ACCA faces some tough challenges ahead. But by simultaneously focusing on influencing and trying to shape how the regulatory environment evolves in the UK and globally, as well as focusing on its people as its key asset, ACCA is well prepared to fulfil the aims of its strategy.

Successful talent management is vital for ACCA to ensure it attracts and retains people of the right calibre across its global network of offices, and transforms its own knowledge into value and the development of its future products, services and operations. Whilst many of the right elements are in place, in terms of strategy, policies and initiatives, ACCA has the challenge now of ensuring that it is fully embedded, so as to continue to provide the best quality customer service.

6 Autoglass

6.1 The facts

Sector: Automotive Repair

No. of employees: c. 2,200

Location: Head office in Bedford and branches across UK

Overview: Autoglass is a major vehicle glass repair and replacement company, with their Head Office in Bedford and 109 branches located across the UK. The workforce consists of 1,200 technicians based in the branches but who work out on the road, 350 customer service agents in branches who deal with the administrative work for repair job, around 100 branch managers, a call centre with around 300 people at the Head Office, and the remainder in Head Office management and administrative functions. Autoglass is part of the international Belron group of companies, but it operates autonomously.

Brand identity is very important for Autoglass, their strategy is to be the brand of choice for consumers, and they are also the preferred supplier for a number of insurance companies. The company regularly features as one of the UK's leading brands in the Superbrands list, and in the last survey it rose 60 places from its 2008 position.

6.2 Key themes

- A deliberate focus on employee engagement from the traditional satisfaction approach has given energy and impetus to people management and provided some key metrics to measure success.
- An increasing focus on leadership supports this development of an environment of active communication and employee engagement.
- Learning and development is key to a competitive strategy that emphasises quality at Autoglass with an in-house accreditation centre for technicians.

6.3 The triggers for change

The challenges in managing a large, geographically spread and mobile blue-collar workforce, and a continual striving to be the brand of choice for UK motorists, have been key drivers for continuing developments in HPW and people management within Autoglass. The HR function has grown and developed to respond to these challenges over the last 12 years since the current HR director was appointed, following a brief period without someone in a HR leader role. The company is constantly reviewing and updating their HPW practices to keep Autoglass at the forefront of their sector.

Autoglass have seen some significant changes in their traditional market over the last few years, with a reduction in the amount of body glass work they carry out – attributable to successful police campaigns highlighting the dangers of theft from cars and hence fewer people leaving valuables in view. They have also seen an increase in the amount of repair as opposed to replacement work, and this requires a different skill mix to their traditional windscreen market.

At the same time the organisation has become more forward-looking, and HR have developed a five-year strategy for the first time, thinking about where the organisation will be medium term and what they need to do to achieve that, rather than a succession of one-year HR plans.

6.4 The approach

The general philosophy of HPW and people management at Autoglass is one of ‘Engaging our people so they give great service’, but alongside a heavy dose of pragmatism given they have a large, mobile blue-collar workforce.

This has perhaps been mostly keenly demonstrated by their adoption of an employee engagement approach that evolved from the previous staff satisfaction survey, and involved the establishment of a national employee engagement forum; the main arena for views to be communicated between management and staff in both directions. This has been accompanied by an emphasis on better communication – ensuring the results of the employee engagement survey are communicated to all staff and that all staff have an input into how they and their team can take action to improve the performance of the organisation. A lack of communication of the results to staff, and the link between the results and their actions/targets, was one area that the previous staff satisfaction survey was falling down on.

Running alongside the employee engagement model has been a push to adopt a more focused leadership approach to people management, based on Hay/McBer Climates and Styles⁴.

Most line managers have had their leadership approach assessed and communicated to them so they understand what their leadership style is and therefore what the impact of that could be on their team. The push for managers to become leaders and to adopt a much more engaging approach with the people they work with comes down from the top of the organisation – if the MD or Operations Director visit branches they will chat with the technicians about how things are going, and make coffee for the team.

Another major recent development has been the introduction of an accreditation system for technicians – the Automotive Technician Accreditation (ATA) scheme for auto glazing, which Autoglass initiated with the Institute of the Motor Industry, to improve the skills of their workforce and to ensure work is carried out correctly and safely and that customer needs are met. Autoglass have their own National Accreditation Centre where their technicians are trained and assessed against the standard. Technicians are accredited at one of three levels dependent on knowledge, skills and experience, and their pay is linked to their accreditation level. This was a move away from the previous performance related pay system determined through appraisals which caused conflict between staff and their line managers and overshadowed other objectives of the appraisal process.

The introduction of the ATA scheme required that the performance review system for technicians was updated to make it relevant to the accreditation, and this was a trigger for reviewing the performance management system for all staff. The senior management team felt very strongly that they wanted to focus on high performance and getting a motivated workforce to deliver good results, so the HR team set about developing something to meet those aims. They created new competence frameworks for all staff groups based on a framework already used within the Belron Group, which speak to staff more clearly about what's expected of them in their roles, whereas the previous one had been much more generic. The approach to appraisals was remodelled, increasing the frequency from annual to quarterly, introducing a traffic-light system for measuring performance and behaviour separately, whereas in the past they were averaged out, and decoupling appraisals from the pay review – now all staff get a flat-rate pay increase unless they are red-red on performance and behaviour. Managers are encouraged to conduct regular one-to-one meetings with staff in between quarterly appraisals, but with a recognition that this doesn't have to be a formal meeting in the office, it can be a chat over a cup of coffee or over a windscreen repair job; this ties back into leadership – the belief that managers need to know their staff in order to inspire them.

⁴ Hay McBer identified six leadership styles: Authoritative, Coercive, Democratic, Pacesetter, Affiliative, and Coaching. They also identified six climate dimensions: flexibility; responsibility; standards; rewards; clarity and team commitment. <http://ei.haygroup.com/forum/downloads/ils%20tech%20manual.pdf>

6.5 The challenges

One of the major people management challenges faced by Autoglass is communicating effectively with the technician population, who are based across a geographically diverse branch network and mostly working out on the road. The recent developments in employee engagement and performance management aim to improve the flows of communication to and from the technician workforce. As these developments were only introduced in 2008 it is still early days but the response rate to the first employee engagement survey was 87 per cent; much higher than the rates achieved under the old staff satisfaction survey which is an encouraging sign.

The core market for Autoglass is less sensitive to economic pressures than that faced by many organisations (volumes are determined more by the weather and much of the work is covered by insurance so is less price sensitive) they have however been looking to diversify their range of products and services, such as an online shop for wipers and other ancillary products, and this diversification may result in the need for new skills and new roles.

6.6 The benefits

The fact that the company is very keen on engaging its workforce and is very people-focused, is reflected in good staff retention, even in the call centre – a sector traditionally associated with high turnover and short length of service.

HR always attempts to evaluate the impact of their practices, anything from anecdotal feedback to full numbers-based evaluations, depending upon the nature of the practice and how easy it is to get the data. They were able to collect considerable volumes of data on the impact of the introduction of the Automotive Technician Accreditation scheme, and could see that it improved productivity and allowed them to better match branch staffing levels to workloads to minimise over- or under-staffing. ATA has also improved retention among technicians.

6.7 The future

Managers are keen to see continued improvements as a result of the employee engagement model and the performance review process – the second full employee engagement survey and the first quarterly appraisals were due to happen shortly after the case study visits. Further ahead, there is a long list of issues that HR is looking to address in its five-year strategy, including succession planning, communications, diversity, and talent management.

7 Content and Code

7.1 The facts

Sector: IT Business Solutions

No. of employees: 67 employees and 13 contractors

Location: Old Street, London

Overview: Content and Code was co-founded in 2001 by Tim Wallis and Craig Beard when they were both made redundant from the same organisation and took the opportunity offered to take over existing projects and finish them. They not only succeeded in doing so but also began to grow from these beginnings to create a vibrant and highly successful service based software supplier. The company has grown dramatically since its inception and now has some 67 employees. Content and Code offer information management solutions designed to help create, manage and distribute business content.

They have also gathered an impressive collection of awards:

- Best Companies 2009 star status.
- 2008 Deloitte UK Technology Fast 50 with content and code ranking 8th out of the 50 fastest growing companies.
- Growing Business' Young Guns 2008.
- Microsoft UK Search Partner of the Year 2007.
- 2007 Deloitte Technology Fast 500 EMEA a ranking of the 500 fastest growing technology companies in Europe, Middle East and Africa.

Content and Code 'strives to offer creative solutions to ensure that our clients gain a competitive edge and ultimately realise their business vision'.

7.2 Key themes

- Small, energetic fast growing company with a strong emphasis on fun and social connection.
- A performance management system has been used to support the culture and drive higher levels of very focused performance outcomes.
- The two founders set the tone for the organisation with genuine engagement with staff and who give the time and effort to make sure people are happy.

7.3 The triggers for change

The initial thrust behind the approach of the company is firmly grounded in the values and the vision of the founders. They underpin much of what is still very visible in the organisation in terms of philosophy and approach to management. Inevitably, as a new and rapidly growing organisation, Content and Code have faced the normal challenges of having to formalise processes and procedures to enable success to be maintained.

Other change has come about because of particular triggers. For example, in 2006, many of the telesales team left Content and Code as a result of unstructured management. This event was key to developing a new approach to HPW and people management including greater attention to staff retention issues. This was reinforced when in 2007 a tight labour market meant it was proving hard to hire new people and as a consequence both share options and a bonus scheme were considered as an aid in attracting people. They decided to hire someone to help them look at a bonus scheme and had some clear ideas about what they wanted the scheme to do. For example they decided that they didn't want a blanket bonus scheme, but rather wanted to operate at team level.

Finally employees themselves are a trigger for change that should not be underestimated. They generate new ideas and are encouraged to bring them to life.

7.4 The approach

Everything that Content and Code do regarding HPW and people management is the result of an underlying philosophy which could be described as highly empowering and people centred. The directors understand that engaging with their highly valuable workforce is the key to high performance and business success. What might be described as an intuitive understanding of creating mutual gains to maximise performance. There is considerable focus on team spirit, lack of hierarchy, open access and the building of relationships. The underlying belief at Content and Code is that people and culture drive success. It's Tim and Craig's role to foster drive, innovation and happiness which they believe has the knock-on effect of staff being customer oriented, conscious of their billable hours, remaining focused and giving extra effort when it is necessary. These outcomes suggest a sense of seriousness but there is also a strong emphasis on fun – the unexpected presence of Fernando the Chihuahua who roams around the offices greeting visitors and keeping a watchful eye on everyone typifies the open, fun and quirky style of the organisation.

Supporting the culture is a range of HPW and people management practices. Some of these are very much focused on setting the kinds of cultural environment we have highlighted and include key engagement policies such as both manager of the month and star of the month, 'fruity' Mondays, flexible working, table football in the office – and Fernando of course. Others focus on wellbeing, including gym membership, health and dental insurance. But perhaps the most impactful range of policies in the organisation are those around performance management which is partly embedded through culture and partly through policies. Everyone is answerable to their teams, they have daily 'stand ups' where people answer three questions: 'What did I do?', 'What challenges did I face?', 'What will I do tomorrow?' Team ownership means that teams take on significant responsibilities, generating ideas which change the ways they work and working closely with the customer including teams presenting to customers and customers having a desk located with the team.

The performance management system within Content and Code is the major people management process. Introduced as part of the drive to maximise retention, Content and Code worked closely with an external consultant to develop three interlinked schemes for fee-earning, sales and support staff which replaced an existing scheme for sales staff only. The schemes were designed to bring transparency and clarity to the performance management process and to enable all staff to earn additional money for helping deliver the levels of performance that the organisation needs for success. The schemes draw on personal and company objectives and the measurement of key metrics such as sales, customer satisfaction and billable hours. Considerable care was taken over the introduction to ensure that all employees were involved, through interviews and workshops. To guarantee that communication was not left to chance, the directors spoke to each team to fully brief them.

7.5 The challenges

The challenges faced by the organisation are the flip side of its success story; rapid growth means lots of relatively new staff, more complex structures, the need to formalise some of what was taken for granted previously and the need to create systems to resolve issues that were intuitively done before. There is a clear challenge in terms of maintaining the friendly, empowered, open and engaging culture; employees mentioned that they no longer knew everyone and that newcomers would start at Content and Code without being introduced. Other challenges are the need to create the means to deal with new problems that had never been faced before. These include systems to more explicitly test new starters through a probationary period and ensuring that they are seamlessly assimilated into the performance management process, and ensuring that employee flexibility is maintained and maximised without being abused.

There are also major challenges faced by the recession. At the point of interview, Content and Code saw their business advantage being their people and hence the kind of organisation they were, the environment they create and the performance they encourage are a core capability to be cherished.

7.6 The benefits

The organisation is its own best advert with numerous awards, eye watering growth and solid financial performance. The views of line managers and employees are also telling with total agreement on the positive culture of the organisation, the friendliness, the empowerment and the fun. The many employee benefits are much appreciated and the performance management process has had a remarkably well accepted introduction. As a result there have been gains in billable hours and client satisfaction.

7.7 The future

Content and Code has grown so fast and changed so much since its inception it is difficult to judge what the future might hold other than more change. The directors keep a careful eye on the market, they note trends such as pressures on price and they keep the faith with their employees; engaging with them, sharing with them and using their ideas and their talents to drive success. Much of their systems and processes are new and it will take a while for these to embed in.

Despite their success, they have not been unaffected by the current economic climate; they have found it difficult to get credit, clients have been tougher on price and they have cautiously cut back on discretionary spend. Clearly there are challenges facing them that will require the organisation to adjust and respond. For the time being they are confident that they will be able to do so in their own unique way.

8 firmus energy

8.1 The facts

Sector: Utilities

No of employees: 58 employees with approximately 100 contractors employed by period contractor McNicholas

Location: Antrim, Northern Ireland

Overview: firmus energy is a subsidiary of gas company BGE based in Eire. The company was set up in 2005 to develop a new gas network in 10 towns and cities across Northern Ireland and supply natural gas to customers. The company also supplies gas to industrial and commercial customers in the competitive Greater Belfast gas market and was awarded a licence to supply electricity in Northern Ireland in January 2009.

The company is growing and currently has 58 employees described as 'a small set of highly skilled performers'. All are based in one building. Period contractor McNicholas is responsible for building the gas distribution network, with approximately 100 staff working on the contract.

Despite its youth as an organisation, firmus energy was awarded Investor in People status in 2008 and was shortlisted as Northern Ireland Responsible Company of the Year in 2009.

8.2 Key themes

- Recruitment on the basis of alignment with values rather than previous expertise.
- A holistic approach based on a commitment to listening and responding to customers and employees.
- Emphasis on taking personal responsibility for development, within a supportive environment.
- Use of balanced business scorecard to ensure a 'joined up' approach to measuring all elements of activities.

8.3 The triggers for change

firmus energy is working in a 'highly competitive environment'. Customers in towns across Northern Ireland have traditionally used oil as the main fuel, and with no previous supplier of natural gas, firmus energy is breaking into new territory and needing to win business by challenging the use of conventional fuels. Cost is a factor in beating the competition, and firmus energy keeps costs down by using the economies of scale of its parent company, BGE, for non-customer facing processes and specialist activities such as energy trading. However, their competitive differentiation comes from customer service and delighting the customer is the prime focus of operations. General Manager Mark Prentice describes the essence of the organisation as 'challenging the status quo of how utilities generally deliver'. The impetus for this strategy came back in 2005 when BGE appointed a senior team to establish firmus with consumer rather than gas experience, on the basis that while the parent already had significant engineering experience, what they believed they needed to succeed in Northern Ireland was a differentiated customer offer and excellent levels of customer service.

Following Mark's appointment, his first activity, drawing on his previous sales experience, was to talk to customers asking them to describe 'the sort of a utility company customers would ideally want in Northern Ireland'. The answers formed the basis of the company's brand values – clarity, empathy and integrity – which permeate every aspect of the company's operations. Staff are also a trigger for change. The marketing discipline of listening to and understanding customer needs adopted externally is reflected internally as well. Listening to employees is viewed as vital and bought alive in various ways including one to ones, quarterly company briefings and staff suggestion boxes – initiatives such as more flexible working hours were directly as a result of staff suggestions.

8.4 The approach

In tandem with the emphasis on brand values, a belief in the potential of people is central to firmus's approach. The approach to HPW and people management has three key strands – learning and development, performance management and communication, all underpinned by policies and procedures that emphasise equity and fairness. The focus on people emanates from an understanding that it is only through people that the brand values can be brought to life. The values are everywhere in the organisation – literally painted on the walls, with different explanatory phrases to interpret them in each part of the business. More significantly, they are built into every part of the company's operations. Mark summarises the philosophy of people management via the Drucker quotation on the wall of his office: *'The purpose of an organisation is to enable common men to do uncommon things'*.

This emphasis begins at recruitment. Structured interviews and assessment forms identify the way in which recruits interpret the core values and recruitment focuses as much on alignment with the values as it does technical expertise. Mark explains *‘we can teach them, the technical stuff, but we can’t teach them customer empathy’*. As a result, more than 50 per cent of recruits are from non-utilities backgrounds. Training is then structured so that people can develop the requisite skills. Approximately 40 per cent of staff are currently on company funded development programmes.

Developing staff is seen as crucial. In the last two years, the company has invested in situational self leadership for all staff as well as situational leadership for managers⁵. Situational self leadership was designed to put personal growth into people’s own hands, so that staff can identify the goals they want to achieve and the skills they need to get there, coupled with the right support from their managers. firmus aims to ensure that staff develop the right skills at the right time. Mark sums this up: *‘We’ve found good people, we’ve trained them up and we’ve allowed them to fly’*.

The approach is underpinned by the use of balanced scorecards. A system is in place across the organisation, at a company, departmental and individual level to measure performance using key performance indicators which include financial and process measures as well as adherence to the brand values and to customer service. Personal development is also incorporated with skills gaps identified and progress in plugging those gaps reviewed via the scorecard.

Discussions around the scorecard focus both on *what* has been achieved and the manner of *how* it was delivered, supported by what Mark describes as a ‘brand dictionary’ with examples of the behaviours that demonstrate integrity, clarity and empathy. A much quoted phrase painted onto the wall is *‘never follow a rule and break a value’*.

Communication is also viewed as central to success. The company operates an open door policy but ensures that effective two way communication is not left to chance with an infrastructure incorporating core briefs via webcast from BGE, plus a quarterly brief from Mark, monthly departmental team meetings and regular 121’s.

Listening to employees is embedded in the culture, in recognition that understanding and responding to staff needs will have a positive knock on effect to customers. A suggestion scheme is in place and all suggestions are considered by the management team. A recent listening exercise involved independent qualitative research with all staff to identify what managers were doing well and could do better. Feedback from employee interviews demonstrates that people are confident that the results are being acted on.

⁵ Situational leadership stresses the use of appropriate styles of leadership mapped to situational context. Situational self leadership emphasises empowerment and responsibility of employees throughout the organisation.

8.5 The challenges

Given its comparatively small size, one of the key challenges that the company anticipated facing was not being able to give people the opportunity to develop and grow into new roles. The emphasis on training and preparing people for the future is partly to mitigate this. However, both talent management and succession planning policies are in place to help ensure people get the opportunity to move on and in the last 18 months, almost 70 per cent of vacancies have been filled internally.

8.6 The benefits

At an employee level, it is clear that individuals are highly motivated and consider that they have huge opportunities to learn, with strong management support; one commented *'my job was created round me'*. People have clarity about what is expected from them and feel both trusted to make decisions and confident they can ask for support if required. Overall it is felt that people are a high priority for the organisation and that where any issues occur, they can speak openly about them and they will be addressed.

At a business level, there have been excellent customer satisfaction levels; 98.6 per cent of customers would recommend firmus as a supplier, and uniquely in the Northern Ireland utility sector, there have been no unresolved complaints referred to the Consumer Council since the company was established – an accolade indeed given the nature of the business.

8.7 The future

The company continues to grow and is currently breaking into the electricity market. Evidenced by their success to date with existing gas customers, their focus on customer service is a key determinant in winning business in this new market.

Moving to a new market requires an expanded staff and the number of unsolicited approaches from people already employed in the electricity industry is testament to the reputation firmus has built over the past four years. The company continues its policy of recruiting on the basis of values rather than expertise leading to interesting discussions with some would-be recruits surprised not to be given a job.

9 gem

9.1 The facts

Sector: Customer Contact Centre

No. of employees: 700

Location(s): Belfast and Londonderry in Northern Ireland, Debrecen in Hungary

Overview: gem is a privately-owned company, set up in 2000. It provides integrated multi-channel, multi-lingual customer contact services to clients globally, many of whom are brand leaders. In a highly competitive environment, gem is still expanding despite the recession. The company competes mainly on quality and on its niche provision of multilingual support (26 languages). gem is an active participant in local and national initiatives and has won many awards:

- 2008 Belfast Business Top 50, Belfast Media Group.
- 2008 Finalist Employee Benefit Awards.
- 2007 Winner Regional Award – National Training Awards.
- 2007 Winner Contact Centre World Awards, EMEA.
- 2007 European Contact Centre World Best use of technology.
- 2006 and 2007 Deloitte Technology Fast 500 EMEA.
- Participant in the Young Enterprise Programme and Opportunity Youth.
- Investors In People and Contact Centre Association accreditation.

9.2 Key themes

- Very people-focused: an emphasis on development and internal promotion, encouraging new skills, and comprehensive training of managers at all levels.
- Does almost everything in house, including recruitment and training, because it knows exactly what it wants.
- Sophisticated, well-resourced HR function that is appreciated by managers and genuinely integral to the business.
- A big focus on training managers at all levels to manage people effectively and consistently.

9.3 The triggers for change

gem is run and owned by a small number of people who now comprise its management team. Their beliefs regarding people and the links between people and performance underpin much of what the organisation does hence its approach to HPW. gem is also very reflective, regularly reviewing what it does and ensuring it acts on the results. The two main triggers for gem are customers and employees. gem prides itself on its speed of response to customers, who require high standards and flexibility and, in some cases, multiple language skills. Employees are recruited to work on a particular contract, and their skills are matched closely to the requirements of the contract (for example, good literacy skills for contracts that mainly use email rather than telephone communication).

Employee opinion is taken very seriously, and agents are constantly asked for their views and suggestions for improvement, for example at one-to-ones and via the frequent attitude survey and follow-up workshops. A recently-introduced flexible working policy was rapidly drawn up and agreed entirely in response to employee demand.

‘People know your name here, and treat you like an individual and take an interest in you – your opinion matters.’

9.4 The approach

There is a strong belief within gem that good quality, high performing people are essential to success. The most important aspects of HPW and people management are seen as firstly understanding people – what they want, and what motivates them, and secondly having very clear policies and procedures that people understand from the very beginning, and can get answers to quickly. There is considerable emphasis placed on good and consistent management. All managers receive core training in their first three months in how to handle awkward situations, absence management, attrition awareness, and disciplinary and grievance. In addition, they have to attend a code of conduct workshop. In a highly competitive market, gem differentiates itself on quality and its people underpin this. The CEO, Philip Cassidy, believes that gem is particularly adept at attracting and retaining good people, even those with scarce skills that their rivals find hard to keep. The company tries very hard to look after its employees, most of whom are young, and some of whom have come to the UK from abroad.

‘We will always try to do the right thing by our people.’

(Philip Cassidy)

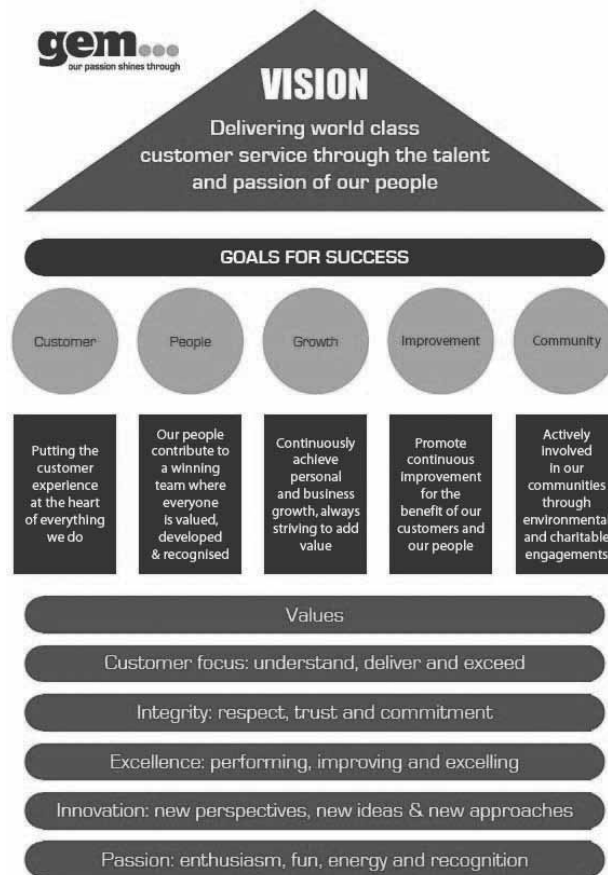
However, gem is also extremely performance-focused, with frequent feedback and a culture of tackling poor performance quickly. Considerable attention is paid to finding the right people in the first place and then developing them. There is a good track record of internal development and promotions. The people management philosophy was described by managers as setting clear expectations, communicating well, seeking feedback from employees, a partnership approach to working and the encouragement of ownership of goals. The company has a strong development focus:

‘We’ve been given opportunities and trust, so we do the same for others.’

(Manager)

The focus on people has led to an open culture in which suggestions and views are welcomed and are sought frequently. It has also led to a belief that HR is essential, with a key role to play in recruitment, training, performance management and employee relations. For the size of the company, the HR function is large, at around 50 people. However, everything is done in-house, after some experiments with using external suppliers that did not work for gem. The company has a wide range of people management practices used to support its activities including an holistic approach to performance management.

There is a distinct climate at gem. The overall philosophy of the company is encapsulated by the ‘gem temple’, which links gem’s vision with its goals for success, all underpinned by the company’s values. The predominance of the customer, and customer service, is clear, as is the belief in people and the importance of performance.



gem encourages involvement in its company-wide initiatives. It has a ‘charity of the year’, which this year is the Simon Community Northern Ireland. There are ceremonies at which ‘gemmys’ – awards for high-performing teams – are given. Individuals can also win ‘SHINE’ awards for notable customer service, with nominations often coming from colleagues rather than managers.

9.5 The challenges

The current economic climate means that some of gem’s contracts may shrink, so it is essential for the company to bid cost-effectively for new contracts while still maintaining its quality focus. gem realises it is particularly important to keep employees motivated and involved when times are harder and agents have understandable fears about their job security.

A perennial challenge for gem is keeping people with vital language skills, especially particularly scarce skills such as Dutch. It's entire approach to people, its climate, the care and concern it shows and the processes and practices it has in place are a key part in meeting this challenge. gem also recognises that consistency and fairness is very important to employees. Its management training programme aims to ensure that managers, no matter what their level or area of work, are consistent in the ways in which they relate to staff.

9.6 The benefits

gem has high retention rates and low employee turnover for a contact centre, with an average length of service of 28 months. Keeping their employees means that gem has time to foster the awareness of the company culture of customer service and performance; one manager said that a key source of competitive advantage for gem is that everyone, including agents, was business focused and aware of the big picture. Agents and managers were positive about their jobs and about gem as a company, which contributes to gem's continued growth despite the recession. Much of their work comes from word of mouth recommendations from existing clients.

9.7 The future

gem is looking forward to the future and is still growing, while keeping a watchful eye on its existing contracts. The HR Director, who is one of the owners, is shortly to depart on a secondment, to be the CEO of a new start-up. However, the focus on the importance of people, and on good HR management, is set to continue – her replacement being an internal appointment.

10 Macphie of Glenbervie

10.1 The facts

Sector: Food ingredients manufacturer

No. of employees: 270

Location: Aberdeenshire and Glasgow

Overview: Macphie is the UK's leading family-owned food ingredients manufacturer. The company has been providing innovative, premium food ingredients to the bakery, food service and retail markets for over 80 years. Its products include cake mixes, sauces, cream alternatives, desserts and fruit coulis. The company's headquarters are located on the 2,000 acre family-owned Glenbervie Estate, near Aberdeen. Macphie also has a manufacturing site at Tannochside near Glasgow.

The organisation has won a number of awards. Since 2007 these include:

2007:

- Scottish Enterprise – Grampian Business Excellence – Finalist.
- Food and Drink Federation Community Partnership Awards – Commitment to the Community.
- Scottish Business in the Community Mark award – Tannochside.
- Scottish Business in the Community – Small Company of the year award.
- Scottish Businesswoman of the year award – Outstanding Contribution to business award.

2008:

- Northern Star – woman of the year award – HR Director – finalist.

10.2 Key themes

- Strong family values of trust, integrity, honesty and genuinely valuing and caring for employees.
- A strong belief in the potential of people and a talent spotting attitude – recognising aptitude, then developing people and ensuring best fit in terms of role.
- Transparent, two way communication so that people feel a strong sense of identity and belonging.

10.3 The triggers for change

To date, Macphie has focused on supplying other food companies rather than creating consumer products. Its customers include industrial and craft bakers, food service operators such as hotels, pubs and airlines and the retail sector. This is a fiercely competitive marketplace. Rather than being volume-driven, Macphie focuses on delivering added value, consistently high quality and excellent customer service. Innovation is critical to the company's continued growth and success.

While Macphie is a Scottish organisation, it has a global perspective, which is extremely important as most of its competitors are global food giants and 15 per cent of sales are exported to continental Europe and the Middle East.

Supply Chain Director Raymond Howitt explains that the family values that are central to the company's operations can be seen in customer relationships too, with trust as a vital ingredient. The company builds long term relationships both with customers and suppliers. The current marketplace means that cost is an increasing challenge, although Macphie's experience is that while customers may leave because they get a cheaper deal elsewhere, they generally return because of the consistency of quality the company offers. The company strategy includes identifying new customers who value trust and reliability.

10.4 The approach

Family values are central to the Macphie HPW approach, as Raymond explains: *'family is the word. We would like everyone employed here to feel part of the family'*. Trust, integrity and honesty are fundamental principles and seen as delivering success, together with *'relative security'* – while there is not a formal 'no redundancy' policy, there is a general awareness that every other avenue would be explored first.

Raymond describes the philosophy of HPW and people management as *'benevolent and developmental, as well as being inclusive and communicative'*. Employees are confident that if personal issues arise, they will be supported by the company. There is an atmosphere of give and take – so that managers can use their discretion to allow time off, while an occupational health assistance scheme and pension scheme together with an employee trust fund ensure that more tangible support is also provided. Fairness and respect is central.

While the company retains the positive elements of being paternalistic, this is combined with a strong belief in the potential of people. Opportunities for personal development means that people can grow and take on extra responsibility, with numerous examples of individuals starting in junior jobs and working through to highly responsible positions, as well as being supported through external qualifications. Development needs are identified as part of the annual review process with the guiding principle that *'we grow our own'* and an emphasis on identifying natural aptitude and best fit. Job specific and core competencies are in place, as is an emphasis on performance appraisal. The Personal Development Plan process incorporates a self scoring system, reinforcing the sense of personal responsibility.

Communication is the final part of the equation. Two way communications are seen as vital, and the level of openness again reflects the desire for inclusiveness that stems from the sense of extended family across the workforce as a whole. The company's growth plans are shared at twice annual staff conferences, and there is total transparency about sales and profitability. Managers discuss issues and challenges with their teams to find the best solutions. Team briefings, newsletters and a consultative forum are all in place, while managers in different functions organise regular meetings in a process that one manager described as *'constant discussion and input'*. HR Manager Andrew Harper summarises: *'Everybody knows everything about the company. Being a family organisation helps, they can see the links between what they do and how successful the company is'*. Innovations introduced as a result of staff input range from products to changes to process systems.

A strong personal interest is taken from the helm of the organisation. Staff members appreciate the focus on recognition and personal interest that CEO Alastair Macphie takes: *'He knows everything that is going on – he knows if someone on the production line has done something good'*.

The family feeling and sense of equality and being valued is reinforced by the use of ceremony, as the following staff quote shows: *'At Christmas, the Macphie family serve Christmas lunch to their staff, then everyone sits together. Everyone's the same'*.

Managers have flexibility in working in a way that gets the best from their teams, however procedures are in place for disciplinary and other key issues where consistency is important such as performance management and appraisals. Training is available for managers so they both understand the different processes and how to get the best from them, while a managers' handbook summarises the approach.

10.5 The challenges

Recruitment is a current challenge, due to the dominance of the high remuneration oil sector in the local jobs market, though once people join the organisation they rarely leave. This in itself brings a potential risk of complacency, and encouraging challenge across the managerial population is a current focus, as is learning from elsewhere to ensure that fresh ideas are introduced.

Managing expectations is a linked issue. Personal development is a priority, but the low levels of staff turnover mean that *'you can only do so much'* in Andrew's words. The company's response is in line with its overall philosophy: *'you have to be open right from recruitment – it goes back to trust and integrity'*.

10.6 The benefits

Macphie enjoys the lowest level of staff turnover in the food industry, while survey results demonstrate high levels of pride in both jobs and in the company overall. Benefits for the customer include very high levels of reliability, thanks to the mastery of complex processes that teams have built up through a combination of familiarity and experience, as Andrew comments:

'If you have well trained, competent staff who take pride in what they do, you get consistent quality and that can only benefit customers.'

10.7 The future

The general demands of the current marketplace are unprecedented. The company is responding by encouraging increased challenge internally, from managers and directors, to ensure that the way forward is robust. This involves a learning curve – both from the perspective of making appropriate challenge, and responding to it.

Other strategies for responding to the future include the development of a 'self service' training approach for managers so that they can refresh their own learning, in recognition of demanding times ahead.

Overall, the main anticipated issue will be maintaining the culture, values and sense of transparency as the company pursues growth plans, as well as ensuring the sense of fairness in treatment is maintained. Alastair knows every member of staff by name. Keeping that personal contact and engagement as the company grows is viewed as essential, and will be fiercely guarded as the company moves ahead.

11 Merseytravel

11.1 The facts

Sector: Transport

No. of employees: 948

Location: Liverpool, UK

Overview: Merseytravel is the operating name for the Passenger Transport Executive (PTE) and Integrated Transport Authority (ITA) in the Merseyside area. The organisation is responsible for building and maintaining regional transport infrastructure and co-ordinating public transport through partnership initiatives. A public body, the organisation is headed by a board of 18 politically elected councillors. It aims to support economic regeneration, employment and culture by making Merseyside a better place to live through developing world class transport.

Merseytravel has gone through a metamorphosis in recent years and is now a beacon of good practice for its learning culture. This can be seen in the plethora of awards and other accolades it has received:

- Investors in People 'Champion'.
- North West Winners of the British Chamber of Commerce Awards for Workforce and Skills Development.
- National learndirect Employer of the Year Award.
- Best Public Sector Motivation and Incentive programme.
- National Training Award.
- GoLocal Government Award for Skills for Life.
- BITC National Example of Excellence for Skills for Life.

11.2 Key themes

- The value of using the learning agenda to build trust, relationships and deliver organisational and individual benefits.
- The need for a sensitive approach and phased introduction recognising potential concerns.
- The importance of being a visionary leader and the value of demonstrating benefits to the broader environment the organisation is operating in.
- The importance of a clear philosophy and ‘whole organisational’ approach.

11.3 The triggers for change

Merseytravel is made up of three primary functions – Tunnels, Ferries and the Executive, responsible for overall planning with diverse tasks required to run each of these. As a result it has a very mixed workforce ranging from police officers and front line staff to ferry captains and administrators. Recent additions to the portfolio such as a German U Boat and The Beatles Story have added retail and tourism roles. In 2002, a considerable proportion of employees were low skilled – a quarter of staff did not have functional literacy skills, and many more did not have a qualification at NVQ level 2. In the early part of the decade there was also an adversarial relationship with the four recognised unions – each of which operated independently.

CEO and Director General Neil Scales is described by his senior managers both as a visionary committed to building pride in Liverpool through the services provided by the organisation and as *‘passionate about learning’*. He recognised the value of learning in helping the organisation both build the skills essential to fulfilling the organisation’s ambassadorial role for the region, and to building trust inside the organisation: *‘I’d rather develop the workforce, and see them leave, than not develop them, and have them stay’*.

The transformation of the organisation began following a dispute in Tunnels six years ago. At this time, the typical staff response to any suggestion of learning programmes was *‘it’s not in our contract’*. A new Head of Learning, Liz Chandler, was brought in by the CEO to help change the culture by taking a new strategic and dynamic approach to developing people. This was also recognised as an opportunity to encourage the unions to work better together and form a partnership which brought significant benefit.

The core of the programme was 'Merseylearn' – a commitment to robust, job focused training, which has de-stigmatised Skills for Life initiatives and promoted a positive culture. Extensive work listening to managers and union representatives helped understand the issues around learning at the time and gain their commitment. The building of trust between the different parties was critical and the focus on learning provided a common goal for unions and management. As a result the Joint Learning Forum was established and forms the heart of the new collaborative approach.

11.4 The approach

Learning remains at the core of the organisation's philosophy and HPW approach. They have worked to develop an appetite for learning amongst all staff which is now embedded so that people see it as an opportunity rather than an obligation.

Merseylearn continues to provide robust, job focused training, and has had a very positive impact on both culture and performance within the organisation. There are three Merseylearn centres operating extended hours, and in an important symbolic move, people are also supported in non-job related learning through low interest loans under the branding of 'U-Learn'. The commitment to development extends to all skill levels with an in-house Masters in Public Administration accredited by the University of Liverpool and staff given the opportunity to complete other Masters degrees where appropriate. An annual awards ceremony for all those who have achieved a qualification reinforces philosophy of learning and development, and last year involved some 350 people.

This culture is now being extended across the wider transport sector, and Merseytravel has a formal understanding with GoSkills, the Sector Skills Council for transport, to work with bus companies, Merseyrail, the taxi sector, and other allied trades such as inland waterways and Liverpool John Lennon Airport.

Merseylearn works in tandem with a performance development process, which managers felt contributed to success engaging them in the identification and application of learning, and helping them to know their teams better. This was sensitively introduced with a focus on the benefits to individuals, to alleviate fears that it might be used as a disciplinary measure and has now become a key initiative.

The emphasis on learning provides the perfect environment for empowerment. Staff in many parts of the business are provided with training that allows them to operate at a more senior level than their own role, with tangible benefits in terms of personal autonomy:

'All officers are trained to supervisory level and have got NVQ's in supervisory grades. Supervisors are trained to line management level. What that then gives is the opportunity to make a decision without worrying about the decision that they've made. It means people are in a position where they're not frightened, not just to suggest something but to do it.'

Communication is an important element of the mix. Team briefing is in place, with a focus on engagement and discussion, supported by a range of other media. The CEO gives regular briefings communicated across the organisation including shift workers. Robust and transparent people policies underpin the commitment to learning, covering topics such as sickness, welfare and disciplinary procedures.

While the emphasis on learning has been driven by the CEO, it is clear that the senior team in the organisation form a cohesive whole. The three directors enjoy a close and productive team approach, resulting in trust and a common voice, and the ability to make challenging decisions and see them through.

11.5 The challenges

While the various initiatives are now well embedded, the disparate nature of the organisation means that systems can be applied and interpreted differently by different managers and with different attitudes to learning in some pockets of the business. Peer pressure through seeing the success achieved by others is one way the organisation is tackling this, together with additional work on leadership development.

Along with other businesses, the current economic climate means that costs are an increasing challenge. While the thrust of the current organisational strategy is about customer service, cost is becoming an increasingly important part of the message being communicated.

11.6 The benefits

Benefits identified by managers include: a livelier working environment and increased diversity of the workforce – seen to be stimulated by the learning regime; significantly improved customer care; culture changing from procedural to people feeling empowered to make their own decisions; more flexible working practices meaning that people can take on additional responsibilities and increased motivation. The transformation to union relations means the unions now work better with each other and with management.

Measurable benefits include: over 90 per cent of staff now with qualifications at level two or above; four per cent reduction in staff turnover; three per cent reduction in sick leave; and the opportunity to recruit and appoint internally.

11.7 The future

A business process review was initiated 18 months ago with the aim of putting the customer at the heart of the organisation. This is resulting in a move from silo working to a matrix structure and Merseytravel has aimed to follow best practice in involving people in the change process. Work Improvement and Integration groups set up nine months ago have looked at the detail of how the organisation can become more efficient and effective. This has resulted in a fundamental review called 'One Team, One Family' currently in the process of being implemented. The aim is to get people's views and involve and engage people as part of the process of developing the organisation. The plans are challenging in their own right with significant restructuring, remodelling of procedures and efficiencies anticipated as a result.

12 Pilot Drilling Control

12.1 The facts

Sector: Engineering Design and Manufacture

No. of employees: 25

Location: Lowestoft

Overview: Pilot Drilling Control was established in 1991 by George Swietlik to combine both the design and manufacture of specialist drilling equipment to the oil and gas industry. The company moved to its current location in Lowestoft in 1998, and has grown from five people at that time to the current workforce of 25 staff. The company has won numerous awards for innovation from the offshore oil and gas industry, has been presented with the Smart award from the Department of Trade and Industry (DTI) for funding innovation, and has won local awards for engaging with schools and colleges and promoting engineering to students. Pilot Drilling Control was acquired 18 months ago by Frank's International – a US company.

12.2 Key themes

- A small rapidly growing organisation that has confronted the people management impact of rapid growth with a range of innovative people management practices.
- There is an emphasis on team working using learning styles questionnaires to balance styles within teams and to get teams working more effectively across the organisation.
- A major initiative to assess skills of individuals and skill demands of roles has meant that alignment of individual to role is more effective and there is much greater clarity around development and progression.

12.3 The triggers for change

Inevitably an organisation that is created and run by a founding owner manager is heavily influenced by their ideas and shapes their approach to HPW. In the transition of the organisation from a one-man company to its current size George's approach has been based on his experience of working for multi-national oil and gas companies. George has always recognised the importance of training for the sector, and the company employs a number of apprentices in the workshop and graduate trainees in the engineering design studio – a high proportion of trainees for the size of company.

The growth of micro-businesses also inevitably creates the need to ensure growth does not threaten the performance of the organisation and usually acts as a trigger for increasing formalisation of process and practice within the HPW approach.

Pilot Drilling Control was no exception and the rapid growth in the business, particularly over the last 10 years, brought about changes in management and in particular the creation of a full time HR manager role in 2002; previously George had dealt with HR issues, but as he was often away for business reasons he needed a permanent HR presence that staff could take any concerns to. As the organisation grew so did a separation and a degree of tension between the design engineering team and the workshop team. The new HR manager was keen to find tools that would help team building across these areas, and so the workforce was screened using Honey and Mumford learning styles tools and the results shared to get the whole organisation working together more effectively. Staff have also been consulted about organisational values; respect, openness, having a voice, having responsibility, caring about the work, taking pride in it and appreciating praise.

The rapid growth meant that staff took on new roles that arose out of the growth of the business as and when they emerged, without individuals necessarily having the right skills. Interim arrangements were introduced to work around any issues emerging as a result. The pressures arising from this evolutionary approach eventually became too great and were beginning to threaten the success of the organisation, and so a more fundamental first principles approach was needed to ensure the right skills were in the right roles. There has been a positive reaction to this from staff and they now have a good handle on their development direction.

In 2008 the company was bought by the US multi-national Franks International, which has a world-wide workforce of around 5,000 people. Franks have taken over the commercial side of the operation, in effect becoming the customer of Pilot Drilling Control to distribute their goods around the world, but Pilot Drilling Control has so far remained autonomous with regards to HR.

12.4 The approach

Being a small organisation, the values are seen as central in setting the culture and climate of the organisation, and ensuring that all staff know what is expected of them. The values were introduced to improve a situation in the workforce that was beginning to cause problems, but are now used as a firm foundation for future success, including bringing about a shift from a management style to a leadership style among the managers of the three teams within the company. Key among the values is self-responsibility – the organisation expects people to develop themselves to the maximum (with appropriate support); to develop skills for business and personal use; and that skills should be shared. As a result there is both mentoring and buddy training to support individuals' skills development.

As we have seen Pilot Drilling Control adopted the learning style questionnaire as a means to enhance team working but have gone on to use it for external candidates in the recruitment process. All applicants that are invited for a formal interview will complete the questionnaire and the organisation uses that information to help get the right person into the job so that their style will complement that of other team members and create a balance. Pilot Drilling Control feel the effectiveness of this approach has been demonstrated by the situations where the organisation has recruited against the learning style evidence, and the new staff members have not settled well in the job and have left after a short period.

Pilot Drilling Control have also enhanced the performance review process to better align the skills of staff with the objectives of the business. This has included the introduction of skills matrices in the workshop (the largest of the teams) so that the organisation can define the skill sets that it needs to operate effectively, and staff can get a good handle on where they are and what training would be necessary to get them to where they want to be – previously there was a feeling that staff were not being moved on sufficiently. There is an annual appraisal process but an open-door culture is being promoted where staff can ask for discussion about their development at any time as a direct response to staff wanting a bit of reassurance about their work and development. A culture of positive feedback is being promoted through a wide range of initiatives: telling staff when they have done a good job rather than just calling them in when something has gone wrong; monthly shop-floor meetings to provide an opportunity for staff to discuss what they have been good at and what they've been not so good at over the previous month; employee of the month; quality award of the month; and also a wooden spoon of the month as a light-hearted way to learn from something that didn't go quite right.

12.5 The challenges

The biggest challenge the organisation faced was to place the right skills into the right roles, and to let staff know where they were in the organisation and how they could get to where they wanted to be. This has been overcome successfully through the range of initiatives that Pilot Drilling Control have put in place and laid new foundations for the organisation to move forward.

12.6 The benefits

The reaction of staff to the reorganisation has been positive, tensions that had arisen within the workplace, and some leaving intentions among staff, have evaporated. It has made for a more open and honest workplace as staff now understand why they and their colleagues are in the positions they are in, and they have clearer ideas about how they can develop themselves with the necessary support from either their peers or supervisors. The feeling among staff and managers is that Pilot Drilling Control is a happier place in which to work now. Staff feel more comfortable asking for feedback on performance and development issues, while the use of the learning styles tool in selection helps to ensure that teams remain well balanced and that team members can understand the styles of their colleagues and how to work together effectively.

12.7 The future

Pilot Drilling Control believe that the new foundations that have been laid and the more open culture that has been fostered will encourage staff to grow with the business and help it meet its expansion plans as it continues developing an international market for its products and design work both inside and outside of the oil and gas industry.

However, there are concerns about whether the good progress that has been made so far can be maintained in the future within the context of a more corporate-driven agenda as part of a multi-national enterprise.

13 United Welsh Housing Association

13.1 The facts

Sector: Not-for-Profit Housing Association

No. of employees: 150

Location: Offices in Caerphilly and Cardiff, and staff in supported housing locations

Overview: United Welsh Housing Association (United Welsh) is a Registered Social Landlord providing affordable housing mainly in the Caerphilly, Cardiff and Blaenau Gwent area. The Association was formed in 1989 from the Welsh region of a UK Housing Trust as a result of devolution of the regulatory body. United Welsh is regulated by the Welsh Assembly Government as it makes use of public funds.

There is a head office in Caerphilly which employs around 80 staff, a smaller office in Cardiff, and some staff are based in supported housing locations.

The Association has won:

- 5th Best Place to Work in the UK in the Financial Times 2004 'Best Workplaces' Special Report, and the first non-profit organisation ever to achieve a place in the top 10.
- 4th Best Place to Work in the UK in the Financial Times 2005 'Best Workplaces' Special Report, and the top organisation in Wales, in the top 100 in the whole of Europe, and the top non-profit organisation in the European Union.

13.2 Key themes

- The introduction of a Partnership at Work scheme transformed employee relations and laid the ground work for an emphasis on employee engagement.
- As a result the culture has shifted away from top down towards a more empowered involved relationship with employees.

13.3 The triggers for change

The Chief Executive of United Welsh is a firm believer that investment in people is a *sine qua non* for organisational success and central in terms of helping the organisation achieve its objectives to become a HPW organisation. As a result there is a tangible emphasis on development in the HR capability of the organisation as a key driver of the business rather than merely ensuring the organisation is complying with its obligations. The organisation has made a significant investment in HR, ensuring that the function is resourced appropriately with the right people and the right skills to develop their staff.

A major project overseen by the Director of Corporate Services between 2001 and 2005 (and which has continued to have a profound effect on the organisation) was a Partnership at Work project. The Partnership project was driven by a desire to move away from the traditional negotiating relationship with the trade union towards an option-based consultative approach. United Welsh was previously locked into quite traditional management union behaviours which made decision making slow, contentious and formulaic and they believed they needed to be participative to enhance the success and efficiency of the organisation. The association is also striving to behave in a more commercial, customer-focused way, areas in which the not-for-profit sector has traditionally lagged behind. Entry into the Great Places to Work competition on the back of the partnership work was another project which helped to carry on the momentum of change.

13.4 The approach

The Partnership project was implemented between 2001 and 2003, using some funding from DTI and employing external consultants IPA, and was ground breaking at the time for the housing association sector. It has recently been strengthened with the appointment of a Partnership Manager who combines that position with their role as one of three union reps at United Welsh. The Partnership Manager facilitates the flow of information between staff and senior management in both directions and the role is influential in promoting trust within the organisation.

A philosophy of empowerment has been ingrained since the introduction of the project, and both managers and employees agreed that there is room to have an impact at United Welsh – employees have a lot of freedom to make decisions and to develop themselves, and the organisation is small enough to allow people to come up with ideas that get acted upon. It has also been successful in its objective of helping engage and empower United Welsh's people and to shift the culture of the organisation away from top-down.

There is a philosophy of commercial awareness, illustrated by the follow-through of clearly defined corporate objectives through to individual staff objectives – at every single level in the organisation staff understand why they're doing what they're doing. This is supported by the performance management system which ensures that all individual objectives and targets are able to be associated with a corporate objective or target, even down to identifying development needs as a result of the tasks staff have to do.

Although the Association strives to operate according to commercial principles there is a strong emphasis within its people management practices on staff welfare. United Welsh has had a flexible working policy for around 10 years but it has evolved and become more acceptable and there is a whole menu of working options that staff can suggest and the organisation will support as long as it meets the needs of the business – staff can work part-time, shorter days, compressed hours, or term time working. In addition there is a school starter scheme where staff get extra paid time off if their child is starting school, staff health and welfare sessions where employees can get free health checks, and free fruit is delivered to the offices twice a week.

Typical of the activities that make United Welsh a fun place to work were those in response to their entry in the Great Place to Work competition – they had a 'Great Day Off' competition to suggest a trip to celebrate their success in 2004, and all staff went to Paris for the 'Great European Day Out' to celebrate in 2005; they have bi-monthly 'Presidential' award winners to recognise staff who go the extra mile; they have an active social committee which among other things, funds an annual pantomime trip for employee's children; and each department has an annual away day.

More recently, United Welsh organised a Tenants Fun Day which was well attended by employees on a voluntary basis and further developed staff engagement.

13.5 The challenges

The transfer of Local Authority housing stock to newly created housing associations is having an impact on United Welsh's ability to retain and recruit staff as the newly created associations are offering higher salaries to attract staff. This has focused their attention more keenly on talent spotting and succession planning, which are important elements of the HR strategy. Another challenge which may impact on employees, and which is being addressed by the Partnership Group, is the relocation of the United Welsh head office.

13.6 The benefits

United Welsh came 5th in the Great Places to Work competition in 2004 and 4th in 2005, which were very strong results for an organisation of their size. United Welsh have also tracked a number of KPIs over the period between 2001 to 2005 which covered the introduction of the Partnership project and the Great Place to Work competition entries, and saw improvements in both external KPIs such as rent arrears and voids, and internal KPIs such as absence and retention. In addition, it has recently enjoyed success in significantly increasing its development programme, establishing a high profile targeted recruitment and training programme and a Mortgage Repossession Scheme.

They believe that improving staff satisfaction should also filter through to the Association working more successfully for its customer base.

13.7 The future

The current Head of HR has only recently been appointed and is already addressing and updating many practices to move the Association further towards the 'empowerment' philosophy. United Welsh has shared the experiences of the Partnership project with other associations across the country and even some commercial organisations and will continue to share practice in this way, and is also focused on investigating ways to measure employee engagement.

14 West Lothian Council

14.1 The facts

Sector: Local Authority

No. of employees: 8,500

Location: Livingston, Scotland

Overview: West Lothian Council was formed 13 years ago following the merger of three local authorities. The Council is a unitary authority, providing hundreds of services via three major directorates and a joint directorate with NHS Lothian.

The organisation has enjoyed a clear vision and commitment to high performance throughout its history, thanks to the leadership provided by Chief Executive Alex Linkston who previously headed one of the legacy organisations. They firmly believe this approach has resulted in high quality value for money services. This is evidenced by a large number of external accolades:

- Investors in People award.
- Customer Service Excellence Standard:
 - 2008 – achieved by 12 services.
 - 2009 – achieved by 14 services and retained by 12.
- Charter Mark:
 - 2007 – standard achieved by 68 services.
 - 2008 – standard retained.
- Schools charter marks:
 - 2007 – achieved by 5 schools.
 - 2008 – achieved by 9 schools.

- Municipal Journal Awards:
 - 2007 – Finalist: Best Achieving Council of the Year.
 - 2009 – Winner: Diversity Achievement of the Year.

Plus over 50 other awards won by individual services in the same period

14.2 Key themes

- The value of having explicit, holistic measures combined with an involving approach and emphasis on continuous improvement.
- The importance of breaking down organisational barriers to meet customer needs.
- The importance of making work rewarding, and helping people to feel they are treated fairly and supported.
- Success comes from an integrated set of policies and practices: the whole is greater than the sum of the parts.

14.3 The triggers for change

From inception at the core of its HPW approach, the Council has focused on breaking down barriers between different services to ensure that customers enjoy an integrated, seamless service. This is underpinned by a series of clear, customer centred key performance indicators and an emphasis on long term planning.

They use mechanisms for capturing customer needs which are then delivered via a combination of strong leadership, a highly developed workforce and use of the West Lothian Assessment Model (WLAM) as an assessment and improvement tool. WLAM measures incorporate EFQM, Investors in People, Charter Mark and Customer Service Excellence standards in one holistic model. The model itself has been continuously improved over the past five years, and is now used by a number of other local authorities.

As a local authority, the organisation does not have competitors as such but challenges abound, with increasing demand for services. The current economic climate also brings a requirement to deliver services against budget cuts whilst maintaining quality.

A commitment to break down barriers is evident in the partnership working underway with other public bodies. This takes an important step forward this year when a new headquarters brings together the Council, police, health service and court systems and other public organisations which operate within West Lothian, allowing systems, processes and strategy to be fully co-ordinated across the agencies.

14.4 The approach

There is a high level of cross functional and partnership working in this HPW approach. The commitment to cross functional working is reinforced by directors and heads of service often leading services outwith their own functional specialism. However, Graham Hope, Director of Customer and Support Services noted that there is clear expectation that in order for senior managers to deliver at a strategic level, they require to engage directly with front line staff and customers. He emphasised that *'While the governance structure is important, it is at the operational unit level that it is important that things work...As a leader, you need to be able to move from the balcony to the battlefield'*.

Whilst different HR practices are seen as important, it is the overall package which is viewed as leading to success. A flexible approach means services can adapt policies to ensure best fit. The people management philosophy is described by HR Manager Derek Stark as *'positive and participative'*. While management styles vary, Derek emphasises *'the Council tries to foster less command and control and more of a delegated and self managed approach...We try to listen and act on as much as we can in terms of issues and opinions that come from the front line'*. The organisation employs lean management principles, with front line improvement teams driving change. This approach is underpinned by giving staff a high level of empowerment plus investment in personal development so that people are equipped to make decisions.

Clarity of direction and personal contribution is also considered vital. Derek comments: *'within a performance driven culture, there is a structured environment with a clear line of sight from the front line to the Council's philosophies and values'*.

Council wide continuous improvement uses the WLAM model. Improvement teams drawn from all levels measure progress across a service's operations then develop action plans. At an individual level, the Personal Performance Review and Development Plan (PPRPD) is the key tool through which individual team members' objectives and development needs are placed in the context of the wider strategic plan, a process viewed as central to high performance working.

A range of development opportunities are available and the organisation has worked with Investors in People to develop a set of meta measures to identify the impact of personal development on business objectives at a strategic level.

Communication and listening is given great emphasis through surveys, team meetings and use of focus groups, though specific activities differ across the organisation. The opportunity for involvement is ingrained and extends beyond formal processes as the following managerial comment indicates: *‘folk come up and say “why do we do that?” It’s very much bottom up’*.

Policies are in place both to attract recruits and keep attrition rates low. There is a strong emphasis on providing an environment where people find work rewarding while also providing benefits such as flexible working. Health and safety measures including stress management, together with consistent application of policies such as disciplinary procedures, are designed to help people feel they are supported and treated fairly, while a no redundancy agreement helps bring a sense of security.

14.5 The challenges

While measurement is one of the strengths of the organisation, it is also a constant balancing act between having a robust set of measures and not using so many that it is difficult to show which outcomes each are attributed to.

The success the organisation has achieved in retaining staff is also a double edged sword. Opportunities for career development are more limited, while the recent introduction of single status working has limited opportunities to move through the pay bands. The emphasis on autonomy can limit involvement in formal improvement activities for some staff with high workloads.

14.6 The benefits

Positive benefits of the organisation’s people strategy include a *‘highly developed workforce’* with an average length of service of 14 years, a high level of good quality candidates for job vacancies, as well as good return rates following maternity leave.

Assessment results show that leadership is strong, while the staff survey demonstrates that employees generally feel that their contribution is valued. Other benefits include very positive inspection results from the various statutory and other inspections carried out, a number of external awards and very low customer complaint levels.

14.7 The future

In common with other organisations, the current economic climate means that there is a general awareness that 'hard decisions' need to be taken. This is requiring additional investment in middle and senior managers in particular. There is a need to both bring employees with them and increase the level of innovation to provide the same level of service with a significantly reduced cost base, and a managerial development programme in the autumn will equip them to deliver that.

One option for the council is to increase the degree of flexible working. Organisational benefits could be increased productivity and bringing expertise closer to the customer through mobile working. Implementation plans reflect the thoughtful approach to people management overall. Detailed plans include changes to HR practices including changing job descriptions to focus on outcomes, and equipping managers to manage people remotely. Pilots are currently in place, with plans to implement across 15 per cent of the workforce over the next five years.

15 Wychavon District Council

15.1 The facts

Sector: Local Government

No. of employees: 300

Location: Pershore, Worcestershire

Overview: Wychavon District Council covers 260 square miles of eastern Worcestershire, a largely rural area. The main urban centres are the towns: Droitwich Spa, Evesham and Pershore. Wychavon District Council was formed from a agglomeration of Evesham Borough Council, Evesham Rural District Council, Droitwich Borough Council, Droitwich Rural District Council and Pershore Rural District Council. The Council came into being as a shadow authority in 1973 and took over responsibility for the district in 1974. All departments were consolidated in 1991 at the Civic Centre in Pershore. Wychavon District Council is a politically stable Conservative controlled authority.

The council has a number of national awards and positive performance indicators:

- The Audit Commission rated Wychavon District Council 'excellent'.
- The planning authority was the most improved in England in 2007.
- The housing department was the first double excellently rated district service in the country.
- Wychavon District Council won the LGC council of the year award 2007.
- Staff at the Council ranked its leadership as number one in the Times Best Councils to work for survey 2007.

15.2 Key themes

- A local authority with a can-do culture.
- Major themes on openness and transparency, trust, on team working and mutual responsibility, on flexibility, on encouraging innovation and risk taking and on 'mucking in'.
- Considerable pride in the organisation and its achievement for its community.

15.3 The triggers for change

The current MD, Jack Hegarty, has played a major role in the transformation of the authority. When he was appointed the council was organised hierarchically with two major directorates and relatively little cross group working. He made some major changes to transform both structure and culture to create a more fluid, dispersed hierarchy with higher levels of communication and interaction and with a clear focus outwards to the community. He has been supported in this by council members and colleagues who have all sought to help maximise performance through cultural transformation. A key part of this transformation was to embed the concept of flexibility from staff with a clear *quid pro quo* from the organisation of maximising job security, trust and autonomy.

As a result employees engage with issues they are interested in even if not strictly within their work area, selection processes favour selection on attitude and approach rather than skill sets, staff are deeply passionate about the council and its performance and there is a virtuous circle of influence with senior managers and employees raising ideas and making them work.

15.4 The approach

Local authorities tend to have a reputation of being rather staid and with workforces that often struggle to make change happen and which are frequently cynical about their employer. Nothing could be further from the truth at Wychavon District Council. The cultural and structural shift begun by Jack has resulted in aligned initiatives and approaches that add up to a coherent and highly focused organisational whole. Central to the approach to HPW is the emphasis on trust, empowerment and autonomy. This is explicit in many ways; Jack made it clear that there would not be a blame culture as everyone would share responsibility for problems and their resolution, consequently staff are willing to take the initiative to resolve issues, staff do what is needed rather than what they are told to do, there is a strong entrepreneurial spirit – what was described as an approach of *‘let’s all hold hands and jump together’*, and there is a sense of ‘can-do’ which means action does not drag behind ideas. Hierarchy is challenged in all kinds of ways; open door policies, the back to front initiative to get senior managers back to the front line, and regular and engaging communications.

There are a comprehensive range of HPW people management practices in place but a much smaller set were considered key by senior managers: communication at all levels and through a variety of means; contact cornerstones e.g. briefings given two to three times a year face-to-face which are as open and transparent as possible; strong emphasis on training and development; and a recruitment culture which emphasises attitudes rather than professional qualifications. Employees focus on policies and practices which personally touch them and which can be thought of as a manifestation of valuing staff and treating them with respect; the long term absence policy which seeks to get people back to work through adjustments and maintained contact; wellbeing policies which emphasise mental well being; flexibility of hours, the back to front initiative already mentioned, and great development and progression opportunities.

15.5 The challenges

Like most, if not all, public sector organisations, Wychavon District Council faces the dual pressures of tightening expenditure coupled with a tendency for demand for services to increase – there is always more that can be done. Members have made it clear that they expect headcount to remain steady and as a consequence the authority is always open to new ways of delivering. One potential change being considered was the option for shared services amongst nearby authorities which raised concerns of the potential dilution of the excellence achieved by the Council with less well run services from elsewhere. Employees were also nervous that constantly doing more with the same might become unsustainable with time to be thoughtful lost.

Success brings its own challenges and there were concerns around the difficulties of maintaining success and the great culture and climate of the council in a challenging and uncertain future.

15.6 The benefits

There has been considerable public recognition of success. Wychavon District Council was rated 'excellent' in its Comprehensive Performance Assessment (CPA) and one of only three district councils to achieve top marks in the Audit Commission's 'Use of Resources' assessment for three years running. It is the only district in the country to obtain a top score of four for 'Value for Money' from the Audit Commission for three consecutive years. Over two thirds of performance indicators are top quartile or above average with 78 per cent of 'promises' fully delivered during the year. It is only the third authority to gain Charter Mark accreditation for all of its services. It also received the Council of the Year 2007 award.

Other benefits mentioned by managers and employees alike are a warm friendly, customer oriented culture with everyone willing to put in effort to deliver great service.

‘There are fantastic people, everyone does an extra bit even if inconvenient.’

‘It’s family, that’s how it feels.’

15.7 The Future

Fostering a culture of innovation and change clearly leads to high performance working in terms of empowerment and challenging staff to ‘step up’ and to assume responsibility. Whilst the line managers acknowledged that there will always be some members of staff who are happy just doing what they do, a consistently applied management framework allows for everyone else to progress and develop, to the benefit of the organisation.

Appendix 1: Where to get more information

This report is intended as a useful resource, highlighting what organisations are currently doing to achieve a high performance working approach. There are other sources of practical information that we recommend consulting in order to go about adopting this approach:

Advisory, Conciliation and Arbitration Service (Acas)

Acas aims to improve organisations and working life through better employment relations. Acas' training services focus on raising awareness of good employment practice and its contribution to improved organisational performance, as well as focusing on developing the people skills of managers and employee representatives. Acas is a non-departmental body, governed by an independent Council and funded by BERR.

Acas' model workplace tool is an online tool developed to improve business effectiveness and is concerned with putting the right systems in place (e.g. pay, discipline, communications, health and safety), developing relationships (including personal development and flexible working), and the benefits of greater employee involvement in decisions.

More information is available at: <http://www.acas.org.uk>

Business Link

Business Link is the main access point for all information for both individuals and employers on government training support. It offers local information and advice online, numerous interactive tools and activities, as well as the opportunity of contacting a Business Advisor who will provide more tailored advice and support.

The site was developed in partnership with subject experts within government and relevant business-support organisations to help businesses to comply with regulations and improve business performance.

The services provided through Business Link are funded by Regional Development Agencies, and supported by government departments, agencies and local authorities. Business Link also works in partnership with Business Gateway and Highlands and Islands Enterprise in Scotland, and Invest Northern Ireland.

Business Link is found here: <http://www.businesslink.gov.uk>

Alternatively more information can be found by calling the Business Link helpline on: 0845 600 9006.

The Chartered Management Institute

The Chartered Management Institute (CMI) is the only professional body in the UK dedicated to promoting the highest standards of management and leadership. For employers, the CMI provides a one-stop shop for developing, recognising and accrediting excellence in management and leadership. We work in partnership with employers across the private, public and not-for-profit sectors helping to bring out the best in managers and leaders for the benefit of the business. Our solutions are aligned to organisational objectives, delivering quantifiable return on investment and higher performance. For further details call 01536 207 404 or visit www.managers.org.uk.

Through in-depth research and policy surveys of its 450 corporate and 80,000 individual members, the CMI provides forward thinking advice and support to Government, businesses and individuals. For further details on the policy and research programme see www.managers.org.uk/research or contact Petra Wilton, Director of Policy and Research, Tel 020 7421 2726 or e-mail: policy.development@managers.org.uk

Investors in People UK

Investors in People UK is a non-departmental public body, which receives funding from the Department for Business, Innovation and Skills. They are responsible for business planning, policy development and promotion of the Investors in People framework. Their vision is to increase the productivity of the UK economy by improving the way in which organisations manage and develop their people, leading to business improvement and better public services.

Investors in People UK aims to deliver continuous business improvement to organisations through the development of business improvement tools enabling people management and people development within the UK. The Investors in People Standard is a business improvement tool designed to advance an organisation's performance through its people.

New Choices, the latest inauguration of the standard, aims to be as flexible as possible and tailored to each individual organisation, while maintaining an emphasis on the future development of the organisation.

More information is available at: <http://www.investorsinpeople.co.uk>

IPA

The IPA is a not-for-profit, independent body which provides advice and training services and offers a network of information and advice to organisations in the public, private and voluntary sectors. It carries out research, provides policy advice to government bodies and organises conferences and events. The IPA works closely with other institutions on research and advice both in the UK and in Europe.

The IPA's promotion of increased employee engagement highlights the vital role of management. They suggest that senior managers have a top level responsibility as the principal role models in the workplace, and line management also have a critical role in delivering the content of both the big picture policy agenda and implementing local practices. To deliver on this, the IPA has developed a Workforce Engagement Programme.

The **IPA Workforce Engagement programme** is a package of services which can be tailored to suit organisations of all sectors and sizes, whether they are unionised or not. The programme:

- provides a diagnostic of the organisation's current situation;
- develops a plan/map of objectives for the organisation to work towards;
- measures outcomes and provides on-going mentoring and support;

The approach is tailored to suit each organisation's differing needs.

More information is available at: <http://www.ipa-involve.com/>

TUC

With member unions representing over six and a half million working people, the TUC campaigns for a fair deal at work in all areas, including widening access to learning and skills development. The launch of the TUC's learning and skills organisation – unionlearn – in 2006 marked a step change in the union contribution in this area by providing the necessary means to build on recent advances, especially the rapid growth in union learning reps (ULRs) since 1998.

More information available at: www.tuc.org.uk and www.unionlearn.org.uk

Northern Ireland, Department for Employment and Learning

The Department's Management Development Branch works to develop the leadership and management skills of Northern Ireland Small to Medium sized Enterprises and social Enterprises. A range of programmes are offered with funding support, together with other work to develop awareness of the benefits of enhanced leadership and management skills.

Management Development Branch at: 028 90 441770.

See the Department's Leadership and Management provision and the Department's Management and Leadership strategy and implementation plan:

<http://www.delni.gov.uk/index/madenotborn.htm>

http://www.delni.gov.uk/management_matters_in_ireland.pdf

<http://www.delni.gov.uk/leadingtosuccess-2.pdf>

The Scottish Government

The Scottish Government has established the Skills Utilisation Leadership Group to bring together business and trade union leaders with the Government, key public agencies and the Scottish Council for Voluntary Organisations to champion the better use of skills in the workplace. The Leadership Group has adopted a strategy and communications action plan to encourage employer engagement in this issue.

Information about making better use of skills in workplaces, including links to key organisations in Scotland, can be found on the Scottish Government's website at <http://www.scotland.gov.uk/skillsuse>

Research

- Literature Review Report.
- Literature Review Research Findings.
- Scoping Study – Stakeholder Interviews.
- Scoping Study – Leadership Group Interviews.
- Product Market Strategies and Workforce Skills – Full Report.
- Product Market Strategies and Workforce Skills – Summary Report.
- Centre for Research in Lifelong Learning: 21st Scottish Forum on Lifelong Learning (December 2008): Skills Utilisation and a Successful Skills Strategy.

List of previous publications

Executive summaries and full versions of all these reports are available from www.ukces.org.uk

Evidence Report 1

Skills for the Workplace: Employer Perspectives

Evidence Report 2

Working Futures 2007-2017

Evidence Report 3

Employee Demand for Skills: A Review of Evidence & Policy

Evidence Report 4

High Performance Working: A Synthesis of Key Literature

Evidence Report 5

High Performance Working: Developing a Survey Tool

Evidence Report 6

Review of Employer Collective Measures: A Conceptual Review from a Public Policy Perspective

Evidence Report 7

Review of Employer Collective Measures: Empirical Review

Evidence Report 8

Review of Employer Collective Measures: Policy Review

Evidence Report 9

Review of Employer Collective Measures: Policy Prioritisation

Evidence Report 10

Review of Employer Collective Measures: Final Report

Evidence Report 11

The Economic Value of Intermediate Vocational Education and Qualifications

Evidence Report 12

UK Employment and Skills Almanac 2009

Evidence Report 13

National Employer Skills Survey 2009: Key Findings

Evidence Report 14

Strategic Skills Needs in the Biomedical Sector: A Report for the National Strategic Skills Audit for England, 2010

Evidence Report 15

Strategic Skills Needs in the Financial Services Sector: A Report for the National Strategic Skills Audit for England, 2010

Evidence Report 16

Strategic Skills Needs in the Low carbon Energy generation Sector: A Report for the National Strategic Skills Audit for England, 2010

Evidence Report 17

Horizon Scanning to 2020: A Report for the National Strategic Skills Audit for England, 2010

Evidence Report 18

High Performance Working: A Policy Review, 2010

Evidence Reports present detailed findings of the research and policy analysis generated by the Research and Policy Directorate of the UK Commission for Employment and Skills. The Reports contribute to the accumulation of knowledge and intelligence on a range of skills and employment issues through the publication of reviews and synthesis of existing evidence or through new, primary research. These and other outputs in the Research and Policy Analysis series can be accessed on the UK Commission's website www.ukces.org.uk

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