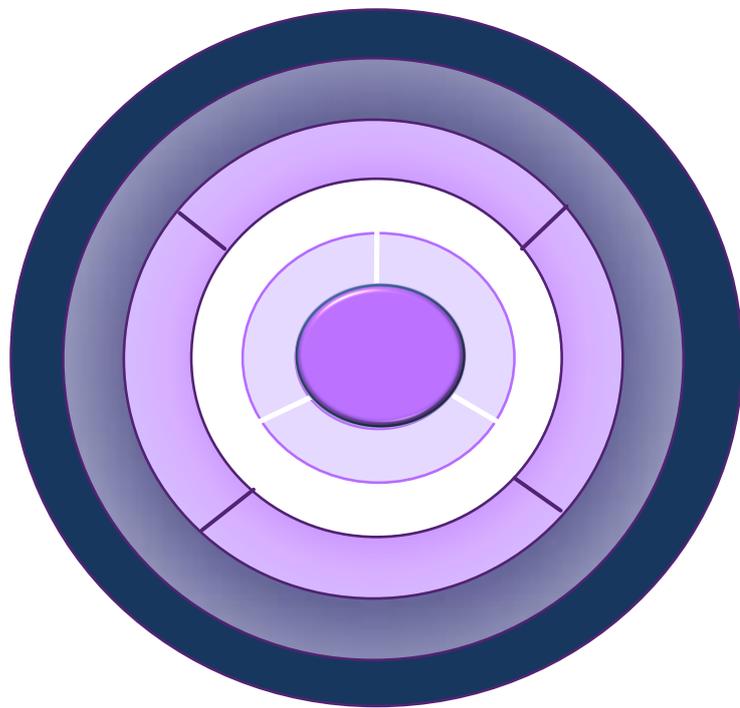


Rethinking employee voice

Voice at Prudential



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.

For this project, we define voice as being the various forms of two-way communication between employers and employees in the workplace. It can be focused on sharing information, involving employees in decision making, resolving differences of opinion and gaining access to employee's knowledge and expertise. Voice is about sharing information with employees, encouraging them to express opinions on decisions that affect them and making sure their views are listened to. Employee voice is one of the four key drivers of employee engagement.

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 tools or techniques that can be applied in other companies.

Part 1: Introduction

This case study describes the structures and underpinning culture of employee voice at Prudential UK & Europe. It also explores the values placed on voice by both the business and employees and identifies the factors that inhibit and enable it.

Prudential plc is a prominent international financial services group, operating in the UK as well as Asia and the US. It serves more than 26 million customers across the world, managing assets worth over £363 billion.

The following case study focuses on their domestic operations – Prudential UK & Europe and its three main sites in London, Reading and Stirling.

Employees (as of Dec 2010)	2205
Proportion of male/female employees	48% male/52% female (5ppl undisclosed)
Employee turnover in year to date	18% (8% voluntary & 10% involuntary)
Average length of service	37% 0 to 5 years service 40% 6 to 15 years service 23% 15+ years service

Part 2: Background of voice at Prudential UK & Europe

Employee voice is seen as absolutely crucial at Prudential. There is a recognition that the effective expression of employee voice helps drive both employee engagement and the wider success of the organisation.

The approach to facilitating voice at Prudential is wide-ranging. In terms of collective voice, it has both a well developed and influential Employee Forum, and a positive and progressive relationship with its union. But Prudential also looks to engage with its employees directly on an individual level.

Prudential values employee voice for a number of reasons. Voice helps inform and influence decision making throughout the organisation. Through accessing voice, decision makers are able to benefit from the experience and expertise of their employees, and develop effective, usable solutions to business needs. Its positive approach to voice also helps Prudential maintain employee engagement, even through periods of change.

However, there are a number of potential barriers to voice at Prudential. First, there are time constraints. Employees are under pressure in their day jobs meaning it can be difficult to find time to attend a focus group or a meeting of the employee forum. Some individuals might also find it more difficult to express themselves and contribute their ideas, particularly in an open forum. More introverted employees often feel less comfortable in group situations and need to be given time to take in information, reflect on it and then feedback. By providing a variety of feedback mechanisms, Prudential has been able to overcome these barriers and ensure that all employees have an opportunity to be heard.

Part 3: Voice at Prudential

Prudential's approach to voice is wide-ranging and includes a variety of channels.

The Employee Forum

The Employee Forum is one of the key channels of voice at Prudential. It was set up in response to the Information and Consultation regulations of 2004 in the form of a 'pre-existing agreement'.

Initially, it was mainly concerned with involving employees in difficult decisions on restructuring. The context to this was a significant process of change to ensure the company remained competitive in a new environment. The process involved a new operating model with external partners and setting up a site in Mumbai.

The Employee Forum was invaluable during this period as it involved employees in the decisions and ran the consultation associated with it. It was important for two main reasons. First, it allowed the business to draw on the immense experience and expertise of its employees, which helped guide their decision making. Second, the role of the Employee Forum was crucial as it smoothed the process of change. In the words of Heather Milligan, the UK Employee Forum Chair, the forum allows the leadership to "*bring people along with you*".

Following the completion of the change process, the then HR Director, recognised that the forum could have an important ongoing role as a driver of employee engagement – then a nascent idea. This led to a process whereby the forum grew from just consulting on the change process to a wider role where it would facilitate employee voice on the whole range of decisions that affected staff.

The forum therefore became more positive and proactive. As Heather Milligan explains, whereas the forum at the start would raise a lot of "*issues and niggles, it is all suggestions now – positive things to improve the business*". This is partly as a result of the successful resolution of the initial change programme but also due to a cultural shift whereby employees have become far more engaged in the direction and business priorities of the business.

One such proactive role was in developing the colleague brand values. This work was carried out to identify, understand and express the company's culture, its "*internal proposition*" for staff. This started with discussions with the forum focusing on "*what does it mean to work for Prudential? What are the things that you value?*" This was followed up by some focus group studies with staff which the forum helped set up and run alongside an external company. Together, this work formed the basis of Prudential's 'People Principles' which outline the culture and core values of the organisation.

The success of the Employee Forum has been due in part to their very positive relationship with the executive team. The senior leadership at Prudential fully understands the importance of voice and for the role of the Employee Forum in its facilitation. Practically all decisions affecting employees go to the forum for consideration and they are heavily involved in projects that impact employees. The forum is closely linked up to the Chief Executive and other senior colleagues through the Chair who is regularly in touch with them and with whom there is an 'open door' relationship.

The reason the forum is so appreciated is because, in the words of Heather Milligan, it is trusted to "*do the right thing and add value*" to the business. It is seen as able to

feed back staff views in a way that is “*constructive and grounded*”. It identifies not just problems and issues within the organisation, but also the solutions to these. This allows the forum to have a positive role in not just expressing employee views, but also in shaping how colleagues are connected to the business strategy and direction of Prudential.

It is also useful to management as it helps them keep in touch with staff feeling and morale. In the words of one rep, “*it can act as a very good gauge and voice for how people are feeling and what’s on people’s minds*”.

Reps on the Employee Forum and staff tended to emphasis its importance for two main reasons. First, it gives staff an opportunity to express their opinions and ensure the issues that matter are addressed. In short, it is a tool that enables staff to have a say and change the company for the better .One rep described the role of the forum as “*ensuring that every employee has a chance to make a difference to the way they are treated*”.

Secondly, reps also argued that the Employee Forum has an important psychological impact on the way staff see themselves and feel. As one explained, “*I feel it instils a feeling that the company values your opinion and input on various topics affecting the business and working life.*”

Recently, the Employee Forum has been developing its operating model to reflect its contribution to a continuous flow of feedback to the business in support of the engagement strategy. It was recognised that the previous structure didn’t give reps enough autonomy or responsibility. Senior management also wanted to be able to “*shine a light*” down through the organisation and focus on a particular office, service area or function. In order to deliver this, they have established three types of rep. The first, Specialist and Lead Reps, are responsible either for a particular subject area, or a particular function. They have a direct relationship with the key stakeholders, including executive directors, senior managers, the HR Business Partner and Internal Communications. Then there are the Pulse Reps, so called because they have their “*finger on the pulse*” of the organisation. They feed back at monthly meetings to share how internal messages are landing with employees.

In terms of communicating the work of the forum, there is a quarterly newsletter which goes out to all staff. In addition, they have the Employee Zone, a hub on the website with information on the forum and a dedicated ‘forum branded’ inbox for e-mailing constituents. For larger campaigns, the forum works closely with Internal Communications and has access to the full range of channels including the intranet, plasma screens and posters. For new starters to Prudential there is a booklet explaining the role of the Forum.

Back at the start, the trade union and the forum were quite unsure of each other. As with forums elsewhere, the union was initially wary about the new body. In the words of Steve O’Donnell, the Senior Rep from Unite, they saw the forum as potentially “*creeping onto their territory*”. The main issue was over individual representation which was a part of the union’s unique offer to members.

However, thanks largely to a good relationship between Steve O’Donnell and the Forum Chair Heather Milligan, the two organisations have been able to develop a strong working relationship.

This has in part been down to a division of responsibilities that “*established ground rules*” between the forum and the union. The union deals exclusively with representation on individual cases and negotiations on terms and conditions which the forum does not involve itself in. As Heather says, “*there is now an appreciation that the different structures serve different purposes but that they both have a role, and they can and do complement each other*”.

The role of Trade Union

Prudential has a collective bargaining agreement with Unite at two of their three sites in the UK. The union represents roughly half of Prudential's staff across their three offices and they play a significant role in facilitating employee voice.

Both the union and the leadership at Prudential understand the importance of employee engagement and of employee voice in contributing to this. Steve O'Donnell claims that there has been a step change in this area in the last few years. Whereas engagement was once treated as a "tick box" exercise, there is now "a genuine sense of [the leadership] listening". Again, this has been linked to the arrival of a new Chief Executive, Rob Devey, and HR Director, Cathy Lewis, both of whom really value the importance of voice. In the words of Steve, "there is a recognition that staff have a good understanding of how things work on the ground and that they should be listened to."

This genuine two-way communication helps make employee relations much more productive. The sides do not always agree, but when there is a difference of opinion, both parties tend to respect and understand the views of the other. This reduces scope for conflict, ensuring Prudential can manage change effectively.

As well as ensuring a good relationship between managers and staff, the industrial partnership approach also helps improve the quality of decision making. The leadership recognise that staff understand their role and can play a vital role in improving productivity. As Steve O'Donnell says "change is too important to be left to the management and a few people."

As mentioned above, listening to employee voice and undertaking genuine consultation helps ensure staff buy-in. In the words of Steve O'Donnell, "it helps sell the change...people feel more comfortable in accepting it." This is obviously good in terms of employee relations but it also has tangible benefits for the business as it means they are able to "move forward and implement change" effectively and without unnecessary conflict.

The union holds quarterly meetings in each site to gauge the morale of staff, seek feedback on the state of the business and give them the opportunity to raise any issues. They also update employees on the work of the union. Both members and non-members are welcome at the events. This enables them to speak on behalf of employees as a whole.

The union itself meets directly with the company on a monthly basis as a minimum. This always includes HR but sometimes other managers as appropriate.

Management at Prudential has a lot of praise for the union. Alison Meale, Colleague Brand Manager argues that "the productive and constructive relationship with Unite is important to us and we've invested in that." Steve O'Donnell is a full time rep from Unite paid for by Prudential. In the words of Allison, "he gets the engagement agenda and supports the free flow of views as he's got an ear to the ground which is really useful for us."

Annual Colleague Survey

In addition to accessing collective voice through the forum and the union, Prudential also uses a Colleague Survey to tap into voice more directly.

Carried out externally by the Hay Group, the survey has been a success, particularly in terms of the completion rate which hit 89% over the last two years. Prudential puts this down to the approach of sharing stories across the business about local actions that have taken place as a result of the survey results.

On delivery of the results, managers are offered a walk-through with the forum reps of what they mean for their team. They are supported to undertake action-planning sessions with their employees to address any issues that arise. With all this help, managers are also clear on what is expected of them. As Alison Meale, Colleague Brand Manager, engagement survey programme lead explained, *“managers have local discussions to agree actions that address feedback from the team.”*

Including staff in the action planning helps them understand the importance of the survey and shows that their views are acted on. As one employee argued, *“the important point of a survey is not just to ask the questions, it’s the work afterwards to get below any issues... This is great for morale and shows people that they are listened to.”*

Prudential’s response to the staff survey is obviously highly effective. Results improved significantly in their 2011 survey (2012 data is yet to be published) with an 8 point jump in levels of engagement. Hay Group, the survey providers, described this result as *“one of the biggest overall improvements Hay Group has ever seen.”* They put this change down to the work of managers who *“have been instrumental at driving a step-change in people’s attitudes and motivation.”*

Innovation Portal

As shown above, in addition to involving and consulting with staff during periods of change, Prudential sees employee voice as an important driver of innovation and improvement.

One such example of how they’ve used voice in this context is their innovation portal called ImPRUve. This is an online platform, designed and trialled initially in the IT area, that allows employees to suggest things that can be done to improve the organisation. It is interactive and allows colleagues to ‘like’ or ‘dislike’ suggestions and add their own comments, allowing for a gauging of the importance of the issue and the natural development of solutions.

A local facilitator progresses ideas, often involving the person who has raised it. They are responsible for responding and overseeing delivery if the suggestion is adopted. It has been hugely successful and has just been rolled out across the customer service teams, with the intention of providing access to the whole of Prudential UK & Europe in the future.

Part 4: Factors influencing voice at Prudential

Union Relationship

Prudential is a relatively well-unionised workplace but the pattern across the organisation is mixed. Although roughly 50% of staff are Unite members, this varies greatly between departments and offices. One of the three main sites does not have a collective bargaining agreement as it was acquired as a result of a merger.

Given this mixed picture across the organisation, it is important that voice is accessed from union members and non-members alike. Prudential's approach to voice ensures that all of its employees can be heard equally. Alongside its relationship with Unite, it has the Employee Forum which represents all members of staff. Prudential is also able to access voice from all staff through both the staff survey and interactions between employees and line managers.

For their part, the union also works to engage with non-members and ensure that their voice is heard. Their meetings are open to all – members and non-members alike – and they consult widely to inform their activities including negotiations on pay and terms and conditions.

Adapting to change

The financial services industry is both highly competitive and rapidly changing. Companies have to stay competitive and adapt to the changing market. In such an industry, employee voice is crucial.

As shown above, employee voice can help in three important ways. First having an informed employee voice can help inform decision-making. Facilitating employee voice allows Prudential to tap into the experience and expertise of its employees, enabling more effective and informed decision making. Second, through engaging with staff and facilitating employee voice, Prudential can reduce the risk that changes will be opposed. This eases the process of organisational change, allowing the business to adapt effectively. Finally, facilitating voice can help create a positive communication climate where continuous two-way dialogue is encouraged, different perspectives are appreciated and there is a clear understanding of business direction that reaches all employees.

Strong leadership

The senior leadership of Rob Devey, Chief Executive, and Cathy Lewis, HR Director, at Prudential UK & Europe are convinced of the importance of employee voice.

This is demonstrated by their approach to voice. All important decisions affecting staff are taken to the forum and there is an 'open door' policy between the Chief Executive and the Chair of the Forum.

The commitment of the organisation to voice is also demonstrated by their dedication of resources to the area. The Employee Forum Chair is seconded full time to the role

and they also employ a full time Union Rep who is part of the employee voice picture.

Commitment to communication

Prudential has recognised the importance of constant communication with employees. This is shown by the commitment to communication in their 'People Principles'. They "*believe in open, honest communication, even when we have difficult decisions to make.*" Their rationale for this is that "*debate and transparency throughout the organisation allows clear thinking, wise actions and the best outcomes for our business.*"

This commitment is demonstrated in practice. When undergoing a process of difficult change in the organisation, Prudential consulted widely through its forum, the union and through individual conversations with employees. When there was greater stability, Prudential re-examined how it went about facilitating employee voice, and changed the structure to make it more fit for purpose.

Enabling managers

Prudential sees the role of line managers as central to engaging with staff and facilitating employee voice. As Alison Meale explains, "*managers have an absolutely critical role to play because, in terms of your relationship with the business, it all hinges on your manager. That's where you're getting your vibes from, your messaging from, your experience from; how they treat you every day; how they recognise or don't recognise your performance. So their role is absolutely pivotal.*"

This view is reflected in the way that Prudential approaches voice. Managers are supported to facilitate voice through the employee survey. They are supported to understand the results of the survey, and they can get help in action planning to resolve any issues it finds. However, managers are also expected to lead and this role includes communicating effectively with their staff.

As shown above, the role of managers in driving engagement has been acknowledged by Hay Group. They said that the improvement in engagement in the staff survey shows the success of managers who "*have been instrumental at driving a step-change in people's attitudes and motivation.*"

Part 5: Benefits

The approach to voice at Prudential has benefits both for the business and for employees themselves.

In terms of the business, having a strong employee voice at Prudential allows the business to make well-informed decisions, and to make them promptly. As shown above, Prudential recognises that their workforce has a considerable amount of accumulated knowledge, experience and expertise. Employees know the organisation, their job and their customers, and they often know what needs to be done to improve the service. They can provide informed opinions on whether change plans are likely to work and they are able to propose improvements independently.

As Prudential accesses voice through a wide variety of channels – employee forum, trade union, colleague survey, focus groups and individual conversations – it is able to get a full and rounded understanding of employee voice to aid decision making.

Cultivating a culture which values voice also allows Prudential to make timely decisions without unnecessary delay. This is particularly important given the volatile and fast-moving industry that it works in. Employees are kept well-informed about the business and, when change is necessary, they understand the reasons behind it and are able to input into the process. This reduces the potential for conflict over change.

Asides from these points, having a strong voice at Prudential has other direct benefits for employees. It helps contribute to high levels of engagement, in which employees feel they can both influence decisions which affect them and that they are listened to. This helps contribute to high levels of satisfaction and a desire for employees to stay and commit to the organisation.

The success of their approach to voice is demonstrated by the jump in levels of engagement at Prudential. This increased significantly, despite the difficult times for the sector, and now outscores both the national average and the sector average.

Conclusion

Prudential's approach to voice demonstrates the commitment of the organisation to the concept. Senior leadership believes that an informed employee voice is crucial for effective decision-making. They also recognise its importance for employee engagement as a whole, and therefore its impact on performance.

The approach to voice at Prudential reflects this commitment. The organisation dedicates both attention and resource to facilitating voice. Their approach is multi-faceted and includes a number of channels; from the forum and the union to their staff survey, focus groups and individual conversations. This ensures that everyone has an opportunity to have their say and that they develop a good understanding of their employees.

Their approach adapts to changing circumstances, whether this be consulting during change, or engaging to sustain voice and improve the business. This means that employee voice remains strong, constant and informed, adding value to the business.