



IMPROVE YOUR BUSINESS BY LISTENING TO AND INVOLVING YOUR EMPLOYEES

This is one of a series of +points on The Journey – a route map designed to help you build a business that people value. Check out other +points on www.smallbusinessjourney.com

WHAT'S THE POINT?

You CAN get more from your employees – more ideas, more loyalty, more commitment – if you share your business goals with them and listen to their ideas.

WHY?

- Your business depends on its employees – make sure they feel involved
- Employees are eyes and ears for the business – they are on the frontline and often see problems and solutions before you do
- Develop communication with staff so you can improve commitment and productivity

EXTRA BENEFIT TO YOUR COMPANY

- Satisfaction among employees translates into lower staff turnover
- A low turnover means higher skill levels and reduced recruitment costs
- If staff contribute ideas and understand how your company works, they will be better able to cope with change

LIVING PROOF

HAPPY

Happy is a computer training company based in London, with about 40 staff. Chief executive Henry Stewart receives appraisal from his staff, and having been told by them that he needed to improve his approachability, he set up monthly appraisals to ensure he worked on his listening and communicating skills. Staff debate and vote on issues: they have, for example, decided by vote whether a bonus scheme should be based on individual or group performance. Staff receive a cheque once a year to give to a charity of their choice and they can volunteer one day a month, fully paid, for charity work of their choice. Happy's philosophy is that you can only give great customer service if your people are happy.

THE RESULTS

Happy has a motivated and committed workforce with staff turnover less than half the level of its industry – Happy has never lost a trainer to a competitor. Its commitment to responsible business practice helped the company to survive and stay in profit through the worst recession in the history of the IT training industry. With its reputation for a positive working environment Happy has found new business offering training on how to create great places to work, and how to deliver excellent service. The company was named winner of the Management Today/Unisys Service Excellence Award for best customer service.

WHO ELSE IS MAKING A POINT?

Many successful companies throughout the UK understand the real business benefits that can be gained by ensuring that their employees are closely involved in the running of the business.

- **Needleworx Direct** is an embroidery design and digitising company with studios in Ireland. It offers bespoke training to employees according to individual interests and skills. Decision-making is very open. The company holds monthly staff meetings to discuss different aspects of the company. At one meeting, employees suggested that management should revise company policy on the allocation of commission, as most of the commission was being given to salespeople instead of being shared with the embroidery designers. After listening to the request, managers admitted the allocation of commissions was unfair and the policy was corrected.

The results: After four years of operation and with a core staff of eight, Needleworx Direct has seen increased sales and profits and has been able to expand into new markets. The company has developed a long term and sustainable vision.

- **Perfecta** supplies quality ingredients to the food industry. The company is based in the south west of England, and since this is an area of full employment, managers realised that they had to offer attractive terms and conditions in order to attract good staff. As a result, the company consulted extensively with its 40 employees before drawing up a package of work-life balance initiatives.

The results: The company found that by enabling staff to work various hours and days around their other responsibilities the number of available packers more than doubled.

WHY IS THIS IMPORTANT?

- 80% of executives worldwide claim that by 2010 attracting and retaining people will be the leading business success factor. Source: Funky Business: Talent Makes Capital Dance, Jonas Ridderstrale, FT Prentice Hall, 2000
- 75% of executives worldwide now rank employee performance ahead of productivity and technology. Source: as above
- Positive relationships between employee attitudes, organisational culture, human resource management and company performance have been traced in a study in Sheffield. It concluded that employee commitment and a satisfied workforce are essential to improving performance. Source: Human Capital and Performance: A Literature Review, Accounting For People, Government Task Force, 2003

HOW TO GET STARTED IN A SMALL WAY

- Introduce a regular business briefing for employees at weekly or monthly meetings.
- Make a plan for consulting and involving employees in the full scope of the business – dare to share your commercial information.
- Find out about your employees' passions (such as recycling office waste or helping the local school or improving internal procedures) and act on those that make sense for the business.
- Set realistic expectations.
- Show that you are listening and that you do change behaviour in light of their inputs.
- Don't make consultation a one-off event; keep talking and keep staff up to date on progress.

WHO CAN HELP YOU TO GO FURTHER?

Strengthening the performance of your business in this way is really just a matter of common sense. But if you are committed to achieving major business benefits, then it often helps to get help.

National Help

Many business organisations such as Business in the Community www.bitc.org.uk, Scottish Business in the Community www.sbcscot.com and the Confederation of British Industry www.cbi.org.uk provide publications and guidance on how to best work with your employees as stakeholders in your business. Trades unions also offer information and guidance www.tuc.org.uk.

The Federation of Small Businesses, which lobbies on behalf of small business and supplies information and benefits, provides advice for members on employee issues, including legal advice. www.fsb.org.uk.

The Institute of Directors provides extensive information including factsheets on employment issues, a helpline covering legal issues, and courses such as 'People mean Business' www.iod.com.

www.acas.org.uk The Advisory Conciliation and Arbitration Service [ACAS] provides information on employment issues. It has small business advisers and offers training.

Local Help

Your local Chamber of Commerce will have guidance. Find them at www.britishchambers.org.uk

Your local Business Link should also be able to help: www.businesslink.gov.uk (England) www.bgateway.com (Scotland) www.busesseye.org.uk (Wales) www.investni.com (Northern Ireland).

Online Help

www.hrmguide.co.uk The HRM Guide Network links websites on human resource management.

www.cipd.co.uk The website of the Chartered Institute of Personnel Development as a section on employee relations, with articles, advice and news.

www.ipa-involve.com, Case studies, policy documents, news and analysis on employee relations and workplace partnerships. It is run by the Involvement and Participation Association.

www.employersforwork-lifebalance.org.uk Fact sheets, case studies, research and opinion.

IT'S COMMON SENSE

This briefing paper is one in a series of +points that make up The Journey – a route map designed to help you build a business that people value. You need only do one if you like. It's your journey. It doesn't have to be time consuming or complicated. It's basically common sense.

SMALL BUSINESS CONSORTIUM MEMBERS:

The Small Business Consortium is a group of organisations who share a common goal:

