

The following is a summary of a mindstretch® session on feedback in organisations, including many of the comments of our participants and many of the slides. Have a look, and if you're inspired, come along to our next open session.

Be careful what you wish for...
An fe₃ mindstretch®

Feedback is key to engagement, but how do you get it? More importantly, what do you do with it when it's dreadful? This session will look briefly at the requirements for engagement from an academic viewpoint and then look at methods to encourage and facilitate feedback from employees, both good and bad, including some case studies.

Notes from the session

The views expressed here are the personal views of the participants and are not necessarily the views of their organisations. The following people were present at this mindstretch®:

Karen Drury, fe₃
Chris Nutt, FiSSInG
Angela Gainsford, tfl
Kate Purcell, LifeScan
Paul Rudd, Hewitt Associates
Gary Saunders, fe₃
Mike Smith, Chaucer Group
Adam Winyard, Ministry of Justice

Karen welcomed everyone to the session and went through the agenda.



Rough agenda

- A definition of engagement, what's required for it and why is it important and where does feedback fit in?
- Feedback and involvement - what do they mean and are they the same?
 - Personal and organisational feedback
- Coffee!
- Involvement
- Some research on involvement
- Courting the good, the bad and the ugly - some examples for facilitating feedback

She added that some of the slides covered material that we'd looked at on engagement in a previous mindstretch®, but she hoped it would be a useful reminder for those who had seen the content before. Then we kicked off the session with some potential definitions.



Some potential definitions

“The simultaneous employment and expression of a person's ‘preferred self’ in task behaviours that promote connection to work and to others, personal preference (physical, cognitive and emotional) and active, full performances.” (Kahn, 1990)

“A positive, fulfilling, work-related state of mind, characterised by vigour, dedication and absorption.” (Schaufeli 2002)

“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. The organisation must work to develop and nurture engagement, which requires a two-way relationship between employer and employee.” (IES 2004)

Kahn talks of harnessing of employees’ “selves” to their work roles and expending additional effort - physical, cognitive and emotional - to the task linked to the concept of “flow”.

Schaufeli defines work engagement as a positive, fulfilling, work related state of mind that is characterized by vigour, dedication, and absorption. Vigour is high levels of energy and mental resilience while working, the willingness to invest effort in one’s work, and persistence in the face of difficulties. Dedication is a sense of significance, enthusiasm, inspiration, pride, and challenge. Absorption is characterized by being fully concentrated and happily engrossed in one’s work, whereby time passes quickly and one has difficulties with detaching oneself from work. .

IES consulted HR contacts during 2003, and a view of the behaviours exhibited by an engaged employee emerged. With reference to commitment statements they developed a series of statements that were then tested with 14 NHS Trusts, with a total database of more than 10,000 cases. Significant differences are the awareness of business context and the two way relationship.



Why is engagement important?

- It’s thought to be contagious
- Facilitates:
 - Employee retention
 - Organisational citizenship behaviours
 - Job performance
 - Greater achievement of work goals/productivity
 - Customer satisfaction
- Also, benefits to the individual experiencing it:
 - Infusion of energy, self significance, mental resilience (Schaufeli and Bakker 2004)
 - Fulfilment of the human spirit through work (May et al 2004)
 - Preservation of one’s self in the face of the demands of work (Kahn, 1990)

The group agreed that engagement is still a “work in progress” and Chris was concerned that it was hard to find a real meaning.

There was general agreement that engagement was important, but a few questions remained. Angela asked if there had been engagement research into organisation that was more or less effective, particularly considering IES’ view of awareness of business context. Chris wanted to know what it *looked* like - how do you spot an engaged employee?

Kate thought that the concept might be related to levels of seniority in the organisation and Karen responded that the IES study included all levels of the NHS, and did find differences between the engagement of lower level and senior staff. She did feel that much of the research she looked considers customer-facing service businesses and does not distinguish between senior and junior staff. Kate wondered how remote working impacted engagement, in particular sales forces, and Chris thought that the best sales people, in his experience, are those who are in love with selling - nothing to do with the organisation. Karen added that the research in the mindstretch® was primarily quantitative, but that she has seen some good qualitative studies, particularly of service staff such as waitresses, who also *love* their work.

Karen pointed out that engagement does seem to be linked to the work role and is more local and specific than the more diffused concept of commitment, although both appeared to have very similar outcomes.



Outcomes of engagement

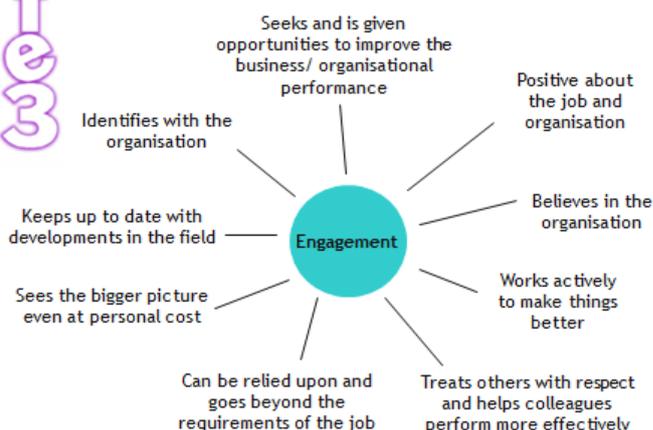
Engagement

- Employee retention
- Organisational citizenship behaviours
- Job satisfaction
- Personal initiative
- Greater achievement of work goals/ productivity
- Customer satisfaction
- Individual benefits

Karen then showed what, according to the IES, an engaged employee looks like.



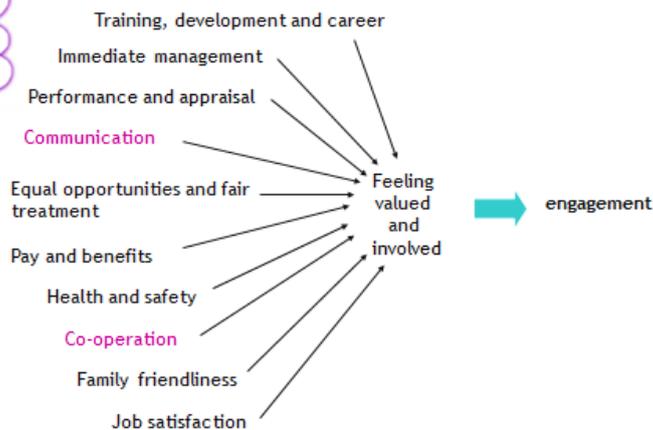
Measurements - IES



There was a good deal of discussion about the model, some people saying that it looks a bit like employee nirvana for managers. When looking at being “positive about the job and organisation”, Chris thought that knowledge work in particular was about projects which might not be related the organisation as a whole. When we looked at “believes in the organisation”, Angela thought that people might believe in what they were doing, but not necessarily in the organisation and Chris added that if you believed in the organisation too much, this might be an issue.



Requirements for engagement - IES



The IES had published their view of the requirements for engagement, and Mike said that there were some people who would never be engaged, regardless of management action; Paul thought that the model looked “a bit parent-child” and Gary suggested that this reminded him of an impact map produced from some survey work from one of fe₃'s clients. Chris wanted to know what “Family friendliness” meant and there was a discussion about the fine line between genuine care (and good management) for employees, and contractual care, i.e. following the policy because it was policy.



Requirements for engagement - IES

- Feeling valued
 - Involvement in decision making
 - Voice
 - Opportunity to develop job
 - Organisation concerned about employee well-being

The summary of IES's views was that feeling valued was the key driver for engagement; Chris again wondered how organisations demonstrated a concern about “employee well-being” and how self-serving these sort of policies were? Kate disagreed, saying that if having a sound policy helped the employee, it was also likely to pay off for the organisation - but that didn't make it “self serving”. Angela added that even if the organisation case was driven by business only, the behaviours exhibited locally may be genuine and Adam agreed, saying that the manager may positively reflect the organisation's ethos and there is therefore a double benefit in reinforcing it. The group agreed that organisations can have processes, but it's the individual that can demonstrate *care*.

Kate thought that there was nothing wrong with organisations doing things for employees for a pay-back.

Paul commented that there seemed to be a built in disincentive for unions NOT to represent an engaged workforce, as unions want employees to be engaged to it, rather than the organisation.

Moving on to definitions of feedback, Karen said that as usual, there are many definitions, but these two seem to cover the basics.



Feedback and involvement - definitions

- **Feedback**
 - Process in which the effect or output of an action is “returned” (fed back) to modify the next action
- **Involvement**
 - Regular participation of employees in (1) deciding how their work is done, (2) making suggestions for improvement, (3) goal setting, (4) planning and (5) monitoring of their performance. Encouragement to employee involvement is based on the thinking that people involved in a process know it best, and on the observation that involved employees are more motivated to improve their performance.

Interestingly, the last part of the first - to modify the next action - is often missing from many organisational investigations (questionnaires, consultations etc).

Obviously, the definitions are different, and for this session we looked at research around both. From these definitions, and from the research which we’ve found around them, there might also be a formal and informal definition. Karen’s personal view was that feedback tends to be more informal (and more liable to be ignored!) and involvement more formal - certainly the elements of goal-setting and performance monitoring. And she added that there might be two more categories, those of personal feedback and organisational feedback.



Feedback - personal

- MSF (or multi source feedback, 360 degrees for short)
- Organisation expects that leaders will make changes in behaviour but that these will in turn influence other organisational outcomes
- Atwater and Brett (2006) examined extent to which changes in leadership behaviour, one year after 360 degree feedback programme, related to changes in employee attitudes

360 degrees has been used for a long time in determining the development needs of employees, particularly middle and senior management. Atwater and Brett’s study looked at whether 360 degree feedback to leaders related to changes in employee attitudes.



Atwater and Brett

- 145 leaders (small)
- Measured leaders in changes in:
 - Consideration behaviour
 - Employee development behaviour
 - Performance orientation behaviour
- Measured employee
 - Satisfaction
 - Intent to stay
 - Engagement
- ...At start of research and one year later

This was the first study looking at the impact of changes from this sort of feedback on organisational outcomes in the study; consideration behaviours were about valuing people, and their opinions; employee development behaviours were about recognition and giving growth opportunities; performance orientation behaviours were about linking people's work to organisational goals and action. Although there were only 145 participants, each of these had feedback from three others, making a total survey of roughly 700 people. The research was longitudinal, with two sets of data, collected one year apart.



Atwater and Brett

- Results
 - Improved subordinate ratings of leaders' consideration and employee development behaviours was related to positive changes in employee engagement
 - Where ratings of behaviour on three dimensions, went down or stayed same, intent to leave rose and engagement went down
 - Tentatively suggested that if leader behaviour improves on any of the behaviour dimensions, there was a fairly high likelihood of affecting employee engagement

Adam asked if we really needed to give people numbers to help them understand that they could lead better, and Paul added that he thought that 360 degree feedback is one of the most divisive programmes introduced by HR in recent years - and a big con-trick.

Kate said that 360 degree feedback worked in LifeScan but that they used larger numbers of subordinates etc, to give a more rounded feedback. There is active support to improve performance.

Angela said that receiving feedback can be a negative experience if you are already doing well and people want even more....! Paul agreed, saying that HR is good at taking good ideas and building processes that destroy them!

There are a plethora of ways in which feedback can be gathered from an organisation - most fall in to the realm of internal communication and the results can often disappear into the ether....



Feedback - organisational

- Surveys
- Consultation (without the involvement of the unions)
- Suggestion schemes
- Town hall meetings
- Paper bag lunches, CEO drinks etc

Karen said that when fe₃ is invited in to do survey work, we always say to CEOs and senior executives, if you're not going to do anything with the feedback, please don't do it at all! There are some organisations that have cottoned on to the fact that employee attitudes can affect all kinds of things, and therefore watch the figures very closely. One of these has been (and is being) developed by The University of Bath by John Purcell (no relation to Kate).

It looks at COMMITMENT rather than engagement, but as we've discussed in previous mindstretches, the difference between commitment and engagement is not very well-defined, certainly in terms of outcomes.

Nationwide collects a variety of data regularly - customer opinion surveys, employee surveys, bus performance data and personnel data. They take aspects from each of the elements - so in pay, what's important is transparency, whether N/W has the job level and the employee well matched, as well as the amount of pay and what the total package is. These elements link to the employee's commitment to the organisation. Likewise, there is an optimum length of service. In terms of coaching, the better you feel about the way you've been coached in Nationwide, the better you feel about coping with customers; in terms of resource management, the higher the absence levels, the greater the impact on colleagues (more stress, more to do etc) and the less satisfied customers are (implications) when we look at values, the measures here are around senior management behaviour - how well led the organisation is, how senior management live by the "Pride" Values and promoting the right people. Put members first, rise to the challenge, inspire confidence, deliver best value, exceed expectations.

From being committed to the organisation, there are a number of other outputs - customer orientation is about looking for ways to help the customer (WANTING to do so) and the level of devolved power ; productivity is measured through questions about discretionary effort. Another by-product is about keeping people longer.

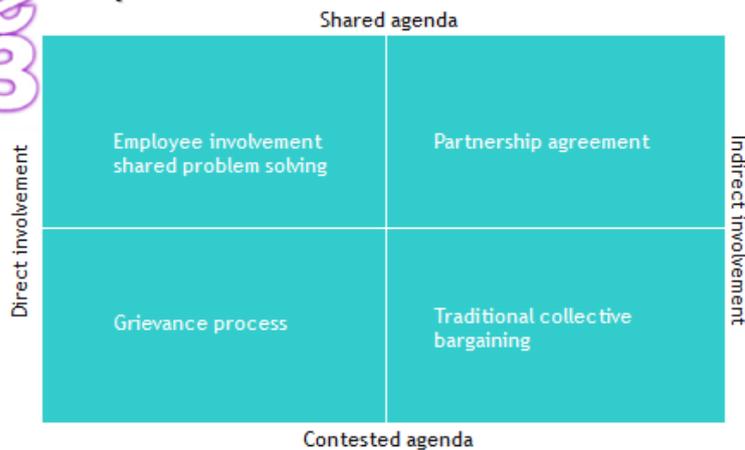
One impact on customers of all this is that members feel part of Nationwide; another is that as Consumer Champions, they are likely to recommend Nationwide.

The business benefits Nationwide reaps from all this are repeat business (loyalty), preference and from this, opportunity.

Paul commented that this was similar to the Hewitt model of engagement - say, stay, strive - and Chris commented that in the Nationwide model, age of employees linked to that of customers.



Involvement - a variety of implementations



While Karen thought that this was a useful diagram to classify feedback, the group was not so sure!

Involvement is also seen as employees having a voice. The idea of voice has been widely discussed and there appear to be two strands of thought: one is that voice is seen as the key ingredient to employee engagement, making them feel that have a CHOICE as well as a voice; and the second is that voice is seen in terms of RIGHTS.

Voice as “communication” is a very common view of involvement, but this is essentially employee involvement without teeth.



Involvement - the legal stuff

- Directive 2002/14/EC of the European Parliament and of the Council of 11 March 2002 establishing a general framework for informing and consulting employees in the European Community



Involvement - some research

- Workplace Employee Relations Survey (WERS), 2000
 - Notes that perceptions of a “fair and independent voice” seem to be related to the presence of a recognised Trade Union and union representation on a formal joint consultative committee
- However...

Some research indicates that perceptions of fair and independent voice are linked to the presence of Trades Unions, but the relationship is uneasy.

A qualitative study by Wilkinson et al indicated that providing processes and systems is insufficient to make employees feel that they have a voice or are confident about using it.



Involvement - some research

- Wilkinson et al (2004)
 - Employees need support in engaging with organisation
 - Voice more extensive in terms of scope and impact - but defined by managers
 - Link between voice and organisational performance is problematic - although some comments indicate lower rates of absenteeism, productivity improvements and better staff retention

Angela asked how many of the suggested changes in the feedback were implemented; Karen said that some, but it was difficult to tell exactly how many. Angela said that it was important to make the links for employees and show that their feedback had made a difference and Mike agreed, saying that there was a danger that management could make a situation worse by not doing anything with the feedback. Chris pointed out that it was a case of trying to get people to come up with realistic suggestions that the organisation could actually do. Angela added that you needed different mechanisms for different work partners

In addition, in this research, involvement and voice are largely seen as contributing to organisational goals, not as an opportunity to express dissatisfaction with the work environment or the style of management.

Similarly, research by Danford et al looked at joint consultation and union representation in the aerospace industry, with the same management-led perception of voice and involvement.



Involvement - some research

- Danford et al (2005)
 - Found negative employee experiences of involvement due to management approach:
 - “partnership with the Trade Unions and their members was not regarded as a process that ceded new rights to workers in accordance with the precepts of industrial democracy. Instead, the partnership and co-operative dimensions of the new workplace relations were treated as ideological instruments for minimising workers resistance and maximising their commitment to specific organisational objectives.”

Paul asked if we were confusing industrial relations with engagement and Angela agreed there was an issue of boundaries.

Karen went on to another piece of research with a wider, nationally representative sample. Union strength in this study was considered not only in terms of bargaining power, but also from the perspective of the unions' role as a representative voice of employees - and this obviously links to the credibility of the unions.

The questions taken from the British Social Attitudes survey is “Managers at my workplace usually keep their promises.” The results were based on 1,000 nationally representative responses.



Involvement - even MORE research

- National Institute Economic Review (2001)
- Looked at the impact of unions on employee trust in management
- To determine
 - If the presence of recognised unions has a positive effect on workplace governance
 - If the impact of unions is dependent on how management react to them



Involvement - even MORE research

- Findings:

- Balance of power essential to trust
- Management support of union recognition is key
- Weak minded unions are bad for perceptions of management

First, employee trust in managers is higher where there is a balance of power between unions and management at the workplace. Unions act as a check on management, making it more accountable to employees for the decisions taken; management is also more likely to adopt formal procedures and abide by them.

Secondly, employees' trust in managers is higher where management supports union membership, and is lowest where management actively discourages membership. This is equally true among employees in unionised and non-unionised workplaces. Where managements discouraged membership, the likelihood of employees trusting their managers was reduced by 10.5%; whereas the marginal effects of managers encouraging membership was to increase these chances by 14.9%.

Thirdly, employees' perceptions of union effectiveness are positively associated with higher trust in management.

Angela pointed out that it can be in the unions' interest to create *some* tension, and Chris noted that in Germany, more unions are involved and managers are expected to consult, it is second nature.

Karen's view was that it seems that managers can only be trusted to deliver what they have promised when there is a significant external threat, and Angela said that she did know some managers who have to be reminded that they have to act reasonably - if only to placate the unions.

Chris wondered whether we should be looking East for our model (i.e. Europe) rather than the West (i.e. the US) as we have an adversarial culture, although Paul disagreed strongly with this.

Kate said the traditional "management vs unions" debate presupposes that all the workforce is represented fairly by the trade unions, but how do you ensure that this is actually the case? Also, in a complex European organisation, there are many trade unions, so which do you invite to discussions? And what about those employees who aren't represented by a union?

Paul said that the quality of top union officials he had worked with was very poor and that therefore union representation wasn't adequate. Karen asked then, where do we go? Employee voice may not be perfect if unions represent it, and may be even worse if there are no unions, because of the lack of any check on management manipulation and interpretation of the voice concept.

Paul asked if any organisation was doing this well, and Karen admitted she had not come across one. Angela wondered if it was an issue of size, where small organisations fared better than large, although Adam had his doubts - the effect of failure in a large organisation might

go relatively unnoticed, whereas the impact on team working when the organisation was small might be enormous.

Mike commented that feeling engagement to an organisation would be harder than feeling engagement to a job, although Kate pointed out that it depends on the long-term commitment shown by the managers, and she gave the example of the Credo which is 60 years old and used as the glue to hold J&J together. It needed demonstrable, real, top-level commitment from managers, to encourage engagement to the company.

Gary offered a case history that illustrates the beneficial role of workforce representatives in building momentum for change by increasing trust. The company provided infrastructure services such as water, steam, power and emergency response to a large former ICI chemicals plant in Teesside. The workforce was predominantly ex-ICI, highly unionised and had very complex terms and conditions of employment. For instance there were more than 60 different allowances.

The company had begun a change programme, involving the workforce in reviewing working methods to make the organisation more efficient. They had also embarked on a communications programme based on team briefings in which they shared quite sensitive financial and performance information with employees.

Some six months into the change programme, the company asked its workforce to review the terms and conditions with the aim of reducing payroll costs by around £4 million annually. In return, they promised a capital investment programme of £30 million over 5 years.

Crucially, the senior shop stewards and a key Full Time Officer were involved in setting up the consultation process and committed themselves to selling it to the workforce. Several project teams were formed to work on different aspects of the package and produced proposals to put to all employees after about three months.

In a critical conversation with the two most senior stewards, the HR Director and I established that they were looking for a small “sweetener” to help them clinch the deal. We offered to provide employees with home computers under the current government scheme. This was enough for the stewards to recommend the deal which was accepted by employees in a ballot by a majority of 3 to 1. The company went on to win the AnuMan award for workforce involvement.

Unfortunately it was a subsidiary of Enron, but despite this is still going strong having been sold as a going concern. The investment programme continues.

Karen asked, considering the close links between engagement and commitment, do we care what it was called? Angela said that she thought engagement sounded more interesting than culture. Chris thought that conflict with other parts of the organisation can generate strong commitment among “mavericks”, especially management (“them” and “us”). Kate said that particularly with a franchise approach, a disconnection of the behaviours from values becomes more obvious.

Karen then turned to the old favourite - surveys. The case study is a staff survey for one of our very first clients, plus a couple of recent examples of collecting data.



Teaching Personnel

- Crisis hit just before going for management buy out
- Employee survey as part of company repositioning
- Survey results indicated that, if all the people who said they would look for a new job in the next six months did so - the company would lose 75% of its staff

This teacher recruitment agency was number five in the market when it decided on a management buy-out. As a result, growth prospects were key. At the time, the education community was unhappy about the role of teacher recruitment agencies generally, claiming they profited too much from the teacher shortage. This combined with an increased focus on CRB checks on teachers to ensure the safety of children.

A BBC journalist who forged his credentials and qualifications signed on with Teaching Personnel (TP) and managed to get a job as a teacher; the agency was savaged in a TV expose. fe3 consulting was brought in to help to rebuild trust with headteachers and schools, consider ways in which the company's promises could be kept to all its stakeholders, and repair the agency's reputation by redefining the brand.

There was high turnover in the sales part of the business - staff were young, ambitious and losing them was par for the course - but they took with them knowledge and relationships which, with the new approach for the organisation, would become more important. As a result we conducted some research among them which indicated three quarters would leave in the next six months, with significant cost implications.



Teaching Personnel

- As a result of the survey:
 - Teams reorganised to ensure communication through manager more effective and direct
 - Team briefing and feedback processes put in place
- Turnover significantly reduced

By this time, management knew they had to listen more closely if the business wasn't going to go into meltdown and a number of activities took place as a result of the feedback. Eighteen months after we completed the work, turnover had dropped to 42% and has continued to decline steadily for the past three years, reduced by more than three quarters.



“Since embarking on the process the whole company has taken on a different feel and our staff have been involved in a way they have never before experienced.”

Chairman

This was the comment from the Chairman of the organisation, indicating that asking the questions was part of the solution - but doing something about it was most valuable.



Other suggestions....

- Wailing wall
 - Graffiti from employees in the form of post it notes - gathered and analysed to give organisational temperature
- Talking text
 - Well known mobile company texting questions to sample of employees
 - Better response than email, in line with company brand

Finally, Karen gave two examples she'd heard of/been involved with in collecting feedback. The wailing wall was a large space given to employees during a change programme; the sentiment of the wailing wall was tracked; it became clear that having a place to let off steam anonymously helped air issues, but also enabled individuals to recognise they weren't the only ones to feel like this. As time went on and issues identified on the wailing wall were acknowledged, and where possible, changed, the sentiment of the wall changed to more positive feedback.

The last example was in a mobile phone company where the company was in danger of survey fatigue; as a result this feedback mechanism was introduced, entirely in tune with the company culture, quick, dirty and a great “temperature gauge”.