

Category: Employee engagement**Case Study: B&Q****Date: October 2007****EFA Overview**

B&Q has measured employee engagement for 7 years but has focused only in the last 2 years on making sure 'engagement' sits at the heart of how the business is managed. In the past, previously poor managers would be tolerated if their sales performance was adequate, despite the fact that their teams were unhappy and nowhere near as productive as they could be. Now managers are actively managed on their people management techniques.

Gallup, B&Q's survey partner on engagement, has described the results as unprecedented. According to Gallup research the general engagement level of workforces across Europe had remained static at around 30% over a seven year period; the percentage of actively engaged employees at B&Q currently sits at just under 60%.

Initiative

Making Engagement a core foundation of everything B&Q does.

Aim / purpose

- To make Engagement part of everyday life
- To improve the engaged to disengaged ratio
- To drive and sustain business recovery
- To create clear channels of communication so employees understand B&Q strategy and what is expected of them
- To create a culture of accountability where employees are proud of what they achieve

Business drivers

In June 2005, B&Q had an 50/50 balance of employees who were engaged or disengaged, implying a wages spend of more than £120m on people who had little or no commitment to the business.

Approach taken

The Engagement process is led at main board level by the group HR Director and the Director of Retail HR. The process is managed on a day to day basis by a dedicated team of 2 who deliver two surveys each year and design and implement engagement boosting initiatives with support from the Business Engagement and Learning & Development teams.

The programme is implemented by every single manager across the business.

B&Q uses The Gallup Q12© Workplace Measurement System to evaluate progress. They have also worked with a company called *Big Picture Learning* to develop learning maps as part of the engagement communication strategy.

Barriers

B&Q's recent engagement journey has been set against a difficult and challenging backdrop of store closures, the largest redundancy programme in

its history, restructuring of head office and the main board, poor profitability, low share price and no bonus payouts.

Success against this background was predicated on reinforcing the B&Q employment promise that the company will do what it says it going to do by:

- Clear communication – improving our internal publications – making them more focused and relevant.
- Making the strategy accessible and understandable – through management conferences, regular strategy updates, learning maps and team games to explain business initiatives.
- Listening to and acting on feedback – e.g. The “Orange Room” (a twice weekly conference call for all store managers, chaired by a Board member with an emphasis on real time feedback and immediate direct action).
- Bringing B&Q values and strategy to life with a multi media programme
- Making Engagement a priority – holding managers accountable for engagement with their teams. Providing reporting tools, action planning assistance and performance review materials to measure engagement and values-led behaviour.
- Putting the customer first in everything – changing the way staff are deployed in store to make sure the customer is always the focus.

Impact

Introducing the policy and measurement system represents just the first steps towards success – getting every manager across the business to believe that people are B&Q’s greatest resource and asset is what has made the real difference.

Many aspects to the engagement agenda have combined to create a culture and atmosphere within the company that values team effort as well as individual contribution.

The results of a strengthened focus on engagement include:

- Movement from bottom to upper quartile engagement and world class engagement in operations
- More people than ever before participating in B&Q’s Engagement survey (84%) showing they are confident that B&Q will listen and act.
- Reversing the proportion of engaged and disengaged employees: currently only 11% of staff are actively disengaged.
- Improvement in engagement is correlated with a turnaround in line for line sales growth from –8.8 to +1.4 and performance improvement against sales budgets of up to 18%
- A better and more consistent customer experience as measured by a Mystery Shopper programme
- A speedier delivery of innovation across the business due to improved cross-functional working, facilitated by better communication, improved understanding of the bigger picture and a genuine desire from the majority of our employees to make the extra discretionary effort.

Monitoring

- B&Q reviews the results from the engagement survey which gives each manager a score out of 5. A score of 4.17 or above ranks as upper quartile or world class.
- Mystery shopper surveys to measure the effect of having engaged employees who enjoy their jobs has on the customer experience. They

are carried out twice a month at every single store with results now topping 80% in all stores.

- Finally B&Q uses standard business KPIs such as profit, sales and like for like growth. Like for like sales growth has moved from minus 8.1 to plus 1.4 at the end of financial year 2006 and it continues to grow in financial year 2007.

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