

Name of your organisation	Allied Irish Bank (AIB)
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Case study title	Making AIB a great place to work again
Summary	<p><i>Please describe the challenge that was identified by your organisation and how it was identified. What activity or initiative was undertaken to address this. You might want to highlight the links between your challenge/initiative and the Four Enablers.</i></p> <p>The financial crash of 2007 resulted in devastating change for AIB - 70 branches closed and our headcount reduced from 24,000 to 11,000 people. The bank was bailed out by the Irish government to the tune of €21 billion and, as a result, the company became 99.8% state owned. Customers, employees and the media turned against us.</p> <p>AIB had clear plans to turn around the business but it would have been impossible to implement these without the right people agenda. John Stumpf the Chairman and CEO of Wells Fargo once said, 'I could leave my business strategy on the plane and it wouldn't make any difference, it's my people who make the difference.' This was true of AIB as turnaround plans by themselves were not going to be enough – we needed our people to be fired up and pulling in the same direction if we were to resuscitate AIB and build a bank our customers and employees could believe in again.</p> <p>Back then, our people leaders were typically technical experts in their field and capability in people leadership was extremely low, partly because as a business we hadn't placed much importance on it and partly because we had underinvested in it. However, we knew this had to change as our people leaders were going to be key enablers in driving our strategic outcomes.</p>

<p>Challenges and solutions</p>	<p><i>Please explain any challenges that you came across during the project/initiative, and how you overcame them. Please provide any useful tips or learning points for other organisations who may be facing a similar challenge.</i></p> <p>Our overriding business objective was to return AIB to viability by the end of 2014. Beyond this, our vision was to build a bank our customers and employees could believe in again – a digitally enabled bank renowned for great customer service.</p> <p>For the internal communications and engagement team, our vision was two-fold. We wanted to...</p> <ol style="list-style-type: none"> <li>1. Align employees to the AIB strategy so they had a sense of where the business was headed and the part they played in that.</li> <li>2. Increase employee engagement – motivating and energising our people to deliver the strategy, and make AIB a great place to work where people could flourish.</li> </ol> <p>If we achieved both outcomes, we knew we could re-build pride, re-engage our employees and deliver our strategy more quickly and more effectively.</p> <p>To align our people we:</p> <ul style="list-style-type: none"> <li>• Ran a summit for 1,300 people leaders to set out what it means to be a leader at AIB and inspire them about our future.</li> <li>• Up-skilled leaders to run strategy workshops with their teams at the start of the year to ensure that everyone had personal objectives aligned to the strategy.</li> <li>• Linked and labelled messages to strategy and used stories to show how our people were delivering it.</li> <li>• Developed a strategic narrative that not only gave people clarity over the business direction but did so in a way that created an emotional connection. We used our Executive Team to bring the narrative to life by telling personal stories that resonated with employees.</li> <li>• Created a strategy communications guide for leaders to help them bring the strategy to life locally through the power of storytelling.</li> <li>• Held all-leader telecons on Financial Results days so leaders could help update their teams on progress and recognise their contribution.</li> </ul> <p>To drive engagement we:</p>

- Partnered with Gallup to run our first engagement survey in seven years.
- Invested a lot of time upfront with the leadership team, HR and our people leaders to show them how focusing on engagement could unlock discretionary effort and drive improved business results.
- Helped leaders to understand their engagement scores and up-skilled them to run great action planning sessions.
- Set engagement targets for all leaders to drive accountability – focusing on progress versus grand mean so as not to drive the wrong behaviour of chasing a score.
- Shared best practice stories and ran master classes to show people what good looks like and to inspire them.
- Created a bank-wide action plan to focus on more systemic issues like recognition and trust.

We didn't just want engagement at AIB to be about running a survey and taking action (transactional engagement), we also wanted to drive transformational engagement whereby the principles of engagement – listening to people and involving them, were applied to business as usual. To help with this we:

- Provided 1-1 coaching for 700 priority leaders to help them feel more engaged personally, and give them the capability and confidence to engage their teams more effectively.
- Ran an online brand jam with employees to get their input into a new set of brand values.

As a result of employee feedback in the brand jam, we changed two of the five values. This demonstrated we were listening to staff and really helped drive ownership of the brand values when we launched them and started to embed them into performance management.

Other actions included:

- Refreshing the tone of voice of our internal communications. Written employee communications were extremely formal – long legalese words and messages that were very parent child in their tone. We set about changing that and we created a set of tone of voice guidelines and training that would make our internal communications more positive, future focused, simple and human and we rolled this training out to hundreds of people .
- Up-skilling leaders in the psychology of change so they were well placed to lead themselves and their teams through unprecedented amounts of business change.

We constructed a strongly developed business case showing how the initiative and people practice aligned to the organisation's priorities.

As a business we needed to go from losing billions to being profitable and making AIB a viable proposition. To do that, we needed everyone to be aware of the strategy and the part they played and we needed to unlock

	<p>energy and effort that could be channelled towards turning around the bank's fortunes. At the same time, we needed to build people leaders' capability in driving engagement as part of an overall leadership development strategy. This was fundamental because leaders set the tone in the organisation and previously the people leadership aspects of their role had been undervalued.</p> <p>AIB had a significant transformation agenda and we needed to make sure we took people with us on the journey. We needed to rehabilitate the AIB corporate brand from the inside out to restore pride and drive employee advocacy and evidence of the impact of the project /strategy with measurable and quantifiable results, particularly financial impacts.</p>
<p><b>Outcomes and benefits</b></p>	<p><i>Please explain the outcomes and benefit to your organisation of your engagement initiative. Please include any evidence.</i></p> <p>In the past 2 years we have made a significant contribution to the people in AIB. Our engagement survey saw a response rate of 81% and 86% for 2014 and 2015 respectively (an increase of 5%). Our overall engagement score increased from 3.15 to 3.65 between 2013 and 2014.</p> <p>In addition, we achieved another 0.31 increase this year taking us from 5<sup>th</sup> percentile of Gallup database in 2013 to 42<sup>nd</sup> percentile (engagement score of 3.96) in 2015. This increase is the highest 2 year increase in engagement that Gallup has ever seen in Europe and represented over 8 years' worth of significant improvements in just 2 years.</p> <p>In 2013, for every engaged person we had 3 actively disengaged. In 2015, for every one actively disengaged employee we now have 4 engaged ones.</p> <p>We now have an engaged:disengaged ratio which is more positive than the Irish and world averages across Gallup's database. We have also seen a reduction in the number of disengaged teams – those in the bottom quartile - from 88% in 2013 to 27% in 2015. Every single area of the bank made meaningful improvements.</p> <p>Also in the first 12 months alone the staff demonstrated a 48% increase in</p>

their understanding of strategy and a 36% increase in their objectives being strategically aligned.

We've correlated engagement and Net Promoter Scores (NPS is an index ranging from -100 to 100 that measures the willingness of customers to recommend a company's products or services to others) and we've proved the hypothesis that where we have high levels of employee engagement, NPS scores increase.

By having fewer disengaged staff and more engaged ones, our levels of absenteeism dropped by just over 7,000 days, saving the business €1.2 million.

Most importantly of all, the bank has returned to underlying profitability from a pre-tax loss of €3.73bn in 2012 to a €1.1bn profit in 2014, with the latest in-year figures continuing to move in the right direction. Our focus on alignment and engagement has helped us deliver this turnaround ahead of plan and AIB has a more positive and optimistic culture.

Only 3 years ago, there was no engagement team at AIB and Internal Communications had lost its voice and purpose. We've come a long way in a short space of time.

We've played a key role in supporting the business agenda and we've re-aligned and re-engaged the workforce following the impact of the financial crisis. This has involved taking brave steps...

We've listened to staff and acted on their advice; and we've run initiatives often in the face of significant cynicism because we knew they were the right things to do. We're now seeing results, both in surveys and anecdotally, that show positive change is happening. We're now working more collaboratively with the business and are excited by the part we can play in helping AIB become a bank our staff and customers can truly believe in.

We are most proud of our record-breaking increase in engagement which we have delivered despite the organisation going through a massive amount of change. We have helped create a sense of hope for the future and we believe that the work we do doesn't just improve business results, it improves the quality of our employees' lives - and that is a great feeling.

Additional information/ recommendations for other organisations.	<i>Please include any additional information that might be of value to others, including any recommendations for other organisations.</i>
Please reference any sources that you are quoting.	<i>Please detail where the original information can be found.</i>