



ENGAGE
FOR
SUCCESS

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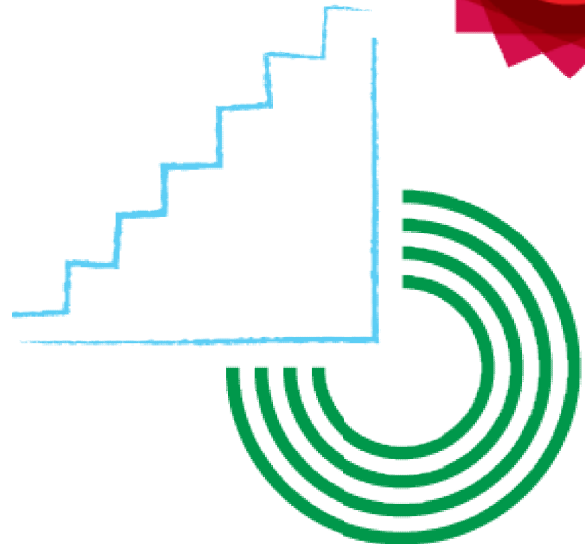
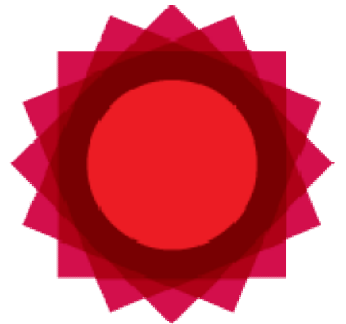
Nampak Plastics: The effect of Employee Engagement within a Medium-sized organization

Case Study

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Nampak
Plastics
packaging excellence



THE EFFECT OF EMPLOYEE ENGAGEMENT WITHIN A MEDIUM-SIZED ORGANIZATION

Nampak Plastics are the largest manufacturer of High Density Polyethylene (HDPE) milk bottles for the UK dairy market, with sales of over 2 billion bottles per year. The organisation has a strong commitment towards Employee Engagement, driven from the top by Managing Director, Eric Collins. In 2010, Nampak were awarded overall winners of The Chartered Institute of Personnel and Development (CIPD) People Management Awards, along with the Employee Engagement Award.

Over the last four years the business has transformed levels of employee engagement through a number of initiatives that encourage employees to contribute to the ongoing success and share in the development of the organisation. Many of the initiatives were driven from the top, by both Managing Director, Eric Collins and the then, HR Director, Cathie Wright-Smith.

Eric Collins states - "I had worked in various Operational roles in Nampak when in 2007 I was asked to take over the role of Managing Director. We had been a successful upper quartile performing Business for many years, operating with a very traditional top down tell them approach. My vision was to change the culture to devolve decision making to the lowest possible level across the organization to add value, get colleagues involved and contributing, and to create a real positive energy that empowered all to make decisions quickly. This journey was shared with all colleagues and in turn with our customers and suppliers. I invested time seeking feedback from all stakeholders by asking, what do we do well and need to continue? What do we do badly and need to stop immediately? How effective are our key relationships? And finally, what more could Nampak do to make life better?

The feedback was amazing and provided a building block on which our success today has been founded."

Cathie Wright-Smith comments - "Joining Nampak in 2008 proved to be the most exciting challenge of my career to date. It soon became clear that Eric Collins was determined to drive through a major culture change programme to enable the business to continue to be successful and sustainable in the future. We began by looking for simple ways in which to respond to the feedback received via an employee opinion survey such as implementing a suggestion

scheme, and ended up working on a comprehensive customer experience programme and behavioural safety agenda.”

An engagement initiative that had been recognised and impressed the judges of the CIPD panel was the company’s ‘Participate Programme’ which Nampak launched in autumn 2009. This initiative was designed to develop a new approach to leadership and management and created a sense of collaboration within the company for employees to contribute ideas around ways of improving both the employee and customer experience.

Ideas were reviewed at each of the company’s sites by managers who worked closely with their teams to ensure that the ideas were implemented. A database was held centrally and collated the ideas across the business and workshops were held at the company’s spring leadership conference to share best practice across all sites.

Other engagement initiatives that were also designed to ensure employees were motivated and had a positive experience at work include an Employee of the Month award, a buddy system for new employees and a yearly held Excellence Awards ceremony where the winners have been nominated by their colleagues in a number of categories.

The company had undergone a mass transformation in changing the culture of the business and its approach towards its employees. In 2010, a similar opinion survey was conducted to the one that had been issued in 2007 where 80% of the workforce when asked if they would recommend Nampak as an employer, said they would not. The exact reverse had happened with the workforce’s response now saying they would recommend Nampak Plastics as a great place to work to their family and friends.

Nampak also saw their operating KPI’s improve as a result of these initiatives over the same period; productivity across the business improved, reject rates decreased and waste was reduced as a whole. Other measurements which also saw an improvement include, attendance levels and staff turnover which decreased, disciplinary hearings fell and the number of customer complaints dropped.

In the 2007 survey much of the negative feedback was about the lack of training and career development opportunities. Over the

last 3 years in excess of 50% of the workforce have completed NVQ qualifications in warehousing, production, customer service, administration and business improvement.

There have been 3 leadership development programmes resulting in all managers at all levels receiving support in delivering their roles. These programmes are accredited by the ILM at levels 3 and 5.

In recent months the company has seen a number of internal promotions made assisted by the rigorous talent management and succession planning process that was been put in place 2 years ago.

The 2010 survey also found that over 90% of employees said they were well informed about the business and believed they were encouraged to suggest ideas for improvements with a gratifying 100% believing in Nampak's long-term future.

In 2011 Nampak achieved Investors in People Silver status across the whole of the organization. In previous years Investors In People was only achieved at a couple of the 9 sites.

This year the company has received the ROSPA Gold Award, upon first application, and some of this is testament to the comprehensive behavioural safety programme that was rolled out throughout the business during 2011.

2012 has also seen a re-launch of the company's vision and mission and a refresh of the core values. The big difference this time is that individuals will be measured on their delivery of core value behaviours as well as their technical capability in their roles through the revised performance review process.

"There is no mystery to engaging employees, it's about recognizing, valuing and rewarding an individuals contribution to the company in the ways in which the individual wants to be recognized, valued and rewarded. It is possible to maintain a profitable, growing company whilst treating everyone as an person in their own right". (Cathie Wright-Smith, former HR and OD Director)

It's a great example which should inspire small-medium sized enterprises in how to achieve a committed, engaged and

productive workforce, which has helped sustain the future performance of the organisation.

The challenge that Nampak is now faced with is maintaining the momentum of the 'engagement journey' on which they embarked. It's all too easy to rest on laurels and enjoy accolades such as CIPD awards but being focused on engaging the workforce is a 24/7 job and managers need to keep on their toes and not get side-tracked by pressing business issues. The risk of doing this is that you find you've taken so many steps forward only to find yourself slipping back to where you once were.

The question that Nampak is now asking is "what makes people become dis-engaged, and what happens when they do?". This will be explored at the autumn leadership conference this year.