

The impact of an engaging workplace culture



In summary

High performing businesses create a culture of engagement, built on a compelling employee value proposition, designed to both attract and retain staff.

Strong leadership is key to an engaging workplace culture, as is the ability for staff to generate ideas and challenge the status quo in their organisation.

Flexible working practices will be a key driver of engaging workplace cultures of the future, with employees increasingly demanding flexibility, creativity and purpose in their work.

But the most engaging workplace culture in the world is worthless without an ongoing dialogue between business leaders and their staff.

Employee engagement is about more than a strategy that business leaders roll out to employees when times are hard and shareholder demands are at their greatest.

Employee Engagement is an approach to work that involves business leaders creating, embedding and living and breathing a workplace culture that motivates employees to perform at their best, which as a result, boosts the productivity levels and bottom line of the organisation.

As **Steve Cooper**, *Chief Executive Officer of Personal Banking at Barclays*, says: "Culture is hugely important. There's the saying 'culture eats strategy for breakfast' [which] is true. If you don't have the right culture within the organisation to do things in the right way, in terms of genuinely meeting a customer need and providing that need in a transparent and commercially viable way, you don't have a sustainable business."

Strong leaders understand

As discussed in a later article, strong leadership is key to creating an engaging workplace culture.

Matthew Dearden, *President, Europe, at Clear Channel* comments "Culture, and therefore leadership, are the rocket fuel that make any business work."

Strong leaders understand the importance of creating a workplace culture that allows their employees to fail.

Matthew explains: "I think innovative ideas [and] creative thinking are inherently courageous activities. Almost by definition, you have more bad ideas than good ones, and if you're not having more bad ideas than good ones, you're not being creative or

innovative, you're not really pushing or challenging the line hard enough.

He adds: "I saw [film producer] Lord David Puttnam speak at a dinner the other day and he made the point that creativity is a muscle that you have to practice [using], and if you don't practice, you lose it. The heart of that muscle is resilience, because most of your ideas don't work."

Jane Griffiths, *Company Group Chairman at Janssen EMEA*, is particularly excited about the ideas being created by younger generations, especially Generations Y and Z.

"There's nothing more exciting from a leader than to listen to some amazing ideas coming from very young people in the organisation. It's really motivating for me when that happens," she says.

“ Almost by definition, you have more bad ideas than good ones, and if you're not having more bad ideas than good ones, you're not being creative or innovative ”

Matthew Dearden

President, Europe, at Clear Channel

New recruits generate valuable ideas

Meanwhile, **Paul McNamara**, Group Chief Executive at IFG Group, values the ideas being generated by new recruits.

“Often, it’s the newest employees in the building who are the most motivated, the most curious to change things. So giving them the licence, the freedom to raise ideas [and] to challenge what we do, I think is the critical part [of an engaging workplace culture],” he says.

The future success of a business relies on its ability to innovate, adapt and grow. This can only happen if employees have the ability and willingness to challenge the status quo within their organisation.

Staying humble

As **Paul Budge**, Managing Director, Continental Europe, at Bunzl, says: “I constantly caution people throughout the organisation over and over again not to let us ever behave with any degree of overconfidence, and we certainly mustn’t behave as though we’re a large corporation.

If we do that, we become over confident and potentially become arrogant. Customers don’t like it, [but] competitors love it.”

“This word humility is something I talk about a lot. [I always tell staff]: keep your feet on your ground, be grateful for every order we get and don’t forget to say thank you and well done to people” he adds.

Workplace cultures should engage and empower

Collaboration requires a nurturing workplace environment that engages and empowers employees, as **Joanne Thompson**, Chief Executive Officer at Penrillian, understands only too well.

She explains: “I’d like to create an atmosphere for my staff to do all the things that I want, which is to have fun, to be engaged, to collaborate as part of a team [and] to have a culture where people can feel free to say, ‘actually, I’m not really sure how to do this, can you help?’ or to admit mistakes.”

Accordingly, Penrillian offers staff access to regular staff social events, free tea, coffee, biscuits, milk and fruit, plus a games room where they can take time out from their work and, for example, participate in a fuzzleball league, which is particularly important for developers, who spend the majority of their day at computers.

Flexible and purpose is increasingly important

Flexible working practices will be a key driver of an engaging workplace culture of the future with employees increasingly demanding flexibility, creativity and purpose as part and

parcel of their employee value proposition, according to the *Deloitte report, Global human capital trends (2016), The new organisation, Different by design*, (May 2016).

Businesses that invest in engaging staff through integrated talent management suites could see

270%
higher returns on investment

More than **80%** of organisations in the UK consider culture to be ‘important’ or ‘very important’

Over **37%** of organisations believe that they understand culture well

Over **21%** believe that they are ‘very ready’ to change their culture

Source: *Global human capital trends 2016, The new organisation, Different by design*, Deloitte, February 2016.

Paul already recognises these demands in his own workforce. “Younger people coming into the business tend to be motivated by change, by variety, for the need for constant interest. It’s a very different motivation than we had 20 years ago. People came looking for a long-term career and therefore creating an element of interest, fascination [and] variety [now] goes without saying.”

When people feel like they make a difference, they do. Employees also believe in what the business does are fully engaged and take pride in their work, deliver greater value to the organisation and are more productive.

Dialogue between leaders and staff is key

The most engaging workplace culture in the world is worthless without an ongoing dialogue between business leaders and their staff.

“Nothing can compensate for talking to people, asking them questions and listening to the answers that they give, and to be seen to listen and take account of them,” says **Paul**.

“And it is that softer element [that is key to creating an engaging workplace culture]. I don’t think anything hard or tangible really makes a huge amount of difference. People want to be respected and know that you care for their welfare,” he adds.

But it may be some time before many organisations move beyond this ongoing dialogue, with research showing the difficulty encountered by many business leaders in fully understanding the essence of an engaging workplace culture and how to create one in their organisation.

Workplace culture is important

More than 8 in 10 organisations in the UK consider culture to be ‘important’ or ‘very important’, yet only 37% believe that they understand culture well and only 21% believe that they are ‘very ready’ to change it according to Deloitte’s report.

Case study: E.ON UK offers Dragons’ Den-style programme to drive innovation

E.ON UK runs a group-wide programme to help drive employee engagement and innovation throughout the organisation.

Called Agile, the programme is modelled on the BBC programme, Dragons’ Den, and offers employees the opportunity to pitch a business idea to the company. Successful candidates

who win the backing of the company receive support in the form of funding, a mentor to help develop their ideas and the opportunity to become chief executive officer (CEO) of their own business.

Tony Cocker, *Chief Executive Officer of E.ON UK* says: “Of course, it will deliver ideas in and of itself, but also it’s about shifting the mindset of the organisation.”

“Of course, it will deliver ideas in and of itself, but also it’s about shifting the mindset of the organisation”

Tony Cocker

*Chief Executive Officer of
E.ON UK*

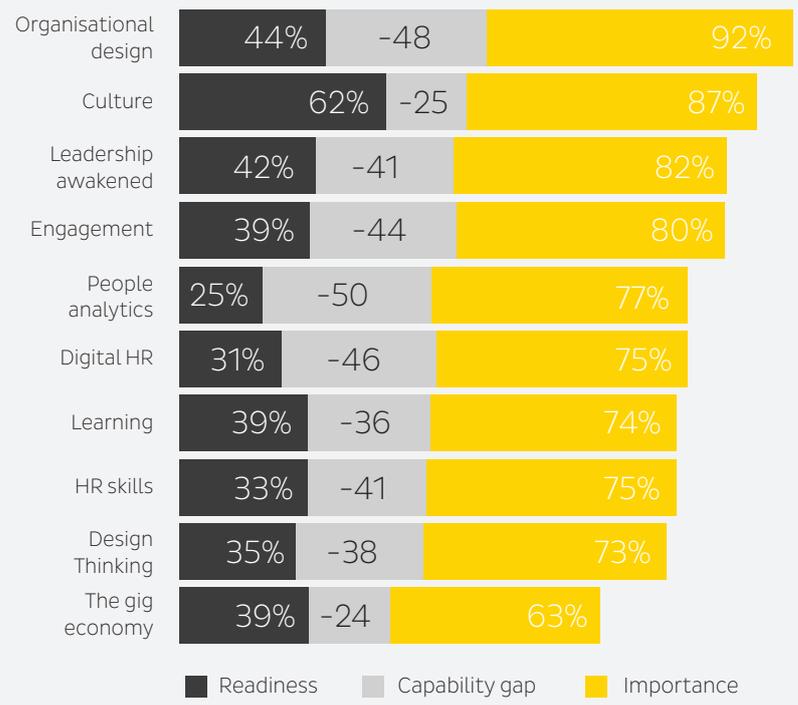
Nevertheless, there is no time like the present to approach the task, and a simple place for leaders to start is to acknowledge and understand your current workplace culture and then identify the characteristics of their desired workplace culture, based on their current business objectives. Their ongoing dialogue with employees can then be used to understand employees' needs and how these can be aligned with the needs of the business.

By taking one step at a time, and by keeping employee dialogue open and transparent, business leaders can start to build a workplace culture that engages every level of employee and ultimately boosts productivity levels in the process.

Top UK and global trends by urgency and importance

The Deloitte University Press report Global human digital trends 2016 shows that culture and engagement are a major concern for the C-suite. The report says: "This reflects, in part, the rise of social networking tools and apps that leave companies more transparent than ever, whether they like it or not."

UK: Gap analysis overall (n=140)



Source: Global human capital trends 2016, The new organisation, Different by design, February 2016.