

Employee Engagement without a “Strategy”

Peter Totterdill and Rosemary Exton
UK Work Organisation Network (UKWON)¹

Two very different organisations, a UK construction company and a Belgian automotive supplier have succeeded in achieving high levels of employee engagement without a formal "Engagement Strategy". Each has achieved significant change through experimentation and learning, backed by sustained senior management effort without any kind of “best practice” guidelines. Together they offer an effective demonstration of the power of engagement in securing a sustainable future in a period of economic uncertainty.

The last government’s *MacLeod Review* of employee engagement has been endorsed by the Coalition. It contains convincing evidence of the effectiveness of engagement in securing higher performance but struggles to explain with equal conviction why, if it works, everyone isn’t doing it. However employee engagement is now high on the management agenda. Many employers are adopting ambitious strategies and seeking measurable returns against employee satisfaction and other scores. Likewise articles, guides, books and social networking discussions on engagement abound, many offering prescriptions and blueprints for success. This raises key questions. Is it for real or is it just the latest management fad? Will it be contained as another HR-driven initiative or will it be embraced by operational management?

Being “for real” means that the enablers for engagement are led from the top and deeply embedded in organisational culture and processes. Sustainable engagement is based on a series of mutually reinforcing practices designed to enhance involvement, participation, creativity, communication and trust are adopted systematically throughout the organisation. This requires real, long term management commitment across the whole organisation, not just within HR.

The Lindum Group is a fascinating and inspirational example of transformation from a traditional construction company to a diverse and entrepreneurial organisation. Lindum has grown by enabling and resourcing its employees’ talents and creativity. In the early nineties Lindum was not a high performing company. According to one long serving manager the dominant management style ‘*was about control really . . . it was hands on from the top management-wise*’. However these top managers ‘*couldn’t see everything and couldn’t control everything . . . things went wrong because the staff didn’t really have the authority or the empowerment to do anything about it.*’

When David took over from his father as Chair he was determined to do things differently. According to Warren Glover, Lindum’s General Manager, David believes that it is his role to create an environment where employees can thrive and be creative. Under David’s leadership Lindum has consistently appeared in the *Sunday Times 100 Best Companies to Work for* list over several years. Senior management attributes this to a dramatic culture shift achieved by changing the leadership approach to empower employees. This shift included a transformation of the leadership structure, an increase in stakeholder involvement through employee share ownership and an equal profit-related bonus for all employees.

¹ The UK Work Organisation Network was created as a forum for diverse social actors including employers’ organisations, trade unions, professional bodies, NGOs, universities and other stakeholders to shape the future of work and organisations in ways that achieve optimum social and economic benefits through research, knowledge sharing, consultancy and policy advocacy. See www.ukwon.net and www.workplaceinnovation.eu.

Lindum is remarkably free of formal rules, protocols or procedures: the emphasis is on “what works” rather than management diktat or prejudice. Warren Glover is clear about the benefits: *‘that’s over 440 pairs of eyes looking out for new market opportunities, new parcels of land or cost saving ideas’*. Financial performance has improved remarkably and the business has diversified into several new markets based on employee generated ideas and initiatives.

Tower Automotive has undergone equally dramatic transformation since a period of severe crisis in 2008/9. Edwin Van Vlierberghe joined Tower in 2009 –the eighth plant leader in 8 years. His priority was to break with precedent and become visible on the shopfloor, creating opportunities for employee dialogue. Edwin invited the plant’s trade unions to discuss the financial situation, sharing information openly to enable them to reach their own conclusions about the need for redundancies. He worked with employees and unions to find creative solutions to the crisis, including functional flexibility and temporary outplacements to neighbouring companies until demand returned.

Edwin’s management of the crisis earned considerable respect amongst employees and unions, and opened new, trust-based approaches to communication and dialogue. He has gradually transformed organisational culture, retraining line managers from a top-down approach to one in which their role is to empower and engage employees. Closing the gap between management and frontline workers’ perceptions and experience is a key component in this culture change. Managers are encouraged and resourced to “think as an operator”; frontline employees are asked to reflect on the types of management behaviours that would enable them to work more effectively. Where necessary he has not hesitated to remove those managers unable to make the transition. Edwin’s willingness to drive this transformation, and his consistency of approach, clearly lies at the heart of its success.

Edwin’s underlying goal has been to create an organisation in which quality, improvement and innovation are everyone’s concern, improving company performance through job enrichment. Frontline employees are as much responsible for driving improvement as they are for performing their functional tasks. Spaces for reflection and dialogue have to be built into the everyday working life of each employee.

Lindum and Tower are undertaking very different journeys but both are heading in the same direction. Neither boasts an “Employee Engagement Strategy” but both engage employees strategically in order to achieve sustainable competitive advantage by harnessing the knowledge, creativity and entrepreneurship of the entire workforce. The characteristics shared by Lindum and Tower offer no blueprint because in both cases the outcomes reflect individual experimentation and learning. Rather they reflect the commitments that senior managers need to make if they are to achieve real, sustainable engagement:

1. Consistent and systematic leadership direction.
2. Engagement driven from the top with HR in a supportive role: there is no gap to bridge between HR and line management.
3. Willingness of senior managers to trust frontline employees.
4. Willingness to experiment, take risks and learn from mistakes without blame.
5. Engaging with middle management and challenging "command and control" behaviours.
6. Creating opportunities at all levels of the organisation for critical reflection and dialogue in which "the better argument" wins over hierarchy.
7. Ensuring that employees at all levels know that they are paid to bring ideas and creativity to work, not just to perform their functional tasks.
8. Establishing, over time, a series of mutually reinforcing practices that involve and empower employees.