

The People Factor
– engage your employees
for business success



booklet

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About this guide

This guide is aimed at helping you improve employee engagement in your organisation. It is intended for employers and managers but will also be of interest to employees and employee representatives.

Good employment relations is about understanding what motivates and engages employees and what part you play in making the employee-employer interaction positive and productive.

Employee engagement describes the positive attitude or behaviour of someone at work. Acas believes that engagement is likely to be higher if you focus on the four main drivers of employee engagement identified by the Macleod Review in 2009:

- **leadership** which transmits vision and values how the individual contributes
- giving employees a **voice** to express their views and concerns
- **line managers** who empower rather than control their staff
- behaviour which is consistent with stated values leading to trust and **integrity**.

We explain what each of these drivers means in the context of everyday workplace situations and how they can be used to develop good employment relations. Our practical advice looks at the expectations employers and employees have of each other and how employers can maintain engagement during difficult economic times.

The Innovative Workplace Project

The case studies in this guide are all taken from a business development initiative that was managed and delivered by Acas in the East Midlands in 2009/10. The project was funded by the East Midlands Development Agency. The United Kingdom Work Organisation Network (UKWON) were Acas' delivery partners.

The organisations who took part were all seeking to change workplace practices and increase employee engagement as a means of improving organisational performance.

Nottingham Trent University was responsible for the evaluation of the project which produced the case studies. The full report can be found at www.acas.org.uk/researchpapers.

What is the *people factor?*

It is often said that people are every organisation's most important asset. This is perfectly true, but people are not like other assets. As well as being very valuable in their own right – in terms of performance, skills and creativity – it is individual employees who bind every other aspect of working life together.

It is employees who are often alert to workplace problems and take informal steps to resolve them before things get out of hand. It is employers who can help to create a culture which encourages everyone to express their views freely. It is managers who are best placed to take policies and procedures off the shelf and make them come to life.

The people factor is about:

- giving employees a voice – in one-to-one dialogue, team meetings and via employee representatives or trade unions
- making sure the way people behave supports your organisational values on issues like equality and fairness at work.
- creating a vision, or story, that everyone feels part of
- understanding what motivates and engages employees – is it pay, flexibility or having a say?

Creating a vision

Macleod Engagement Driver 1:

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

Most workplaces have a plan for the way work is organised which sets future targets. Creating a vision for the future is an ongoing priority because it tells people ‘what’s happening’ – in other words, it gives a sense of purpose, a reason for turning up to work.

This ‘vision’ does not have to be very complex – it can be written on one side of A4 if that is all that is required or it can be part of a more detailed business plan. The key is that the vision is linked to individual performance targets, sometimes via team plans. A clear vision will help people to make connections between:

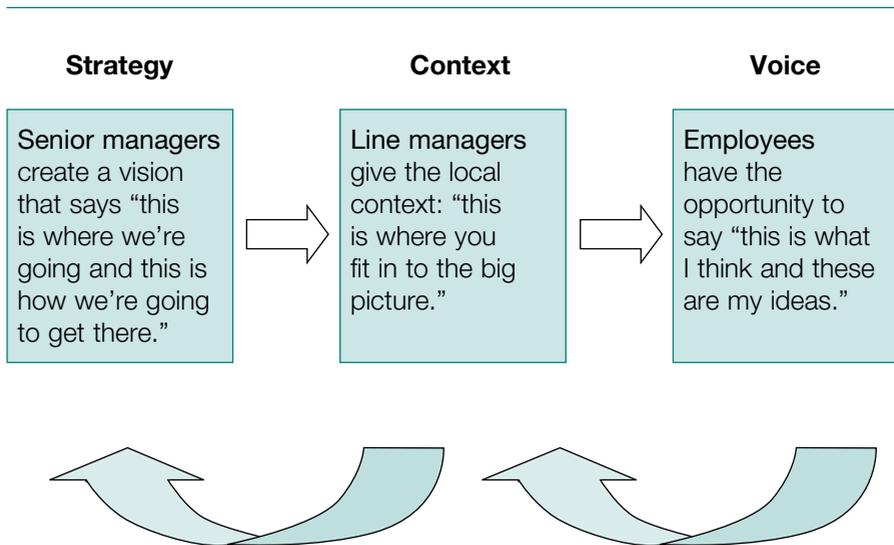
- managers and employees
- the aspirations of the individual and the organisation.

Your vision will often set out:

- the overall purpose of your organisation

- where the organisation wants to be in the future
- the values that are most important to you.

Senior managers and employers often produce the plan that takes in the bigger picture – in terms of products, customers and targets. Line managers provide the local context for these plans – they understand what the overall messages will mean to individuals and their jobs.



Making connections between employees, line managers and senior managers.

Understanding how to motivate employees

Macleod Engagement Driver 2:

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

Motivating and engaging your workforce means recognising the bond between employers and employees. This takes the form of a:

- legal contract of employment, which sets out terms and conditions relating to practical, but very important issues such as pay and holiday entitlement
- psychological contract, which describes the more complex web of promises and expectations we all form at work.

On a practical level, the Employment Rights Act 1996 requires employers to provide most employees with a written statement of the main terms of employment within two calendar months of starting work. For more information on contracts of employment see the section on ‘contracts’ at www.acas.org.uk.

But many aspects of the psychological contract between employers and employees are implied, rather than explicitly agreed in writing. For example, the courts have established that all employment contracts also include the following terms:

- to maintain trust and confidence through co-operation
- to act in good faith towards each other.

How are these contracts of employment enforced and managed? Research has shown that it is managers at the first tier of line management who have the greatest influence on developing the levels of trust and co-operation that are critical to good employment relations.

The personal interaction between line managers and the employees they manage is particularly important in maintaining the psychological contract through:

- performance management – especially if linked to pay and reward
- work-life balance and flexible working
- training and development and coaching
- communication and involvement
- openness and conflict management
- employee representation.

Acas and the Chartered Institute for Personnel Development (CIPD) have produced a **resource tool for line managers**. It sets out what competences line managers need to enable them to get the best out of their staff.

How the line manager handles each of these areas will strongly influence the way an employee feels about their place of work and how well they do their job. For further information and advice see the Acas guide 'Front line managers' at www.acas.org.uk/publications.

The art of communication

Macleod Engagement Driver 3:

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

There is an art to communication. Of course, it helps if you have an effective policy in place for how you will inform, communicate and consult with your employees but good communication is more than just a process.

Tips on how to communicate:

- ✓ set aside regular time for meetings and informal discussions
- ✓ stick to agreed systems – for example, weekly team meeting should be weekly but also...
- ✓ ... be responsive and adapt to changes – if there is an emergency you may need to hold a meeting today and not tomorrow
- ✓ don't make assumptions – ask questions to learn what people think not to have your own views re-affirmed
- ✓ the personal touch is important – ask an employee if they enjoyed their holiday (and wait for their reply!).

To communicate effectively you and your managers need to have:

- good interpersonal skills: are you a good listener?
- a clear idea of what you want to communicate: you may be re-enforcing organisational messages or responding to personal issues
- access to training: many organisations find that the right training can help to develop the people management skills that are at the heart of effective communication.

Effective communication is key to managing change, resolving conflict, tackling absence, dealing with disciplinary and grievance issues, promoting equality – it is the backbone running through everything you do.

Part of your communications strategy will need to focus on reinforcing the organisational narrative – telling people where your business has got to and what you are working towards and how. But remember that **communication is a two-way process** – employees may become turned off by the company voice if they feel they are not being listened to or they don't have any direct input into management decisions.

Employee voice can be expressed in many ways – individually in one to one meetings with managers, in teams, or via employee representatives and trade unions representing the interests of employees.

Many organisations work closely with employee representatives and trade unions in well-established joint consultative groups. These groups can give employees the chance to influence the decision-making process and put forward ideas for solving problems. Less formal one-off workshops are also a good way of giving employees and their representatives a voice in the major issues affecting an organisation, such as pay and terms and conditions of employment.

For more guidance on how to set up workshops and how to develop an internal communications' strategy see the guide 'How to manage change'. For more information on working with employee representatives and trade unions see the guide 'Representation at work' (both available at www.acas.org.uk/publications).

The Innovative Workplace, Employee Engagement Project Case study: Brush Electrical Machines Ltd

Brush Electrical Machines Ltd (BEM) manufactures generators for steam and gas turbines and employs 700 staff in Loughborough.

What was the problem?

The company had recently undergone a takeover. The new management had instituted a 'lean production' system, resulting in a series of redundancies. Further redundancies occurred when BEM merged with a company at the same site.

Staff revealed a lack of trust between employees and management and a feeling that staff did not feel valued or listened to, as reflected in the low response to a recent staff survey. As one employee said: "I just felt I was in a dead end, no one was listening and nothing was happening."

What did they do?

Acas helped set up a steering committee and eight focus groups, each of ten employees, to improve lateral communication across the site. Involvement in the project was initiated by employees feeling that they, together with middle managers, were not being listened to during the ongoing periods of major change arising from the various takeovers.

The final evaluation revealed that employees felt they were being listened to and their ideas acted on. The production of a newsletter really helped improve communications.

A further round of redundancies has raised the issue of trust once again but the company partly attributes its ability to increase production and ride out the economic downturn to the employee engagement project. As the Managing Director said: "Employee engagement must not be an initiative, because that implies it has a beginning and an end. It's just something you do, part of the way you run the business."

Your attitudes and values

Macleod Engagement Driver 4:

“A belief among employees that the organisation lives its values, and that espoused behavioural norms are adhered to, resulting in trust and a sense of integrity.”

Many of the values we share at work describe the way we expect to treat each other. Some of these values are explicit and may be written down in policies, others are implicit and reflect accepted social or cultural norms.

Some common organisational values include:

- **equality and fairness:** we respect each employee irrespective of their race, sex, age, sexual orientation, religion or belief, or disability
- **two-way feedback and encouragement:** managers give positive feedback when appropriate and encourage staff to give their best
- **responsibility:** everyone is given responsibility for aspects of their work and managers are accountable for the decisions they make
- **openness:** we welcome the views and opinions of employees and their input into decision-making whenever possible

- **clarity:** we try to provide strong leadership that gives a vision of where we are going and explains where everyone fits in to the bigger picture.

All of these sound very good on paper but does the behaviour of people in your organisation support these values? Do managers practice what they preach?

Ten key steps for running an effective staff attitude survey:

1. get top management support
2. align the survey with your business strategy
3. involve employees in the design
4. decide on how you will carry out the survey – will it be done online or in paper format?
5. encourage everyone to take part
6. ensure confidentiality
7. decide what questions to ask
8. benchmark the questions to compare results
9. analyse the results
10. report back and take action.

See Appendix 1 for a sample survey questionnaire.

Some behavioural trends are easy enough to spot – for example, do employees routinely express their views at team meetings? Do you see achievements being celebrated?

Other forms of behaviour are more subtle and harder to scrutinise. For example, managers may always ask members of staff for ‘any questions’ at meetings but is the atmosphere conducive to free speaking and do staff feel that their views are really valued?

Attitude or staff surveys can give you a good idea of how employees feel they are being treated and how relationships between managers and staff are conducted.

The Innovative Workplace, Employee Engagement Project Case Study: Liquid Control Ltd

Liquid Control Ltd design and build machines for processing liquids and pastes. They employ 20 staff and are based in Northamptonshire.

What was the problem?

The company had recently been taken over. Although managers were given the freedom to run the business themselves, decisions tended to be made by just a few individuals.

Management recognised that to grow the business, and achieve the ISO9001 Certification they sought, the workforce needed to be involved in decisions about 'what, when and how' things were done. As a fifth of the staff were about to retire, the company were also anxious to capture their skills and knowledge as well as develop greater multi-skilling on the shop floor.

What did they do?

Acas facilitated the setting up of a focus group, with representatives spread across all levels of the company and helped carry out an employee survey. The survey raised a whole range of issues – from the lack of social activity at the company to duplication of work caused by poor communication between departments.

The company developed an action plan for improvements, such as carrying out a skills matrix to identify training needs and put in place measures to help knowledge sharing. As a result of this initiative, 50% of staff have now completed NVQ level 3 courses ranging from computer skills to customer service.

Communications at the company have been improved by introducing development appraisals and holding quarterly meetings to keep everyone informed. As the Operations Director said: "We are looking to get people involved in decision-making and more integrated in everything we're doing."

Developing good *employment relations*

The employment exchange

Work is based on a system of give and take. In the past many employers were able to offer employees permanent job security and employees often gave long-term loyalty and commitment in exchange.

Today, the employment exchange looks a little different. No one really expects a 'job for life' anymore, but many employees, and employers, do expect flexibility, dignity at work and an honest, open dialogue about how to get the best from the individual and the business.

The employment exchange

The employer gives...

Equal opportunities

Fair pay

Information and genuine consultation

Flexible working

Safe working environment

Direction and sense of purpose

The employee gives...

Loyalty and commitment

Understanding of big picture

A willingness to develop skills

Good conduct

Good performance

Ideas and opinions

Acas has guides to help you manage many of these key issues – visit www.acas.org.uk/publications. We also run training events in your local area – visit www.acas.org.uk/training.

Many of the commitments an employer makes to their employees are to do with policies and procedures – for example, they are often obliged to set up and maintain effective systems for managing discipline, consultation, health and safety, and flexible working arrangements. Many of the commitments employees make relate more to behaviours and attitudes – for example, they might make a commitment to take pride in their work.

In smaller firms this exchange may take place directly between the employer and the employee because policies and procedures are often less formal and there is more direct personal interaction. In larger organisations the exchange will often take place between employees and their line managers.

If this exchange is working effectively it can help to trigger high levels of employee engagement, with employees demonstrating very

positive attitudes and behaviour. To make this happen, employers need to:

- focus on the workplace factors that are most linked to **positive commitment** (see box on p15) such as pay, communication and performance management
- **get the balance right** between formality and informality. There is the risk in smaller organisations that the sense of give and take can become rather informal and be taken for granted. The opposite can be true in large organisations, where employees may feel the exchange is dominated by rather bureaucratic policies and procedures
- recognise the **different ways that employees engage** with their workplace. Some employees may love coming to work to chat with their friends, others might have a strong conviction that what they are doing is worthwhile
- develop **teamwork**. Ideally you may aim to make a connection with every employee in your organisation. Realistically, developing teams can often be the best way of increasing morale, performance and commitment.

What drives engagement?

The factors that are most linked to positive commitment are:

- ✓ employee trust in management
- ✓ satisfaction with the work itself
- ✓ satisfaction with involvement in decision-making at the workplace
- ✓ quality of relationships between management and employees
- ✓ satisfaction with the amount of pay received
- ✓ job challenge
- ✓ satisfaction with sense of achievement from work.

John Purcell, Building employee engagement, Acas Discussion Paper

Explaining the reasons behind the decisions you make – and involving employees in these decisions wherever possible – will help to develop trust and co-operation.

Performance reviews can be a good way of developing this dialogue between line managers and employees. You can use performance reviews and appraisals to check that your employees know what the business is trying to achieve and the part they play in reaching these shared goals. Performance management also gives you a chance to monitor performance, develop skills and give employees the chance to express themselves.

Effective performance management can contribute significantly to all of the four main drivers of employee engagement identified in the Macleod report:

Deal with the key issues: focus on managing performance

As an employer you are not always going to be able to give every employee what they want. For example, your employees may want to work flexibly but it may not be appropriate for your business. Many employees have the right to apply to work flexibly – such as carers of adults and parents of young children – and you have to give serious consideration to their request. If you turn down the request you need to give a sound business reason.

- **leadership** which transmits vision and values how the individual contributes: performance meetings and appraisals are a good place for line managers to re-enforce the connection between individual, team and organisational goals
- **line managers** who empower rather than control their staff, showing appreciation, respect and commitment to developing and rewarding capabilities: managers can motivate employees with positive feedback where it is appropriate but also by recognising areas where training or support may be needed

- **employees who feel they can voice their views and concerns.** For performance management to work effectively it needs to be based on an ongoing dialogue between manager and employee not just quarterly meetings
- **behaviour throughout the organisation which is consistent with stated values leading to trust and integrity:** a good one-to-one reporting relationship can help to cement organisational values, particularly around issues such as equality and diversity.
- find out how employees feel – in small firms this may mean talking informally with colleagues, in larger organisations a more formal staff attitude survey can be a useful tool.

Engaged employees take an average of 2.69 sick days per year; the disengaged take 6.19.

Gallup Survey

You can read the Acas guide on 'How to manage performance' at www.acas.org.uk/publications.

Get the balance right: reflect on your organisational culture

Organisational culture can be very hard to define. It can describe everything from the way your organisation is structured to the atmosphere in the canteen or the corridors.

As an employer you are directly responsible for some elements of workplace culture – you can determine when meetings are held and how information is cascaded up and down through the various management or operational levels. It may be harder to influence the atmosphere at work but you can:

- set the right tone – try to make yourself visible and accessible to your employees

It can be tempting for employers in larger organisations to respond to problems at work by putting in place more policies and procedures. Written policies and procedures are very valuable – particularly those dealing with discipline, grievances and attendance – but a large part of good management is intuitive. If an employee has just returned to work after a period of sickness absence, it is clearly a good idea to meet and discuss how they are feeling and, if necessary, look at their 'Statement of Fitness for Work'.

Similarly, good managers can often judge to what extent an employee wishes to voice their concerns. Some problems or issues can be resolved with a quiet word or informal discussion – an employee may be satisfied that you have given your time to listen to them. At other times, you may need to give them the opportunity to express their concerns at team meetings or in a more formal setting.

The Innovative Workplace, Employee Engagement Project Case study: East Midlands Strategic Health Authority

The East Midlands Strategic Health Authority is responsible for ensuring the local delivery of national NHS policy and employs 350 people.

What was the problem?

The Health Authority planned to introduce a new employment record system, which would allow staff and management to access their own records. However, as the Head of Organisational Development said: “We soon realised that for this project to work effectively we needed a huge culture shift in terms of how we communicated with staff and involved them in what we were doing.”

What did they do?

The company worked with Acas to set up a focus group to look specifically at the new employment records package and another group to look at broader employee engagement issues. Concerns emerged about the need to train line managers to use the new system and about a general lack of internal communication and consultation with users.

The employee forums have proved very successful, as one employee said: “We can put our opinions over, so if we’re not happy you’re voicing your views in front of everyone and you’ll often find other people have the same problems or thoughts as you.”

The senior management team at the health authority have embraced the new approach to engagement and acted upon the recommendations of the employee forums: “We listened to what people said and re-shaped the training as a result” (Head of Organisational Development).

The project has meant that staff now take greater ownership of their data and their personal development, HR information is more accurate, and data handling has become more efficient.

The following five issues provide a quick litmus test for the state of your organisational culture:

Reward	A junior employee has an idea for improving the work of the team. The employee's manager presents the idea to the senior management team who widely praise the idea. Would the employee get any credit in your organisation?
Meetings	Managers are in meetings so much that employees give up trying to ask for advice or guidance. What proportion of your time is spent in management meetings and how much time do you set aside for keeping in touch with colleagues and staff?
Responsibility	Are staff allowed to make decisions about how they do their work or is there always a manager looking over their shoulder? Ask your employees if they feel trusted to work things out for themselves.
Accountability	Senior managers tend to shape the direction the organisation is going in. If things go wrong do they explain themselves and take the flak or are they seen as being immune from criticism?
Purpose	The small details of working life – such as car parking, canteen facilities or dress codes – may not seem as important as your style of leadership, but they can undermine your organisation's sense of purpose and direction. Are you aware of the issues that most concern your staff?

Recognise the different kinds of engagement

Employee engagement generally happens when your employment relations are good. It is not an absolute – organisations will have different levels of engagement and employees will be engaged in their work in different ways. For example, employee engagement may be driven by:

- emotional attachment: employees may feel loyalty towards an organisation that has helped develop their career or they may simply have a supportive network of friends and colleagues
- issues: employees might have a strong sense of conviction about what they are trying to achieve at work based on political, moral or social beliefs.

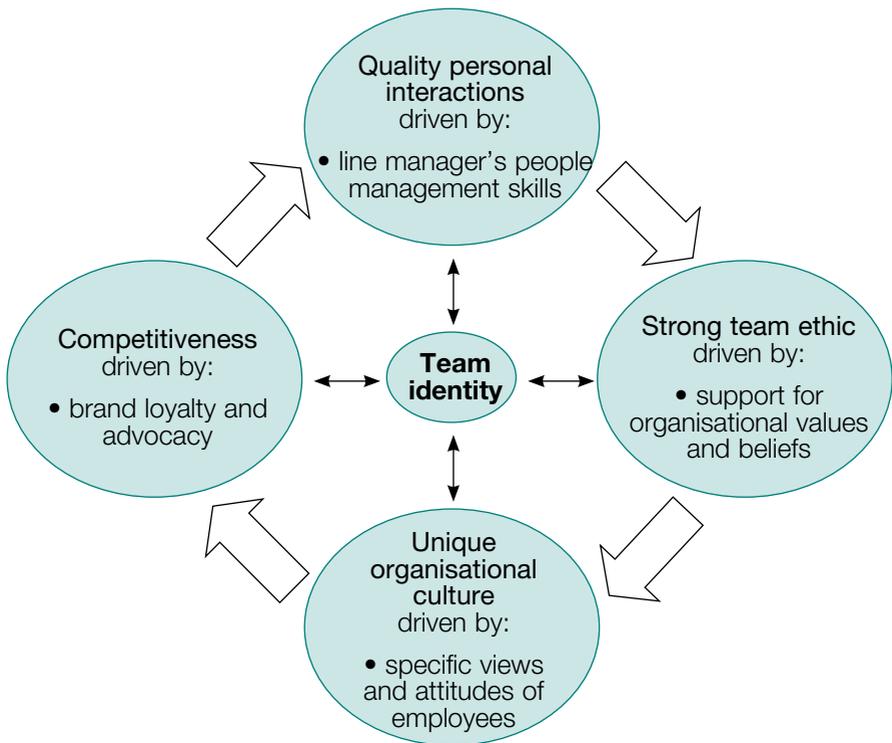
It is not uncommon for many employees to have conflicting degrees of engagement. For example an employee could be highly engaged in their specialist area of work but very poorly engaged with the organisation, which might be perceived as remote or bureaucratic. Managers can sometimes find it hard to reconcile these 'engaged rebels'.

Similarly, an employee might have no personal investment in the job they do but feel very attached to

the company or the team. Some managers equate engagement with loyalty, but positive behaviour may be driven as much by self-interest and personal development.

Develop teamwork

Developing teamwork is often the best way of getting the most out of employees in a consistent and fair way. Teams are one of the key building blocks in producing high performing organisations (see diagram below).



It is hardly surprising that an employee's behaviour – towards their work, colleagues and customers – is profoundly affected by the way their manager behaves towards them. Positive personal interactions can be fostered by effective performance management and regular communication and consultation, both formal and informal.

These interactions often set standards of understanding and behaviour that can be re-enforced by team dynamics. Depending on the size and nature of the organisation, teams might be formed around a single line manager or several line

managers reporting to a team leader. A strong team ethic is often based upon shared values about the way work should be done and the way people should treat one another.

Individuals and teams adopt these values because they see that they make sense to them – they help drive development, competitiveness and a sense of a common identity.

An **effective induction** is a good way of communicating your values – see the Acas guide 'Recruitment and induction' at www.acas.org.uk/publications

Managing in *difficult times*

It is easy to assume that policy initiatives based on getting the best out of your human resources – such as employee engagement and health and wellbeing – go out of the window when all that seems to really matter is business survival.

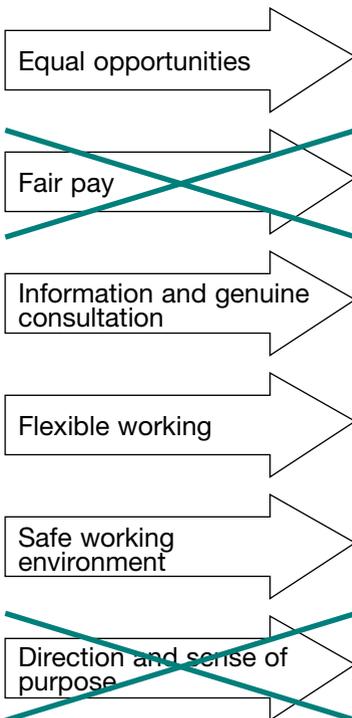
In reality, the economic survival of your organisation may depend on having motivated, engaged staff who

go that extra mile ('going the extra mile' does not mean working longer hours, but often just greater focus in the way work is targeted).

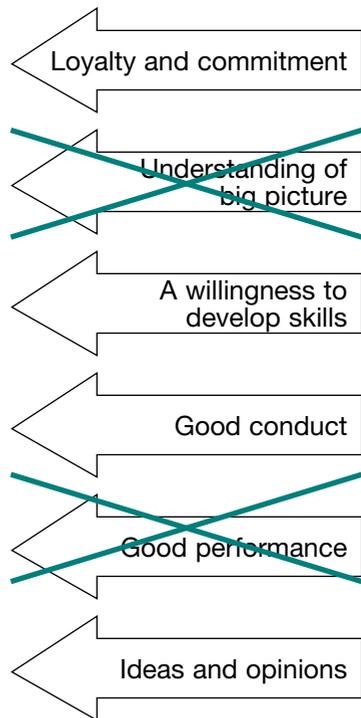
Job insecurity and a squeeze on budgets will have a big impact on how both employers and employees view the 'employment exchange' – in terms of what is possible and what is fair.

The employment exchange: the impact of hard times

The employer gives...



The employee gives...



Reaching compromise

During difficult times, such as those experienced by many organisations in an economic downturn, the give and take between employers and employees is often undermined.

Employers may not be able to offer their employees the same pay rates or the increased rates that may have been promised or expected in the past. They might do all they can to ensure that they are being fair but employees will often feel very disappointed and anxious. This in turn may affect their level of performance and the withdrawal of the 'good will' factor.

Problems can become exacerbated if the organisation appears to lose its sense of direction and purpose. This, combined with an increasing focus on survival, can mean that employees will often, naturally, take less interest in the big picture and be more concerned about how they are going to pay their own bills.

The employment exchange can quickly break down, particularly if employers fail to communicate and consult effectively with employees. Loyalty and commitment are bound to suffer and it may be beyond the power of even the best line managers to trigger 'discretionary behaviour' (discretionary behaviour is defined by the Chartered Institute of Personnel Development as behaviour which "goes beyond the

requirements of the job to give that extra performance which can boost the bottom line").

So, what's the answer?

The simple answer is compromise. Employers and employees need to talk to each other, exchange ideas and become more flexible and creative about the nature of their 'give and take'. For example, employees may agree to a pay freeze or a short working week during an economic recession in exchange for a promise of no redundancies.

What limits or damages engagement is:

- job insecurity and fear
- repetitive jobs with very short cycle times
- jobs causing high stress – little autonomy, inflexibility
- unfairness especially in pay and rewards
- bullying especially poor line management behaviour
- little career progression.

These kinds of compromises can often only work effectively if there are close working relationships between employers and employees. Trade unions have often been central to the success of what is called 'concession bargaining' whereby

employees accept a deterioration in their terms and conditions in exchange for saving jobs.

Working closely with employee representatives can help to give employees a clear voice in decision-making and give employers a useful sounding board for how management decisions are being received – for further information see the Acas guide ‘Representation at work’ at www.acas.org.uk.

Managing change

Part of the challenge of managing an organisation during difficult times can be the need to constantly assess what impact the likely threat to wages and jobs is having on the psychological contract.

A recent survey of employers found that:

- 65% reported that stress had increased among employees who have survived one or more redundancy programmes
- 63.8% agreed that “it is difficult to ensure employees continue to trust us following redundancy programmes.”

IRS Employment Review

Redundancies will not always be avoidable. In such cases the responsibility is very much on the employer to provide extra support to employees – including help in finding alternative work for employees who face losing their jobs and, where necessary, help for those who may be suffering from ‘survivor syndrome’.

Sufferers of survivor syndrome often experience feelings of guilt, low morale and a general sense of disengagement from their organisation after surviving job cuts. In common with the symptoms of workplace stress, survivor syndrome can undermine relationships at work.

The factors that limit or damage employee engagement (see box on p22) are clearly going to be more prevalent during difficult times. The four main drivers of employee engagement, as identified by Macleod, are also going to come under more severe pressure (as shown in the following table).

	Problem	Solution
Leadership	<p>Visions become outdated and unrelated to pressing workplace problems.</p> <p>Employees are looking for strong, decisive leadership.</p>	<p>Create a new short-term target for how the business will look in one month, six months or one year and set out some principles for how change will be managed. Place less emphasis on aspirational qualities and focus more on pragmatic goals.</p> <p>An internal communications strategy can help you get across your key internal messages – see the Acas guide ‘How to manage change’ at www.acas.org.uk for a sample strategy.</p>
Line managers	<p>Training budgets and development opportunities are restricted.</p> <p>Line managers become the messengers bearing bad news and employees suspect that they are not being completely open and honest with them. There is a general ethos of ‘you’re lucky to have a job’.</p>	<p>There may be a training and recruitment freeze in place but opportunities may still exist within the organisation – involving transfers, sideways moves or mentoring.</p> <p>Continue to manage performance in the same way and discuss any development needs – such as widening skills to increase flexibility.</p> <p>There is a far greater risk of secrecy when things are going badly. Ensure that line managers have the right one-to-one skills to talk and empathise with their staff. Senior managers should brief line managers so they can give the local context to wider organisational changes.</p>

	Problem	Solution
Employee voice	<p>Managers are unable to answer the questions being asked by employees.</p> <p>Joint decision-making is forgotten as senior managers work out future plans in high level meetings.</p> <p>Employees are told that managers are working on 'various options' and they will act 'as soon as they can'. The rumour mill flourishes.</p>	<p>Keep talking and listening. Understand the emotional journey people go through during periods of great uncertainty and change. They may feel threatened, fearful or depressed.</p> <p>Offer reassurance wherever possible but don't hide from the truth: engagement begins when you start to share a problem and look for joint solutions.</p> <p>Set up a joint working group or workshop to analyse the best way forward and come up with an action plan, or review existing groups – they may have slipped into talking about 'tea and toilets'. Be as open as possible about the options and give realistic timescales for decisions.</p> <p>A typical Acas workshop will use a SWOT analysis to identify the strengths, weaknesses, opportunities and threats presented by the change.</p>
Integrity	<p>Everyone stops believing in team work and starts believing in self-interest.</p> <p>Senior managers are asked to find efficiencies in their own sections. Employees begin to feel they are competing with their colleagues to save their jobs.</p>	<p>If you are forced to make employees redundant your selection procedure should be fair and transparent – see the Acas guide 'How to handle redundancies'.</p> <p>Start consultation as soon as possible so that staff have the chance to express their views.</p> <p>Remember that effective consultation relies on employees and their representatives having access to the right information.</p> <p>For more information on the Information and Consultation Of Employees (ICE) regulations visit www.acas.org.uk</p>

The Innovative Workplace, Employee Engagement Project Case study: The Health Store

The Health Store is a co-operative warehouse and distribution centre for health foods. It employs over 100 employees and is based in Nottingham.

What was the problem?

Many of the communication problems experienced by the company seemed to go back to their change of premises. On the surface, moving from cramped and dingy conditions to a spacious, purpose-built warehouse facility could only be beneficial. But the change had an unintended consequence, as “the new environment became sterile and people didn’t feel as involved as they were.” (Operations Director).

The company realised that, to respond to market pressures and continue to increase sales, it had to involve managers and staff and improve levels of engagement.

What did they do?

The Health Store worked with Acas in a project aimed at “giving the company back its personality” by establishing more two-way (face-to-face) communications. Employee representatives were elected and training was provided by Acas to give them a clear idea of their roles and responsibilities. The communication and consultation forums have enabled everyone to get back to talking and listening to each other more and improvements have been made in work processes and health and safety procedures.

Twelve months down the line absenteeism has been reduced, staff morale improved and there has been a marked reduction of instances of formal disciplinary action.

“By engaging with our staff we are able to steal a march on our competitors. We are a co-operative, not just with our customers but also with our staff.” (Operations Director)

The importance of details

It can be easy to overlook the importance that even relatively small environmental factors can have on staff motivation and wellbeing. For example, what do you and your employees think about:

- your physical environment?
- the standard of manners and dress at work?
- the level of ‘small talk’?

Many of the issues outlined below can be covered effectively in your induction programme (for further information and advice see the Acas guide ‘Recruitment and induction’ at www.acas.org.uk). A clear induction programme gives you the chance to set out standards for the way you expect people to behave and the rules governing environmental issues.

The place of work

Many of the basic environmental issues are easily taken for granted but people often have real concerns about:

- **accessibility** issues: you are obliged by law to make reasonable adjustments to help people with disabilities give their best at work. This might involve putting in ramps

at the entrance or modifying IT equipment

- **car parking**, toilets, canteens, tea points: the facilities that people use every day can be the focus for niggling grievances. For example, the vending machine might have suddenly put up its prices or the toilets might keep getting blocked
- **design** and office layout: in some organisations the seating plan reflects the hierarchical structure, while others adopt a more open-plan style. Do people get to choose where they sit or work within their team? Is there a clear desk/workstation policy?

Manners

Levels of motivation can be affected by:

- the way people **talk** to each other: people may address each other informally at work but have a more formal style for interacting with customers or colleagues from other organisations
- **timekeeping** (or lack of it): do people keep meeting times or is your invitation often gazumped at the last minute by a better offer from a more senior manager?

- **noise pollution:** people at work often have land-line phones, work mobiles and personal mobiles. This can cause problems, with phones playing different tunes as they go off and people walking around and disturbing each other as they take mobile calls
- **dress:** do you have a dress code? If you do, you will need to consider equality and diversity issues, such as items of clothing that are linked with religious beliefs. Any dress policy should form part of your induction programme
- **smoking/drinking:** do smokers in your organisation smoke outside the building and, if so, does this create a good impression for visitors? Do you have a policy that covers drinking in working hours? The Acas guide 'Health, work and wellbeing' has a sample policy on alcohol use.

Small talk

Small talk is very important – it can help mitigate some of the factors that undermine engagement. For example, having a chat can give people the chance to offload – whether this means having a moan or sharing experiences. But you need to get the balance right:

- **too much information or too little?** When someone comes back from holiday is it two weeks before anyone asks where they went or if they had a good time or is it two hours later and you are still looking at the holiday snaps?
- **synchronising shifts/breaks.** Do employees have the chance for small talk with their friends during breaks or lunchtime?
- do managers have the **personal touch?** Empathy is about relating to people and to do that you need to find out about what makes people tick.

The Innovative Workplace, Employee Engagement Project Case study: Pendragon PLC

Pendragon PLC is the UK's Leading Automotive Retail Network. Based in Derby, they employ around 90 staff in the leasing and selling of cars.

What was the problem?

The economic downturn had severely affected the industry and Pendragon had been subjected to a series of restructures and redundancies. Team members had experienced a number of changes, both structurally and to their roles and responsibilities. This had left a lot of staff with feelings of unrest and uncertainty regarding their future job security.

Given the importance of client relationships to the business, management were worried about staff becoming disengaged and the impact this would have on personal performance levels and organisational efficiency.

What did they do?

With Acas' help the company set up a team member forum and immediately sorted out what one team leader described as "the silly things, like telephone calls and the car park". There was no existing internal telephone directory and people attempting to go to lunch by car often found their exit was blocked by another vehicle.

"These were the quick wins," said the Customer Services Director, "and getting these things sorted out quickly has made people see how serious we are about the bigger project."

The bigger project has involved improving customer service by encouraging better team participation and departmental interaction. This has meant agreeing more relevant incentives for team members and ensuring everyone has a chance to put forward ideas for problem solving. As the Acas adviser said: "It is often fairly simple ideas that can make the biggest difference to peoples' working lives."

Appendix 1: *Acas staff survey – sample questions*

Acas has designed its own employee feedback survey. The survey aims to:

- help organisations understand the issues that are most important to their staff and
- get a clear picture of how their organisations are working.

Results from such surveys show that staff who are involved in and enthusiastic about their work are also the most productive. They take a real interest in their job, the business and they go the extra mile.

A staff survey will typically ask employees a number of questions about how they feel about their job, their line manager/senior managers, and how things like communication are managed at work. For example, questions might fall into the following categories:

- **how you feel about your job.** How satisfied are you with the amount of work you are expected to do, its variety, the pay and the degree of work-life balance that you have?
- **your workplace**
 - **senior/line managers:** how good are they at keeping you informed about changes, seeking your views or allowing you to have a say in decisions? Can they be relied upon to keep their promises and deal with you honestly?
 - **unions/employee forums:** are trade union and employee representatives taken seriously by managers?
 - **issues.** How effective are the systems at work for keeping you informed? Have you been subjected to bullying or harassment at work in the past year? How good/bad are relations between employees and managers?
- **you and your job:** How many hours do you work? Are you a permanent member of staff or on a temporary contract? Do you have any supervisory role? What is your job title and how much do you get paid?

To find out more about the Acas survey tool, and how Acas can help your organisation improve levels of engagement and boost productivity, call Acas on 08457 38 37 36 or go to www.acas.org.uk/feedbacksurvey.

Acas Training

Our training is carried out by experienced Acas staff who work with businesses every day. They will show you the value to your business of following best practice in employment matters and how to avoid the common pitfalls. We also run special training sessions on new legislation.

Look at the Acas website for up-to-date information about all our training or if you want to book a place online, just go to www.acas.org.uk/training or call the Acas customer services team on 08457 38 37 36.

Training sessions are specially designed for smaller companies and our current programme includes:

- Managing discipline and grievances at work
- Managing absence at work
- Employment law update
- HR management for beginners
- Having difficult conversations
- Contracts of employment: how to get it right
- New employment legislation
- Redundancy and restructuring.

We also have free online learning to help you – just go to www.acas.org.uk and click on e-learning to look at the topics covered.

Information in this booklet has been revised up to the date of the last reprint – see date below. For more up-to-date information please check the Acas website at www.acas.org.uk.

Legal information is provided for guidance only and should not be regarded as an authoritative statement of the law, which can only be made by reference to the particular circumstances which apply. It may, therefore, be wise to seek legal advice.

Acas aims to improve organisations and working life through better employment relations. We provide up-to-date information, independent advice, high quality training and we work with employers and employees to solve problems and improve performance.

We are an independent, publicly-funded organisation and many of our services are free.

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