final report

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NCMC Developing Organisational Culture to Drive Innovation, Growth and Profitability

Abstract

Northern Co-operative Meat Company is committed to developing innovation within the business conducted a baseline study of the organsational culture in terms of the current state of engagement of the workforce which will inform strategies to build the desired culture in developing the businesses innovation capability from an organisational cultural perspective.

A baseline cultural survey forms a critical aspect in building innovation capability. This process will form the basis for any cultural change work which will be undertaken as part of the NCMC collaborative innovation strategy program.

Executive summary

Researchers Gerard J. Tellis, Jaideep C. Prabhu and Rajesh K. Chandy found after studying innovation among 759 companies based in 17 major markets that corporate culture was a much more important driver of radical innovation than labor, capital, government or national culture (http://sloanreview.mit.edu/article/how-innovative-is-your-companys-culture/).

Northern Co-operative Meat Company is committed to developing innovation within the business and at this early stage of the collaborative innovation strategies program they will conduct a baseline study of the organsational culture in terms of the current state of engagement of the workforce which will inform strategies to build the desired culture in developing the businesses innovation capability from an organizational cultural perspective.

In order to understand the current of level of engagement and see/hear the 'view' or 'mythologies' held by the workforce a qualitative and quantitative engagement assessment is to be conducted. The assessment will then inform the initiatives required to achieve the desired objectives around building an appropriate culture to develop the organisations innovation capability.

To provide the framework for this intended assessment a provider has been identified who will use a "Systems Leadership" methodology as a set of models that can assists us to understand 'how' an organisation thinks and feels. It examines an organisations systems, symbols and behaviour in order to provides strategies and tools to influence and effect cultural change.

The assessment will be conducted both by survey of all employees across the business and one on one interviews with a selected number of staff.

Research from other industries highlights the following impacts associated with organisational culture:

- More innovative – maintaining competitive advantages
- More profitable - highly engaged workplaces are 40% more profitable.
- Higher productivity - highly engaged staff can be up to 78% more productive than staff with low engagement levels.
- Lower staff turnover - organisations with positive cultures have up to 45% lower staff turnover.
- Lower levels of absenteeism -organisations with positive cultures have absenteeism levels of up to 50% lower than organisations with low staff engagement.
- Safer workplaces -organisations with low staff engagement have up to 62% more accidents than organisations with highly engaged staff.
- Higher staff engagement -organisations with positive cultures have higher levels of innovation.

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1   Background

Northern Cooperative Meat Company is focusing on an industry wide problem of attraction, selection and retention of the human capital within the business as they seek to understand the relationship the company has with its workforce as this will allow them to make decisions into the future based on empirical evidence not mythology or assumption as they build a desired organisational culture which will increase the entrepreneurial and innovation capability of the business.

2   Project objectives

The objectives of this project are to undertake research and innovation around culture and people in regard to the development of innovation capability within the business

This includes:

- Measuring and defining the current and desire culture at NCMC.
- Measuring employee engagement and implementing strategies that develop engaged staff. This would include monitor the impact of these strategies.
- Developing long-term strategies to reduce staff turnover.
- Reducing the impact on productivity through absenteeism by better understand the drivers and implement targeted strategies.
- Implementing a more robust customer satisfaction and continuous improvement process, and
- Identifying and implementing strategies that continually engage staff on innovation.
- Devise a communication strategy and plan. This includes identifying, designing messages, audience, media and timeframes for the engagement survey. Provide a format for verbal and written messages.
- Develop and design the format and questions for the survey based in the outcomes required such as the employee's view and feelings on innovation, career development,
- Choose a method/s for the survey distribution i.e. payslips, electronically through email, releasing employees to input into a workstation.
- Issue the survey to all employees in each area across the business
- Collate and analyse the data
- Compile a report on the findings
- Present findings and suggestion for next stage of the NCMC cultural development requirements in regard to the wider innovation program and compile a final project report.
- Develop and present a case study on process and effectiveness.

3 Methodology

3.1 Context

As a company changes and diversifies it needs to take stock of its current position in respect of productivity, processes and people. A engagement survey examines the current position of the organisation in order to inform on its future initiatives. Either to increase, decrease or maintain the effect of the culture.

3.2 Purpose

The purpose of this case study is to report on the methodology and subsequent activities to undertaken to create a baseline measure of the engagement of employees at NCMC.

3.3 Case Study

A collaborative approach was taken with key stakeholders at NCMC. Each step of the process was discussed and agreed. This allowed Response to support NCMC and build internal capability as well as develop and guide the strategy process of creating engagement opportunities within the business. Working in partnership allowed Response to understand the business needs and its drivers which will heavily influence the engagement initiatives in each business area into the future.

Step 1 Develop and design the format and statements for survey
After initial discussions with key stakeholders at NCMC it was agreed to hold a brainstorming workshop to design the constructs and statements and rating scales that would allow us to measure happiness and wellbeing at NCMC. Those constructs and statements were then developed into a survey format for distribution, see appendix A. The wording was carefully chosen to reflect the intended audience and it was stressed that the survey was anonymous and that only Response would receive the data for collation.
The engagement survey comprised of 15 statements framed around the constructs of:
• team membership
• motivation
• communication
• leadership
• values
• safety
• learning and development.

The 15 statements included:
Statement 1: I feel part of my team
Statement 2: I take the initiative to help other workers when needed
Statement 3: I have the opportunity to contribute to decisions that affect me
Statement 4: My immediate supervisor supports me
Statement 5: It is ok to speak up about issues
Statement 6: I keep going when the going gets tough
Statement 7: I try to give my best efforts at work each day
Statement 8: My immediate supervisor is fair
Statement 9: I feel proud to tell people where I work
Statement 10: I feel respected by my immediate supervisor

Statement 11: I feel safe at work
Statement 12: I receive feedback on my work from my immediate supervisor
Statement 13: I understand how my role contributes to achieving outcomes
Statement 14: I can see a career pathway here for me
Statement 15: My immediate supervisor motivates me
Question 16: An open ended question at the end of the survey asked how each respondent felt about coming to work each day and ask for an elaboration on why they responded the way they did.
Demographics of the respondents department and immediate supervisor where also collected.

Step 2 Selection of method/s for the survey distribution
After discussion it was agreed that the best way of reaching all employees at NCMC was to attach the survey to pay slips, either paper based or email. Very few payslips are issued by email so it was anticipated that most would be received through locked boxes that were strategically placed in lunch rooms and laundry. This allowed for further anonymity of the survey.

Step 3 Communicate engagement initiative and issue the survey to all employees through their paper or email based payslip.
It is useful to inform employees that the survey is coming to create interest and be able to express the intent formally. Two methods were selected; CEO addressed the
whole workforce in his regular updates and a flyer was created which was then placed on all noticeboards. The survey was then issued with a return date of 2 weeks.

Step 4 Collate and analyse the data and compile a report on the findings
The locked boxes were then opened in the presence of HR and the surveys were then collected and forwarded to Response for data collation and analysis. This analysis process was undertaken at two levels; the organisational collective level and the department level. Further research was undertaken to identify trends and supporting theoretical evidence.

Step 5 Presentation of preliminary and final findings
Two opportunities were taken to provide feedback on the findings to the HR team and CEO; preliminary and final findings. The final presentation detailed the findings,
meaning and report suggestions for improvement and developed a communication plan for dissemination of results to key stakeholders.
Two key documents were created to support the dissemination of the main report; a one pager flyer was created on the findings and a Powerpoint presentation for HR and Senior Managers providing the meaning of the findings. These documents were and will continue to be utilised as feedback to their teams and the wider workforce.

Step 6 Focus groups
Two focus groups were conducted to validate the findings of the survey. 5 questions were asked to explore further and in more depth some of the survey findings

Step 7. Creation of communication plan
It is important to be timely with feedback and targeted with the information. Consideration was given to who and what and how communication will be disseminated to the workforce levels.

Step 8. Design, develop and implement an action plan and suggestion for next stage

The survey report and focus groups have identified strengths and improvements. From this an action plan will be developed by the HR team and initiatives will be implemented in alignment with the plan.

4 Discussion

4.1 Indicators of success and areas for improvement

WHAT IS WORKING WELL?

• Team membership and inclusion is working well in the administration, engineering, by products, offal, and loaders department

• Collectively the staff feel they can take initiative to help their colleagues

• Collectively the staff report a level of individual resilience

• Collectively the staff reported individual levels of daily motivation

• Collectively the staff reported that they feel safe at work

• The majority of staff understand how their role contributes to achieving business outcomes

WHAT COULD BE IMPROVED?

• Team membership and inclusion could be improved in the boning room, slaughter floor, and cold stores.

• Employees from the boning room, slaughter floor, cold stores and engineering departments could be provided with opportunities to contribute to decisions that affect them personally

• Employees from the slaughter floor, and cold stores could benefit from more support from their supervisors.

• More opportunities could be provided for staff to put forward their ideas or provide feedback (particularly staff from the slaughter floor, cold stores and engineering departments who reported they felt they couldn't' speak up about issues)

• Discussions between management and employees from the slaughter floor, and cold stores could be conducted to ascertain why there is a perception of favouritism by supervisors

• Supervisors learning how to provide constructive feedback particularly in the boning room, slaughter floor, administration, cold store, engineering departments

• Supervisors demonstrating respect for the staff within the slaughter floor and cold store departments

• Clear career pathways be establish and communicated particularly within the slaughter floor, cold stores and engineering departments

- Supervisors learning how to provide daily/weekly motivation to staff

5   Conclusions/recommendations

This report provides a baseline measure of employee engagement at NCMC. Overall, findings indicate that employees have a level of comradely, a level of individual resilience, and self-motivation.