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Subject: Employee Engagement Strategy

Classification: Unrestricted

SUMMARY This report provides a brief overview of KCC's proposed Employee Engagement strategy, 'Motiv8' and the rationale for taking such an approach. In doing so, the aim is to transform employee engagement from a reactive to a proactive activity that significantly contributes to organisational development and performance improvement.

1. Introduction

- 1.1 In October 2008, David MacLeod and Nita Clarke were commissioned by the Department for Business (BIS) to take an in-depth look at employee engagement, and whether there was a link between higher levels of engagement and organizational performance. The resulting report, *Engaging for Success*, (2009) argues that wider delivery of employee engagement is critical to meet the future challenges of international competition and of providing public services with constrained resources, and that there is a link between this and performance. It proposes a national awareness campaign and across-the-board development of workplace employee engagement strategies.
- 1.2 KCC's 'Motiv8' Employee Engagement Strategy responds to this report and proposes a two-year strategy to help KCC achieve its change agenda, whilst maintaining high staff motivation levels and excellent results. This paper provides a brief outline of the KCC's strategy and highlights the main proposals contained within it. The full strategy is available at Appendix 1.

2. What is employee engagement?

- 2.1 For the purposes of this report and associated strategy, the following definition of employee engagement has been used:

“A positive attitude held by the employee towards the organisation and its values. An engaged employee is:

- Aware of business context; and

- Works with colleagues to improve performance within the job for the benefit of the organisation;
- 2.2 The organisation must work to develop and nurture engagement, which requires a two-way relationship between employer and employee,” (IES, 2007).

3. **Why have an engagement strategy?**

- 3.1 The research on employee engagement is conclusive. Organisations that have high engagement levels:

- Have employees that **perform 20% better**;
- Have employees that are **87% less likely to leave** than their disengaged colleagues (*Corporate Leadership Council, 2007*);
- Have a 53% better **understanding of customer needs** (*Measuring True Employee Engagement, Right Management, 2006*);
- Have employees that take **3.5 less sick days per year** (*Gallup, 2003*);
- Benefit from a **57% increase in discretionary effort** from staff (*Corporate Leadership, 2004*); and
- Benefit from **Improved levels of service delivery and customer service** (*Towers Perrin, 2007*).

- 3.2 There is also a **compelling argument for giving employee engagement even more emphasis at times of change**. In a series of case studies, The MacLeod Report (*Engaging for Success, 2009*) for example, highlights the critical nature of employee engagement in retaining productive, flexible and innovative staff who can respond to the challenges of the post-recession economy. The engagement principles that underpin change therefore form a vital component of KCC's employee engagement strategy. Ensuring that we have the understanding, involvement and commitment of our retained staff will be essential in maintaining our high levels of achievement.

4. **Approach**

- 4.1 KCC's 'Motiv8' employee engagement strategy recognises the multiple levels at which employee engagement needs to take place to maintain and improve organisational performance, i.e. pan-KCC, Directorate, Business Unit and team. It also reflects the personal nature of employee engagement (i.e. that drivers are different for different people) and the key role of line managers in delivering on personal engagement in a way which matches organisational objectives. Many of the elements of the strategy are already being delivered and the strategy intends to build upon this work, and offer an overarching structure and method of evaluation.
- 4.2 The strategy has been developed in conjunction with COG, members and KCC staff; and uses an analysis of the current engagement levels and 'hot issues' with the potential to disengage staff; to provide a basis from which to start activity. However, it is anticipated that it will become a working

document which will be continually updated in response to temperature checks and pulse survey results.

- 4.3 KCC's employee engagement strategy proposes a simple and practical model of engagement (see section 9.0 Appendix 1) which senior and line managers can adopt to maintain or improve engagement levels across KCC. It also contains detailed high level actions for KCC, together with a methodology to help Directorates, Business Units and teams deliver more local plans.

5. Outline of main proposals

- 5.1 A concerted approach to employee engagement produces significant business benefits such as improved organisational performance; staff retention levels and customer service. It is therefore clearly in KCC's interests to understand and adopt the optimal drivers of engagement for its staff; and develop concerted action around these.
- 5.2 The eight areas that have the most potential to 'motiv8ate' and engage staff across KCC are:
- i)Enhanced leadership capacity** - to provide a clear vision articulated through authentic leadership and leaders who connect with staff;
 - ii)Enhanced employee voice** - to enable employees' thoughts and suggestions to shape the future of KCC;
 - iii)Effective change management** - to provide leaders and line managers with the skills to successfully manage and support staff through change;
 - iv)Improved sense of community** - to facilitate a sense of belonging at all levels across KCC (i.e. Team, Business Unit and Directorate);
 - v)Communicating and tailoring the reward package** - to ensure that employees feel recognised and appreciated by colleagues and their line manager - and to optimise the role of financial reward in the challenging economic times ahead;
 - vi)Communicating our values** - to provide employees with a strong sense of purpose and a framework for behavioural standards;
 - vii)Attracting and retaining talent** - to ensure that KCC continues to attract and retain talent during challenging the times ahead; and
 - viii)Effective people management** - to ensure that managers are adopting best-practice employee engagement techniques to engage the workforce and elicit optimum performance levels.

These areas have been incorporated into KCC's employee engagement model (see section 8.0 Appendix 1) and specific actions have been proposed around each area (see section 10.0 Appendix 1).

- 5.3 As the main interface between the organisation and the employee, line managers have a key role to play in maintaining high levels of employee engagement and action planning should therefore take place at the **team level** as well as the organisational, Directorate and Business Unit level.
- 5.4 Adopting the key engagement drivers for change - strong visible leadership and direction; regular communications; a positive working environment and autonomy; involvement and achievement - will be fundamental to retaining staff, ensuring they are flexible enough to adapt to change and at their most productive, during the challenging times ahead. These have been integrated into KCC's model and high level action plan.
- 5.5 Measuring progress against key activity is a vital part of improving engagement levels and ensuring that action plans a fit for purpose; and a formal measurement process has therefore been identified (see section 9.0 Appendix 1).

6. Implementation and costs

- 6.1 An Employee Engagement User Group has been established as the key mechanism for delivering the strategy. Consisting of Directorate and Business Unit Reps. across KCC, it meets on a quarterly basis and aims to co-ordinate central and local delivery of employee engagement activities.
- 6.2 As the strategy aims to co-ordinate existing business unit activities and resources, there are no additional or specific costs associated with its delivery.
- 6.3 The next scheduled engagement survey is due to take place this Autumn, which will provide the opportunity to establish a benchmark against which subsequent can be measured.

7. Recommendations

- 7.1 Personnel Committee is asked to approve the proposed strategy and accompanying action plan - and agree to its implementation. In adopting this more strategic approach to Employee Engagement, it is anticipated that rather than being a one-off bi-annual process, employee engagement will become a continual focal point for the organisation, significantly contributing to organisational development and improvement.

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