

The Future of Engagement: Thought Piece Collection

The route to employee engagement is a worthwhile slog

David Smith



David Smith is the Institute for Employment's Chair. David has 34 years of corporate experience in change management, the last 15 of which were spent in the turnaround of the Asda Retail Business. David was People, IT and Loss Prevention Director at Asda, and was on Asda's Executive Board for ten years. He is now an author, business speaker and consultant.

In this thought piece, David argues that employee engagement brings big benefits to organisations. It is an excellent vehicle for driving culture change, and is good for employees, too. However, employee engagement is hard work and requires more than a one-off 'initiative'; sustained effort is needed over a long period of time, and there are no 'quick fixes'.

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Culture always trumps strategy

Firstly, I must state my position as a believer in the whole debate about the importance of engagement and business performance. To me, it has always seemed obvious that the way a workforce feels about their place of work will materially affect the performance of that organisation. This is particularly relevant in service organisations, where customers are at the receiving end of good or bad attitudes. But, it is also relevant where businesses make things, or exist for other purposes. One only has to look at such past examples as British Leyland, where a disillusioned workforce were sleeping on the night shift, to realise that such a disastrous culture will lead to massive underperformance and terminal decline. Culture always trumps strategy, in my view, and there are sufficient case studies around to prove that point.

Findings from the Asda case study

My 15 years at Asda Stores, with ten of those as an Executive Board Director leading the People and IT functions, provided me with a perfect case study of cultural change using the concept of engagement. That business had been pretty close to bankruptcy, and the burning platform of financial crisis afforded the opportunity to change many things in the business. My book 'Asda Magic' charted the most influential elements of turning the culture from disaster to excellence over a 15 year period. Great engagement certainly made a difference at Asda, and was material in Asda becoming No1 best place to work in the Sunday Times survey in 2002. It also contributed materially to the commercial success of the business.

The views of CEOs: A short term opportunity

From my current position as author, business speaker, consultant and board mentor, I regularly experience the views of CEOs around the subject of engagement. Many of these individuals have gone through a period of testing, which may or may not involve redundancies, but will invariably have encompassed austerity measures of some kind. Morale in these businesses has taken a hit, as shown in recent CIPD and other surveys, and CEOs are looking at ways to pick up morale and motivation amongst their people. This has resulted in a scenario where interest in the concept of engagement, and subsequent business performance, has reached an all-time high. Generally, when attention amongst the CEO community is high, this produces a crucible for real progress, and it is possible for the engagement 'movement' to make real progress if handled well. The next two to three years present a real and tangible opportunity for driving engagement to achieve high performance.

Ineffective market entrants peddling dubious advice

However, every opportunity involves risk. CEOs tend to be intolerant of waffle, and especially intolerant of weasel words. I see a lot of clap trap being paraded by various consultants and companies about the engagement concept. Everyone is aware of the interest and opportunity, and therefore many

have waded into this lucrative market, waving solutions around like latter day Messiahs. This is unfortunate. I suppose it is inevitable that market attention leads suppliers to enter who are ill qualified. My earnest hope is that those wishing to embark on a change programme for enhanced engagement with their workforce will use providers or advice from people who have real track records of past achievement in this arena.

Engagement is a long term slog

Many commentators are saying that increasing employee engagement is easy. This, in my view, is complete rubbish. Certainly the concepts are relatively simple. Most people who read my book tell me that the change programme described was clear and simple. Most effective change agendas need to be simple and clearly understood. The thing people miss is the fact that embedding change is hard and takes considerable time. Cynicism has to be overcome. Management egos have to be dealt with. The sheer slog of doing the right things with your people every day, when you have a million things taking you away from this (all of which will be very urgent and important), presents the real challenge to engagement. Cultural change is a long haul. It is not complex, but it takes years. It takes time and real commitment to gain momentum. Most executives tend to get bored if they do not see immediate results, and their personal agenda moves on. The desire to change a culture and drive engagement cannot be a short term ambition.

A wasted opportunity?

So as I look forward, I have some trepidation that we are going to have wasted the opportunity of the recession. A crisis always presents a tremendous opportunity for change. The near bankruptcy of Asda provided a platform for change which cannot be underestimated. The continuing financial crisis in the UK and around the Western world is a more widespread burning platform. The real question is whether the engagement movement will be able to step up to the plate. The banks are making some very bold statements around their need for major cultural change, and yet their behaviour around both lending and bonus payments would suggest it may only be posturing.

Will the next decade see engagement fade?

If the concept of engagement becomes just lip service (as with the idea of empowerment before it) then the opportunity to make progress will be lost. My ability to predict the outcome is limited. I am certainly not a prophet in these matters, but I do believe the danger signs are there for us to see. Wise CEOs should question their change providers carefully, and ensure that what they build into change programmes around engagement is well founded and sustainable in the long term.

This paper forms one in a collection of thought pieces by the Engage for Success special interest group on 'The future of employee engagement'. A white paper on the same theme is being published separately. The full collection is available (as will be the white paper) at: www.engageforsuccess.org/futures