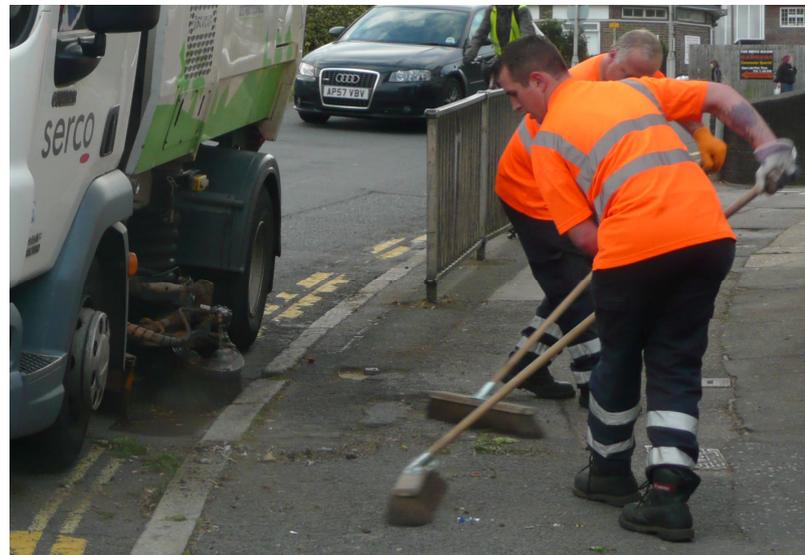


## Employee Engagement Case Study: Mid-Sussex Environmental Services (Haywards Heath)



### Key learnings

- Employee engagement requires strong leadership
- Employees must know “the big picture” to understand how their job fits into it
- Good employee engagement requires managers to “manage without ego”
- Employees should have confidence that management decision-making is a thorough and considered process
- Managers must value those who feedback and challenge
- Cynicism, however deep-rooted, can be challenged effectively
- Employee empowerment has to be real

### Background

In 2007 Mid-Sussex District Council awarded Serco a 21-year contract to provide refuse, recycling and street cleaning services. The contract employees around 70 people, and the majority of these employees joined Serco from the previous employer. The contract will be reviewed with Serco at the half-way point of its term.

### The Challenge

The previous employer’s culture and management style were unpopular amongst employees. It was described as “command and control” management, with a lack of real management skills creating inefficient employee outputs. A long hour’s culture developed alongside an increasingly remote management team who were described as being “like a man in the office with the blinds down”.

For employees, the endless management problems had a demoralising and disengaging effect. One employee said: “if there was the slightest bit of rain, I’d be off sick. I hated everything they stood for; they didn’t care about the workers”.

Over time the mismanagement led to an entrenched culture of suspicion and cynicism, and presented the new Serco management team with a considerable challenge when the contract was taken over in 2007. Another employee stated: “from the first day with Serco we thought, here we go again”. Yet just a few years later the attitude among employees is completely different.

The new Serco contract manager’s strategy was four-fold: (1) to make the job easier for everyone; (2) to get people to work with a smile; (3) to develop people; and (4) to make a profit.

The contract manager’s people-focused strategy was not universally popular with managers at first and some resisted, but within a relatively short space of time there was a definite change in the way employees perceived their organisation. A senior manager stated: “After the transition, I wanted to calm things down. It was militant as a result of poor management”.

## Making Things Better

### Starting with strong leadership

In Serco’s first year, employee engagement was a low 55 per cent. The workforce’s distrust and lack of confidence in management was an important factor, which had to be addressed from the beginning.

The contract manager knew that the new management team must be selected very carefully. He believed that “when you build a management team, you have to know what each member brings, what you want them to do and what their ambitions are”.

This careful consideration was noticed by staff and had a big impact on them. One employee commented on the senior operations leader’s management style: “he is one of the fairest managers I’ve ever met. They spotted his brain and his potential. He’s been there and done it and he gives the staff the benefit of the doubt as a result”.

Another interviewee broadened this by stating that: “the managers have all come up through the ranks, but they still come out to do vehicle checks and they always explain things”. Furthermore, “managers are always approachable and encourage us to use our initiative”.

It is clear that the contract manager’s changes to the management style had a long-lasting and positive impact on the working culture. He helped first line and middle managers to improve their management capabilities through setting the example, coaching and mentoring, but also through formal training programmes.

One line manager stated: “Our contract manager will help managers to manage better, and help them to make their point by coaching. And not in a command and control way; he wants you to have your own opinion”.

This style of leadership has encouraged others to use the same techniques. Another manager said: “I’m more confident in making decisions. If I make a mistake, our contract manager will ask me to think about it and come up with a solution. He will help but not impose his own ideas. This has rubbed off on me. I used to mimic Alan Sugar but I’ve learnt a better way”.

Other managers say the same thing: “he is a truly great coach, he develops people, gives them opportunities. He allows us to manage without ego”.

### **Supporting line managers**

The new leadership style has now cascaded throughout the site, and because it has been adopted by managers through example, it has been sustained.

Another key factor contributing to the sustained positive leadership is that HR is behind the leadership strategy. The HR team is very careful about leadership recruitment and they see their role as supporting managers to manage in an effective and engaging way.

The HR advisor said: “we give managers the tools to do the job, to manage the staff themselves, to understand problem solving at work procedures. We’ll act as a sounding board and step in only when we need to”. Communication with HR in the centre is equally important in addressing questions that employees on the ground ask; the advisor said: “senior HR people care about giving them the answers”.

The HR team also actively engage managers and staff in the annual Viewpoint survey, and encourage managers to use the survey results to improve performance. Managers are brought together to analyse the results, and then HR gives managers the tools and techniques to engage with employees in discussions about their results. The Viewpoint survey forms are completed by many employees at events, such as the ‘Working Lunch’ which has proved popular with employees. Reminders are sent and people are encouraged to present honest views. As a result of these efforts, employee participation in the Viewpoint survey has risen to 78 per cent.

### **Giving employees an informed voice**

Employees are well informed about the contract and its service, and understand the strategic challenges facing management. 77 per cent of employees stated in the 2010 Viewpoint survey that: “I understand how my contract contributes to Serco’s success”, while only four per cent claimed they did not.

Decision making at a senior level has become more open and inclusive. One manager stated: “the debate about options starts at the top level and works down, and empowerment is driven from this. We’ll debate things for a long time but at least we know our decision has been thought through thoroughly. We go through all the possibilities; it’s a daily occurrence”.

As trust between managers and employees has improved, managers have been more prepared to discuss the decision-making process with employees. This process is similar at the team level: “we have informed team meetings – we’re constantly discussing difficult options to prove our thought process is right. There will always be that discussion with the crew. This is why employees will go the extra mile. Team leaders are confident enough to show employees the alternatives”.

### **Living our values**

The management team has also improved the learning and development opportunities available to their employees. Development is seen as a key factor in employee engagement, but managers also know it improves the quality of the services they deliver. In 2009, 38 Serco refuse collectors began studying for their NVQ qualifications; some in lifelong learning skills and some in Waste Management Operations. The 38 employees set aside one day a week to study and all of them received their NVQ qualification certificates at the end of May 2010. In the last Viewpoint survey, 75 per cent of the employees confirmed that they had, had an “opportunity to learn and develop to enable me to do my job better”; a five per cent improvement on the previous year.

Waste management is a highly performance-driven sector, but Serco managers believe that their commitment to managing in a very human and respectful way has built trust and engagement.

There are several examples where line managers have used a clever application of Serco policy to help employees sort out difficult situations, such as providing emergency time-off to look after dependants and interventions where serious addiction has developed. Unsurprisingly, their actions have increased loyalty amongst the workforce.

In one case, an employee with injured feet was having difficulties performing his job. Serco looked at alternative work patterns, but concluded in discussion with him that a specially-made pair of boots would be the best solution despite the cost of £400. Not only did the employee appreciate the outcome, but so did the other employees who knew they would get the same consideration if they ever needed it.

Getting the basics right for employees, such as terms and condition, recognition, facilities and social activities, is also important. Although getting these basics right will not go particularly far in engaging staff, getting them wrong will certainly lead to disengagement. Mid Sussex Environmental Services employees appreciate the good terms and conditions, 'employee of the month' awards, ability to have a new pair of gloves when needed, interesting newsletters, a mess room, vending machines, a television, markings for car-parking and a clean yard. One employee said: "we have choices on bank holidays, and we get recognition at Christmas - a party every year because we enjoy socialising with one another".

## Impacts and Benefits

### **Positive workplace culture**

The overriding result of having a strategic focus on employee engagement is the creation of a positive workplace culture that recognises the importance of its people. The contract manager believes there is now "a one-team ethic brought on by individuals who bring a unique talent". Employees interviewed for this study generally expressed pride and satisfaction in working for Serco.

Conditions in public sector contracting have not been easy in recent years, and employees working on this contract have not had a pay rise for a number of years. Naturally, employees are dissatisfied by this, but as one leader said: "on the whole, the moans are minor. Of course there are more serious ones but it doesn't eat away at the soul. People are engaged despite them".

In 2010, Viewpoint's overall employee engagement score was 77 per cent. With the contract set to run for 21 years, the stability and security of the long time period has contributed. But, it is clear that the strong management style, with managers regularly connecting with employees, has resulted in the excellent level of employee engagement.

There still remains a small 10 per cent of disengaged employees on this contract, and managers know there is more work to do; but, it is interesting to note how the engaged staff view those who are not. One employee noted that: "the moaners don't step up to the plate. They think everything management do is wrong but they are far fewer in number than when the previous company was here".

Of equal interest is that those who challenge how things are done are positively viewed by managers quite separately from the core cynics. One manager "purposely seeks out alternative views and values those who genuinely question him – anyone can speak or challenge him, some staff don't appreciate how open he is".

### **Better customer service**

Customer service has also seen positive impacts from the improved levels of engagement in the contract. Employees have been trained in customer service and liaison. One employee said: "we are encouraged by management to help people and put the customer first".

One example of improved service is where employees have abandoned the “flat-lid rule” on rubbish bin, whereby some operatives would only empty a bin if the lid could be completely closed. This more flexible, caring attitude to customers creates a good public response, and employees feel empowered to do such things because, as one interviewee described: “I know I’ll get support from management. I have all the tools to do the job”. Another interviewee explained that: “I tip the bin and always put it back; I like to please the people I serve. The recognition is there, that’s why we do it”.

Customer advocacy scores have been impressive with satisfaction scores of 9 or 10 being quite common. In 2011 the net promoter score was +100 per cent. One customer stated in their feedback: “I’m very positive about the work that they’ve done. The contract manager and team are very committed, and they’re very available and accessible, from 6.30 in the morning until 7.30 at night, and during the recent snow events. The management is first class and they do put a lot of emphasis on growing their own staff. The work they have committed to doing with us on the new depot has been essential. I am very, very pleased with them.”