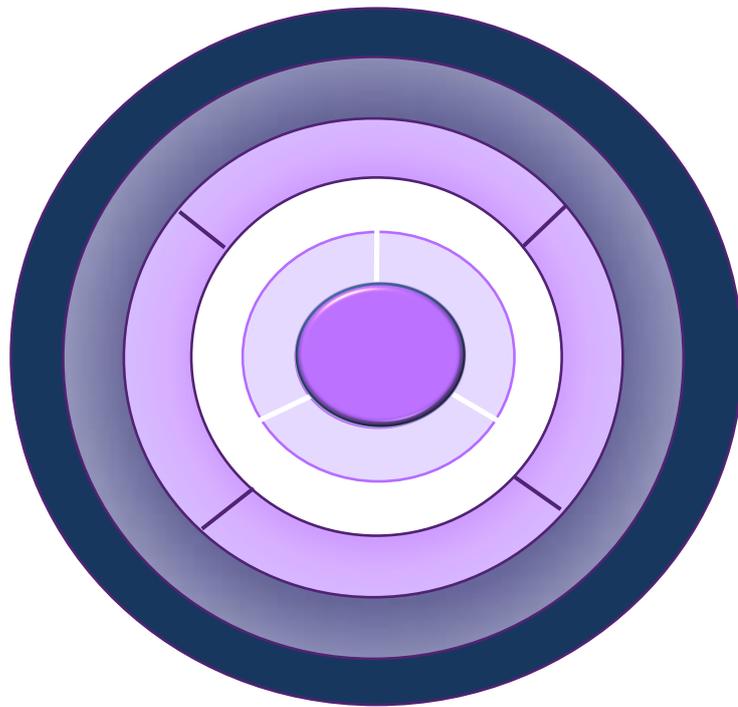


Rethinking employee voice

Voice at Unipart



tomorrow's
company

Voice case studies overview

We want to understand the value of employee voice to both employers and employees in companies operating within the UK.

Although the literature, and in particular the WERS survey, shows the spread of voice across UK workplaces, and the number of voice practices in workplaces, it is not able to show the relationship between different voice mechanisms, the organisational culture and the perceived value of voice to workplace actors. Moreover, the pace of change within UK workplaces has meant that the academic literature has yet to fully capture recent innovations in voice such as the introduction of legislation requiring greater consultation and the continued expansion of online communication and the spread of social media.

The case studies, therefore, enable us to firstly map some of the voice arrangements deemed to be effective for employers and employees in different sectors of the economy. Secondly, they will allow us to explore some of the dynamics between the different voice mechanisms and also the cultural context in which they exist, including management approaches.

The case studies are not intended to be representative of the UK economy, nor of UK practice. They are explicitly designed to identify good practice, by which we mean practice that is seen as valuable to employers and employees.

In particular we aim to understand:

- What structures and cultures a range of different organisations have in place to harness employee voice
- What factors enable and inhibit employee voice
- What benefits are associated with employee voice
- Whether there are any tool or techniques that can be applied in other companies

Part 1: Introduction

This case study describes the forms of employee voice in two Unipart businesses. It also explores the value placed on employee voice by the business and employees and the factors that inhibit and enable employee voice.

Baginton A

Baginton A is part of Unipart's Aftermarket Logistics (UAL) business, supplying vehicle parts for Jaguar. Unipart has a long standing relationship with Jaguar, and a contract that operates on a partnership basis whereby efficiency savings are distributed between the client and the provider. The site employs 229 people. In the last year the year the site has diversified from distribution into manufacturing and now provides an in-house packing service for Jaguar.

Employees permanent/temporary	190 permanent 39 temporary
Male/female	74.2 % male 25.8 % female
Employee turnover in 12 months to date	3.1 %
Average length of service	12 years
Average sick days per year	4.49

Nuneaton

Nuneaton is part of Unipart's Technology Logistics (UTL) business. It primarily manages the distribution of mobile telephones for Vodafone, and operates a mobile telephone repair centre. Recently the site has taken on contracts with several other mobile telephone operators, managing their distribution and repairs. The contract with Vodafone and others are cost-plus contracts. The site employs 1339 people.

Employees permanent/temporary	948 permanent / 391 temporary
Male/female	66 % male/ 34 % female
Employee turnover 12 months date	0.95%
Average length of service	4.29 years
Average sick days per year	4.49

Part 2: Background of voice at Unipart

Unipart was created through a management buy out of the parts division of British Leyland in 1987. The company has diversified over the years into sectors such as rail services, logistics and consultancy and now operates in a number of markets across the world. Unipart is a privately owned company and the senior management and executives typically have a long tenure; the chief executive has been in place since the formation of the company.

As part of the change process following the buy-out the company introduced Lean tools and techniques, learning from other automotive manufacturers, such as Toyota and Honda, but over the years gradually adapted the ways of working to form the Unipart Way. This central philosophy and way of working is common throughout the devolved business.

Employee involvement in continuous improvement and the implementation of new systems and processes is one of the significant features of the Unipart Way. Many of the channels for employee voice within the company are designed to elicit their knowledge to ensure successful innovation and implementation. The idea that employees, and not their managers, are the experts in their area of work supports this form of engagement.

British Leyland was a highly unionised company with a legacy of difficult industrial relations. Today unions are present at relatively few sites within the company, often where they have been recognised following a Unipart acquisition or TUPE transfer. Employees are represented through employee forums which operate at site and business unit level.

Unipart has a highly developed organisational structure and each business unit has responsibility for its growth and performance. This decentralised model also allows strong local identities that are fostered and developed by effective local leaders who, in the most advanced sites, develop a strong sense of community.

Part 3: Voice at Unipart

Voice is encouraged at three levels within Unipart:

- first at an individual level where peoples' ownership of their work is expected to generate employee voice as employees offer feedback and raise problems with line managers
- second at a team level where teams are expected to take ownership of their work, solve problems and make improvements
- thirdly at a collective level where strong forums are encouraged as a way of management and employees engaging on cross site issues.

Indirect voice

Employee forums are common throughout Unipart and their role and broad terms of reference are outlined in the Unipart philosophy, principles and values. At Nuneaton and Baginton an employee forum meets regularly. Each site is divided into a number of constituencies and each elects a representative to the forum. The site forum at Baginton meets weekly, and the UAL forum, with representatives from each of the UAL businesses, meets monthly. At Nuneaton, there are two site forums in place as well as a monthly forum for the UTL business.

The UAL forum is chaired by the UAL managing director, Mike Varnom. The agenda covers a range of items and provides an opportunity to give information to the representatives on the business unit's performance as well developments within the wider logistics business and other company news. The forum has been used to share sensitive information to enable the workforce to understand the reasons for changes affecting employees. Specific operational projects are discussed, as well as pay, terms and conditions, health and safety, and CSR.

The forum at Baginton is well established and Paul Briscoe, the UAL operations manager, acknowledges that maintaining the forum requires considerable time and resources. The UAL forum is seen as one of the most developed in the company and the lead forum representative mentors forum representatives at other sites, supporting their development. However, the management were conscious that if the forum was ineffective, employees were likely to turn to trade unions to safeguard their collective voice. Indeed, an unsuccessful attempt at union recognition was made in approximately ten years ago, which prompted reform of the forum.

Employees at Baginton were well aware of the work of the forum and could cite examples of matters that the forum held dealt with. The lead forum representative saw a non-trade union employee representative forum as most suitable voice mechanism for the competitive environment they were working in; both the potential for information leaks and industrial action were seen as a threat to the success of the contract. The employees interviewed did not clearly distinguish between the type of issues raised in the forum, and those they would be prepared to raise with a manager, but did see the two approaches as having a complementary relationship; they believed that less confident employees might be more prepared to raise concerns to their representatives, or that the forum might be used if managers were not believed to have resolved issues satisfactorily. Unipart tools and techniques are used to resolve many of the issues that are raised in the forum.

At Nuneaton there is a forum for the repair centre, and one for the rest of the site, as well as a UTL level forum. Managers at Nuneaton and Baginton agreed that the site

level forums tended to deal more with housekeeping rather than strategic issues, although having a way to address these concerns was seen as freeing up the business unit forum to deal with the more strategic issues.

Direct voice

Our Contribution Counts circles (OCCs) are problem-solving groups that are established to resolve specific problems, and form an important voice mechanism within Unipart. They can be established by anyone, and can involve people from all levels of the business, depending on the particular problem. Using an established methodology, employees work through the problem, implement and evaluate the solution. Each employee is expected to participate in at least one or two OCCs per year, and their participation feeds into their performance appraisal. All employees interviewed for this study were able to provide examples of OCCs that they had been involved in, and solutions they had helped generate which had been effective.

Communications cells are used to disseminate information about performance and enable employees to input into the work of each team. Communications cells are run by team leaders and usually take place for 10 or 15 minutes at the beginning of each shift. They take place around a board displaying information on the objectives, targets of the team, their performance during from the last day, data on health and safety and employee absence. As the team leaders go through the performance information, employees are able to ask questions. The Cells are an effective way for employees to be able to connect the work they do to the objectives of the site and business unit, and also the targets for the team. However, there was a sense, particularly at Nuneaton, that the extent to which Communication Cells were effective depended to a great extent on the team leader who delivered the briefing. In UTL a communications manager had been employed to support the distribution of non-performance information, particularly to inform and engage employees in the changes in employer brand that were taking place as the business diversified. The way Communications Cells work was sometimes adapted to suit particular teams, but they were in place across both sites.

Employees were provided with information about the activities of different businesses within the Group through regular updates on the intranet, for those with computer access, and short films called 'the grapevine'.

Part 4: Factors influencing voice at Unipart

Organisation, structure and ownership

The Unipart Group is made up of a number of businesses, falling into four main divisions. The logistics division, for example, is made up of a number of logistics business operations of which UAL and UTL are just two. The Group grants considerable autonomy to each business, facilitating a largely organic growth model whereby each business is responsible for its performance and for generating new business. Each business is accountable for its performance within the wider group, but the devolved structure means that operations managers have considerable discretion in how they deliver their objectives.

For the purposes of voice, the structure is significant because as well as giving site and business level managers the freedom to shape and invest in voice structures, it places much of the decision-making affecting day to day work close to employees. The voice structures at site and business unit level, therefore, can have considerable influence on decision-making.

Unipart is a privately owned company. The model of ownership is designed to enable and support long-term thinking and a sense among all stakeholders of a collective benefit in the organisation's success.

The ownership structure is as follows:

- institutional shareholders (Electra, 3i, Standard Life) – 33 per cent
- employee group (directors, employees, former employees and share trust) – 52 per cent
- pension scheme (for the benefit of employees and former employees) 15 per cent

Customer relationships

The role of the employee voice is equally affected by the nature of the relationship with customers. Within its logistics business, Unipart has a variety of different types of contract with its clients. The stability and length of relationship also varies considerably, with some clients looking to review their logistics services every few years, and others looking to develop long-term relationships. The contract at Baginton A and the relationship with Jaguar are long standing. Unipart acts as a logistics partner to Jaguar in a contract which aligns the incentives of Unipart and Jaguar to deliver savings through improved efficiency. The results that Unipart have delivered over the years means that Jaguar are familiar with Unipart's approach to the workforce and understand its benefits. At Nuneaton, Unipart has had a cost-plus contract with Vodafone for 12 years.

The ways of working and the employee voice structures are common throughout the Unipart businesses, but the extent to which managers are able to devote time and resources to them is affected by the contract and the client relationship. The employee forum, for example, requires management time and resources to service it. The process of implementing change may appear slower if time is devoted to consulting and finding agreement with the forum, which may not suit the customer. Managers reported several examples of customers initially being sceptical at time spent on, for example, daily communication cells. In most cases leaders felt that the

results achieved through Unipart ways of working eventually convinced customers of its legitimacy, leading to greater freedom to act for operational managers.

Finally, in some contract relationships the customer has far greater discretion over a range of decisions affecting the operation, for example, investment in new equipment and the number and skill level of jobs at the site. The lack of control by Unipart over some aspects of decision-making can affect the managers' freedom to act and therefore the extent to which employees felt they were involved and could influence change that happened to their work. Although employee voice can be developed and play a vital role in a number of different client and contract settings, the long-term partnership relationships in which managers have greatest freedom to act would seem to provide the most fruitful context for employee voice within Unipart.

Leadership style

The approach to leadership is shaped by the principles and values of the organisation. They state that the role of leaders is to "live the Unipart Way philosophy and coach our employees in the tools and techniques", but also that managers should be "supremely skilled facilitators, coaches and counsellors".

The approach to leadership described is put into practice partly through the development of the workforce, providing a pipe line of candidates familiar with working in a consultative, collaborative manner. However, people are also recruited from outside the company to fill leadership posts and when this happens mentors are put in place to support their development as a Unipart leader.

Leadership qualities are expected not just of senior managers, but of team leaders and individuals too. The principles and ways of working, such as communication cells and OCC circles, encourage decision making and personal responsibility for continuous improvement among employees and team leaders. As employees progress through a structured learning and development programme, they are trained in techniques for facilitation and coaching. This dispersed form of leadership brings decision-making closer to employees where it is possible for them to understand and influence change.

Less explicit in the principles, but apparent at both Nuneaton and Baginton, was a strong pastoral element to Unipart's leadership. From team leaders to managing directors, there was an emphasis on knowing employees in a personal capacity; for example, knowing employees' names, personal interests or family context. Employees described feeling 'looked after' and that managers would always 'try and help with any problem'. Both employees and leaders saw this as strengthening loyalty and commitment to the leaders and their aims and objectives, and also encouraging employees to discuss problems with production. The trust established through pastoral relationships encouraged employee voice on matters affecting continuous improvement.

As well as feeling that managers cared about them and valued their contribution, employees also described the approachability of management. One employee described their relationship with the operations manager; *"it's about respect. I've worked here 20 years ago and you'd have never knocked the superintendent's door 2-3 times a week to raise issues, you just wouldn't do it, you wouldn't dare, but he's always had an open door policy here, he'd like to know what's going on, and if he can help, as X said, he'll help."*

Principles, goals and values

Although the Unipart Group has a relatively devolved structure, the Unipart Way, which sets out the principles, values as well as the tools and techniques for lean working, are developed centrally and are common throughout the businesses. 'Conducting Business the Unipart Way', a guide to the principles by which the Group works, sets out in detail the value sets that inform the way that each stakeholder will be treated. Much of the approach to the workforce, including principles of management, career development, health and safety, promotion, performance management, pay, right to information, consultation and voice are set out in these central documents and are therefore a common reference point throughout the organisation.

There are some specific values and principles that are particularly influential in the development of employee voice. For example, there is a strong emphasis on all employees identifying problems and solving them in a blame free culture. This is captured by the phrase 'no problem is a problem'. Employees are therefore constantly encouraged to voice problems, and leaders are responsible for creating the culture and environment in which employees are confident in doing so.

Secondly, the principles identify the person carrying out any given role/task as the person best placed to understand that role/task. Improvements or changes to the task must therefore involve the person doing the work in order to ensure the best outcome. The involvement of the workforce and the responsibility placed on employees to participate therefore embeds voice into the continuous improvement process.

Part 5: Benefits of voice

Employee voice is integral to the way of working at Unipart and in particular the continuous improvement and ability to deliver efficiency savings that have been crucial to the success of their contracts. Achieving and sustaining innovation and performance relies on both the engagement and commitment of the workforce, and their willingness to share ideas and information, and having effective structures in place to enable that voice to be channelled through the organisation.

Just as Unipart espouse 'engagement for performance', employee voice is largely of value to the business through its ability to impact on performance. Managers are aware that they are, strictly speaking, often able to implement change without listening to employees through consultation and involvement, but recognise the consequences this might have in terms of commitment, support for implementation and feedback for improvement.

One of the most valuable benefits of employee voice for the business and employees is the ability to implement change. Change is a constant at both sites, requiring some employees to regularly change roles, the way they work or the pace of work. However, employees were confident that change would never be implemented without their involvement, which removed anxiety. One team leader described the employee attitudes to the pace of change; *"In the old days you could be on a job for 5,6 7 years but times have changed but now we have mobility of labour in the business units and if there's holiday problems the labour can be moved around accordingly. It didn't use to be like that, but times change and we haven't got a problem with that. Like we keep saying, customer is the priority and has to be kept happy."*

From the businesses' perspective, a flexible workforce has allowed the business to respond quickly to changing economic conditions. At Baginton A the financial crisis and recession impacted the automotive market with consequences for the primary client. The operation was quickly reorganised to create space to respond to the client's needs by offering manufacturing services. Not only was the layout of the site and ways of working altered for employees, but roles changed to as the workforce began to deliver the new services.

Both managers and employees recognised that voice was a mutual gains agenda. In roles that could be fairly routine, managers described the difference being consulted, involved and being asked for opinions could make in terms of the quality, dignity and reward of the work. This view was echoed by employees who valued in particular feeling that their contributions were important, and that they and their opinions were respected by managers.

Despite the headline focus on performance, it was clear that employees' willingness to discuss problems relating to performance improvement was seen to be dependent on creating the environment within which they were equally able to discuss personal concerns. Managers played a particularly important role in this. Feeling that they were cared about by their managers and the business strengthened employees' commitment and loyalty, but also helped to provide a 'safe' context in which problems that may affect could be discussed freely. Baginton A is a smaller site with a well established workforce where perhaps employees' sense of being known personally by senior managers was stronger, but Nuneaton was equally aware of the need to develop a sense of community, and strong personal loyalties between employees and managers.

Lean ways of working are designed to bring about continuous improvement. For employees it can mean that their work is regularly changing and that the targets they

are expected to meet in terms of quality and quantity are always increasing. Close monitoring of performance and the publication of data could create a substantial amount of pressure on employees. Voice in this context is essential to managing that pressure in order to maintain employee wellbeing and performance. Employees interviewed for this study felt confident that they were able to raise concerns about workload with their managers and that managers would respond supportively. Team leaders and managers also saw it as part of their role to be able to balance performance targets and individual workloads.

Conclusion

Unipart is an example of a company where voice is firmly embedded in the ways of working, and indeed, is viewed as necessary to achieve successful outcomes in many areas. The successful development of the Unipart approach to continuous improvement and change management has led to a widespread conviction and commitment across the organisation to employee voice. The Unipart Way provides the principles, tools and techniques to facilitate employee voice, leading to common practices across the Group.

For employees, voice has a clear link to how respected they felt and how valued they felt they were by their managers and the company. Employees believed that consultation and involvement, often by their managers, strengthened their commitment to the site where they worked, and ensuring its success. The no blame culture that encouraged employee voice helped to mitigate potentially stressful situations such as performance monitoring or frequent role change, and provided a sense of control through their confidence that they would be involved in any change.

Several factors are significant in enabling employee voice at Unipart. Private ownership has helped the company to take a long-term perspective in developing its approach to the workforce, and continues to allow managers greater freedom to act than might be found in publicly listed companies. This freedom to act is supported by the decentralised business model that devolves much decision-making to the business unit level and makes it feasible for employees to influence that process, thereby making consultation more meaningful and incentivising involvement. The leadership and management style works to create a culture in which problems, both personal and performance related, can be raised and managers act as facilitators to solve problems.

The quality of employee voice in terms of its value to the business, and the influence employees believe it has can vary from site to site. Factors affecting the quality can include the contract type and stability of customer relationship, the physical organisation and type of work, and the skill and strength of management.