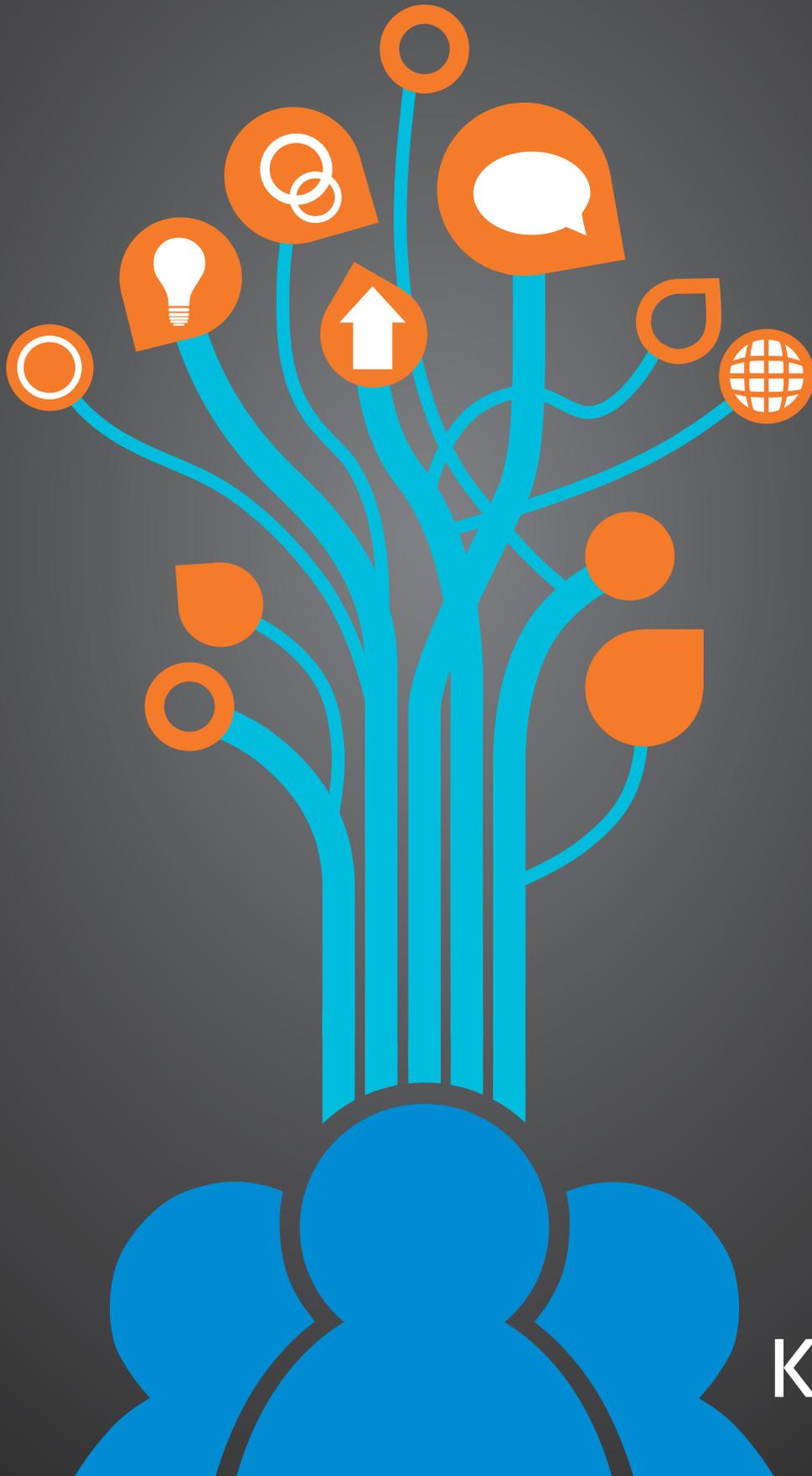


# EMPOWER YOUR PEOPLE

IT'S ALL PART OF A SMARTER WORKFORCE



**KeneXa**<sup>®</sup>  
an IBM Company



“

We uncover insights from our research that empower us to understand how people work and recognise what makes them good at what they do.

”



# EMPOWER YOUR PEOPLE

## IT'S ALL PART OF A **SMARTER WORKFORCE**

For the better part of 20 years, leaders globally have been trying to figure out how to transform the people part of the business equation into a truly evolved talent management model that predictably and measurably ensures the best outcomes for both the business and the people who make those businesses thrive.

We believe we finally have an answer, and we call it the Smarter Workforce. Smarter Workforce is more than an idea and it is more than a product offering—it is an entire workforce solution. With IBM's acquisition of Kenexa, two industry leaders are coming together. By blending the best-in-class HR solutions offered by Kenexa with the cutting-edge social and analytics technologies of IBM, we are able to offer a collection of solutions that offer insight and a return on investment never before encountered in this industry.

A recent global IBM study revealed 70 percent of CEOs cite human capital as the single biggest contributor to sustained economic value. Business leaders want to attract and retain the very best talent, enable productivity with the right tools and systems, motivate employees and simplify processes to achieve measurable results. Employees want to work for a company that aligns with their personal values, be recognised and contribute to business objectives, have the right tools to do their jobs, and develop their own skills and careers. By combining our deep insight and experience in employee engagement and talent management with the world's best technology, we can build a Smarter Workforce to drive exceptional business outcomes.

We face the challenge of bringing relevant data, insights, tools and expertise into the hands of business leaders within every functional department, from sales and marketing to product development and human resources, to help them attract, develop and engage the right skills, on the right projects, the first time.

In our seventh publication, we introduce Kenexa's High Performance Engagement Model as a framework to help you understand how to unlock the potential of your workforce to allow your business to thrive. We uncover insights from our research that empower us to understand how people work and recognise what makes them good at what they do. We share evidence and inspiration for the business benefit of fostering employee engagement and providing practical steps to enable performance.

Stories of real people, their challenges, journeys and successes illustrate that when we give people the focus and tools to perform, the true passion and collective intelligence and creativity of our workforces can be unleashed. Our sincere thanks to all who courageously shared their stories in the spirit of inspiring others to see what is possible.

We believe we are at a tipping point in workforce enablement. Organisations that recognise the importance of, and become committed to, enabling a Smarter Workforce will attract and retain the right talent for their business and will ultimately have a competitive advantage. While HR will play a leading role in enabling a Smarter Workforce, every operational function will need to get involved.

We look forward to partnering with you as we embark on this exciting new frontier.



**Sanchia Yonge**  
Managing Director ANZ  
Kenexa, an IBM Company

# DRIVING SUCCESS

## IN AN UNCERTAIN WORLD: ENGAGING AND ENABLING EMPLOYEES GIVES AN EDGE

Today more than ever, businesses need to think strategically. In a world where economic favours shift and wane, local and international opportunities are fleeting, and technological advantages become dated with alarming rapidity, the organisations that remain competitive continually look ahead, work well internally and mobilise for speed and flexibility. Successful organisations utilise their employees effectively and are more likely to know how to create a workplace that is fulfilling and enjoyable for its people—where people are enabled to perform to the best of their ability.

If you were the CEO of a perfect organisation, what would your business look like? You might think first of a winning product or service—the next Facebook, perhaps. You might dream of a well-fitted building, the best tools and equipment and glowing media reviews. You might even consider the team of bright, interested, enthusiastic people you would work with—people you can trust who are advocates for your organisation and who put in their best effort to achieve the goals you set.

Let's consider this team further.

You might have hired them for certain knowledge, skills or characteristics you see as important, and they are likely to start work being passionate and committed to your perfect organisation. In an ideal world, they would retain this attitude forever, regardless of anything you, as their CEO, do (or do not do). In reality, their perceptions will alter over time depending on a number of factors, including the leadership you provide, whether they feel they belong or their contributions are valued.

These people will be critical to the success of your business. What could you do to ensure your team continues to feel emotionally connected to your organisation and voluntarily invest effort? And, keeping in mind that employees' attitudes (while very important) are not enough for success, what environment would you need to provide for them to excel?

## EMPLOYEE ENGAGEMENT

### Are your employees motivated?

Engaged employees are likely to be enthusiastic and energetic when approaching challenges. They are advocates for their organisation and will consistently go the extra mile to deliver outstanding customer service. Your engaged employees will display discretionary effort to a much greater extent than the rest and are likely to be your star performers.

#### EMPLOYEE ENGAGEMENT:

The extent to which employees are motivated to contribute to organisational success, and are willing to apply discretionary effort to accomplishing tasks important to the achievement of organisational goals.

It is no surprise that global and local research has consistently linked employee engagement to many organisational success indicators. Engaged employees have been found to be:

- Willing to do their best, leading to improved services, products and processes
- Present both physically (through less absenteeism) and emotionally (through discretionary effort)
- A lower flight risk, meaning lower costs and disruption to the organisation
- Your advocates—speaking positively about the organisation, resulting in stronger public perceptions of it as an employer and brand

To see our findings on the effects of engagement on organisations, turn to page eight.

## PERFORMANCE ENABLEMENT

### Are your engaged employees able to achieve?

Engaged employees might be committed, willing and motivated to work hard, but these qualities may not be fully utilised or leveraged if they are placed in a work environment that prevents them from performing effectively.

In an ideal world, every employee would be in an environment that supports and enables them to do the very best job they can.

Enabled employees have access to adequate tools and equipment needed to do their jobs properly. They are trained on how to perform tasks safely and well, and they receive

support through timely, high-quality feedback on their performance. Enabled employees have input into the way their jobs are performed and work with people cooperatively to get the job done. Quality is lived on a daily basis and, perhaps as a result, these employees can be expected to display greater customer focus.

#### PERFORMANCE ENABLEMENT:

Kenexa sees Performance Enablement as the extent to which an organisation is strongly committed to high levels of customer service and product quality, and relies upon collaboration, involvement and continuous improvement practices to achieve superior organisational results.

It is difficult to perform well if you lack the basics. People may need to spend a significant amount of time trying to work around these difficulties, which can result in less attention given to critical tasks, frustration in daily work-life and poorer output. Monitoring these indicators allows leaders to stay aware of threats to product quality, customer relationships and make mid-course adjustments to their plans, structures and systems if needed.

#### PERFORMANCE ENABLEMENT INDICATORS:

- Quality Emphasis
- Involvement
- Resource Access
- Training
- Collaboration
- Customer Orientation

IF ENGAGEMENT IS **MOTIVATION**,  
PERFORMANCE ENABLEMENT IS **ABILITY**

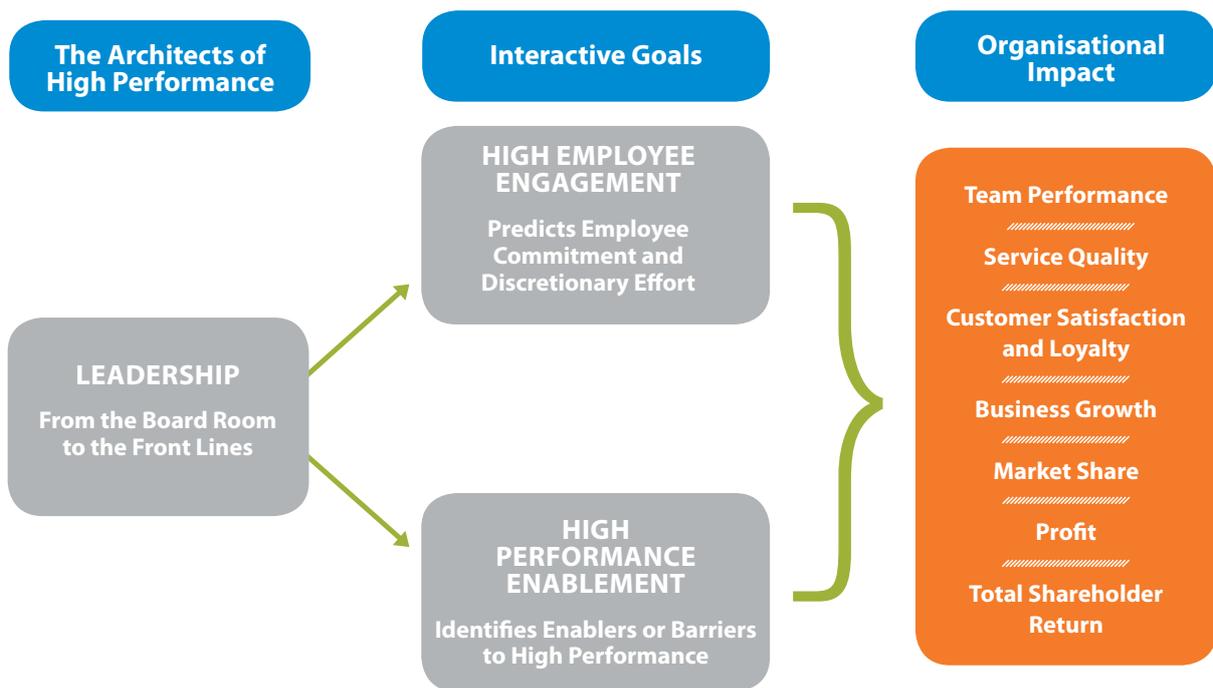
# HIGH PERFORMANCE ENGAGEMENT MODEL

Last year, we focused on leadership, including the ways effective leaders and managers foster employee engagement and the benefits this provides the organisation. This year, we build on this theme by introducing the High Performance Engagement Model.

If engagement is about inspiring a passionate and enthusiastic workforce, creating an enabling environment is about giving employees the focus and tools to perform to the highest possible level. Kenexa global research linking engagement, organisational practices and organisational performance finds that the impact of an engaged workforce is amplified when people are placed in an environment geared toward performance enablement.

Organisations with a large proportion of highly engaged and enabled employees are in the fortunate position of having highly motivated employees who are supported to do the best they can. These are the organisations whose leaders expect a lot from their people—and receive it.

**Engagement alone is not enough** to ensure performance excellence; employees must be enabled **to reach their full potential.**



When engagement is present, people who are motivated to do their best will find a way around most problems, contrive new solutions and maximise whatever resources are available to them. Enablement ensures there are no obstacles in the path of people trying to do their best each day.

When both are present, employees are “hitting on all cylinders.” Global Kenexa research has shown that, combined, the impact of high engagement and high enablement on organisational outcomes in areas such as team performance, business growth and net profit is greatly improved.



# UNPACKING THE IMPACT OF ENGAGEMENT AND ENABLEMENT

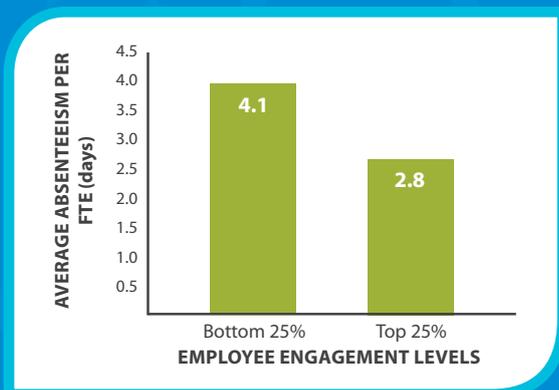
Money talks—there is no question about it, especially in the business world. Each year, alongside the Kenexa Best Workplaces Programme, we ask participating organisations to provide us with financial metrics and information on their people strategy. Drawing on this data and the information gathered through the Best Workplaces Survey, we investigated the link between employee engagement and important business metrics to shed light on the immediate and long-term return of building an engaged workforce.

## ENGAGED EMPLOYEES ARE LESS LIKELY TO BE ABSENT

Let us begin by comparing absenteeism levels for organisations that are in the top and bottom 25 percent based on employee engagement levels.

Organisations that sit in the top 25 percent tend to have lower absenteeism on average, with approximately one less day of absenteeism per full time employee.

While this might not sound like much on its own, its impact becomes clearer when you think about the organisation as a whole. Given that there are around 220 working days a year (depending on a country's laws and organisation's policies), for a small organisation with 50 full-time staff, a drop in unscheduled absenteeism by one day per full-time employee over the course of one year equates to 50 fewer days of lost labour. In other words, the organisation gains an additional working day of profit per employee per year.



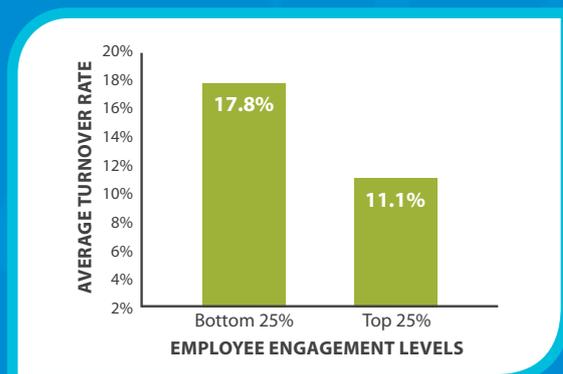
## ENGAGED EMPLOYEES ARE LESS LIKELY TO LEAVE

Anyone who has had experience with hiring new employees to replace someone who has left the organisation is likely to agree that a significant amount of time, money and effort is required to find and train a replacement. Prior to the replacement being found and trained, further costs are incurred in terms of productivity losses and the additional workload placed on others within the same team. Thus, it is certainly noteworthy that the average turnover rate for organisations in the top 25 percent is a third lower than organisations in the bottom 25 percent.

What does this translate to in dollar terms?

There have been a wide range of cost estimates for employee turnover, from 30 percent to 400 percent of an employee's annual salary, which vary depending on industry and level of seniority. Assuming that a leaving employee has an annual salary of \$50,000, and the cost of turnover is 80 percent of the leaving employee's annual salary, a difference of 6.7 percent in turnover rates translates into:

ORGANISATION SIZE	TURNOVER REDUCED BY	COST SAVINGS
Small (50 employees)	3 employees	\$120,000
Medium (150 employees)	10 employees	\$400,000
Large (500 employees)	14 employees	\$1,360,000



# WHEN **ENGAGEMENT** AND **ENABLEMENT** ARE BROUGHT TOGETHER

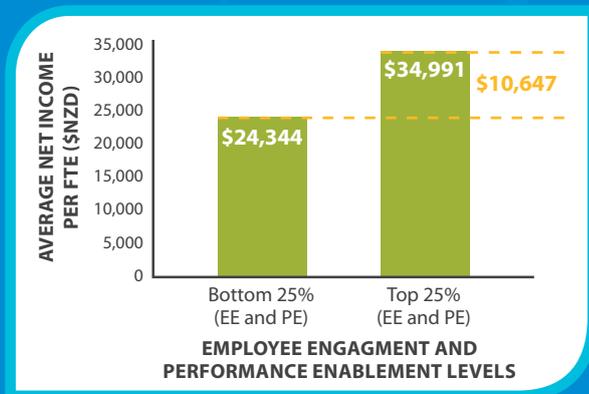
As mentioned previously, engagement and enablement are complementary constructs that allow employees to achieve the best they possibly can.

What might the bottom-line impact look like when an organisation is underperforming on both fronts (i.e. "Below Potential") versus one that is 'hitting on all cylinders'?

To answer this question, we compared the highest and lowest performing groups (Top 25% and Bottom 25%) based on both engagement and enablement levels in terms of their annual net income, reported customer measures and innovation measures.

## ENGAGED AND ENABLED EMPLOYEES POSITIVELY IMPACT FINANCIAL PERFORMANCE

### Annual Net Income per Full Time Employee



When comparing the top and bottom groups based on both engagement and performance enablement levels, we can extrapolate that with a gap of \$10,647 in the average reported annual net income per full-time equivalent:

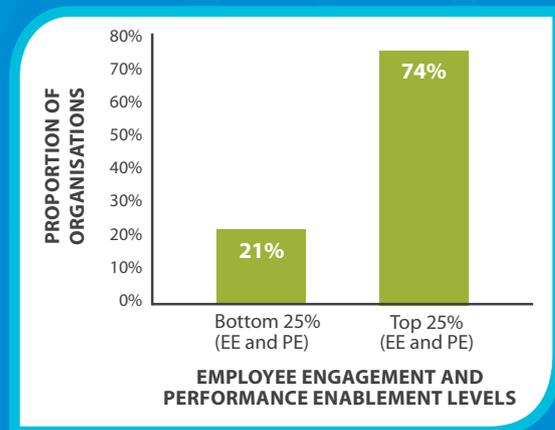
- A small organisation (50 employees) could earn an additional \$532,350 annually
- A medium sized organisation (150 employees) could earn an additional \$1,597,050 annually
- A large organisation (500 employees) would earn an additional \$5,323,500 annually

What's more, when an organisation has an engaged and enabled workforce, the impact extends beyond financial returns to building more long-term, sustainable organisational success.

## ENGAGED AND ENABLED EMPLOYEES GIVE YOU HAPPIER CUSTOMERS

When looking at organisations' reported performance on customer measures, those in the top 25 percent group in terms of their engagement as well as enablement level are 3.5 times more likely to report an improvement in their customer related performance measures.

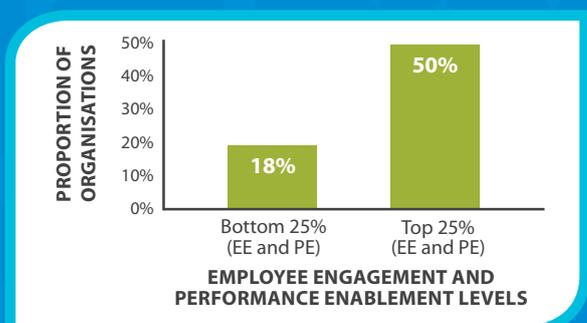
### Improved Performance in Customer Measures



## ENGAGED AND ENABLED EMPLOYEES FEEL MOTIVATED AND SUPPORTED TO INNOVATE AND IMPROVE

Our analysis shows that organisations in the top quartile of engagement as well as enablement are close to three times more likely to report having introduced new or significantly improved goods, products and services in the past 12 months.

### New or Significantly Improved Goods/Products/Services



With a higher net income, stronger customer-related performance and continuous improvement, organisations with an engaged and enabled workforce will in turn enjoy the wider benefits of sustainability and growth in today's challenging world.

# START BY **CAPTURING** **THE HEARTS** AND **MINDS** OF **YOUR PEOPLE...**

So, what can be done to improve engagement levels within organisations?

Every business has a finite amount of time and resources to dedicate to engagement, which is why it is important to focus on the few crucial things that matter most to people's engagement.

**ANALYSIS OF THE 2012 KENEXA BEST WORKPLACES SURVEY DATA SHOWS THAT EMPLOYEES ARE MORE LIKELY TO BE ENGAGED WHEN THEY:**

	PERCENT FAVOURABLE
Feel like they belong or are a part of the organisation	75.0
Derive a sense of personal achievement from their job	79.7
Feel that their contribution is valued by the organisation	68.8
Are confident in the leadership of the organisation	73.2
Experience fun at work	71.6
Believe in what the organisation is trying to accomplish	86.1
Feel that there is a sense of common purpose within the organisation	70.3
Feel sufficiently involved in decisions that affect the way they do their jobs	71.6
Are encouraged to try new ways of doing things	70.2
Fully utilise their knowledge and skills on the job	70.5

*\*Note: The percent favourable value represents the proportion of respondents who provided a favourable rating (either agree or strongly agree) on the respective key driver questions.*

Although the drivers of engagement differ for each organisation, employers that act on the areas listed above are more likely to capture the hearts and minds of their people.

# ...WHILE **ENABLING THEM** TO **MAKE A DIFFERENCE**

Every year, we ask organisations that participate in the Best Workplaces Survey to share with us their approach to people practices. Linking this information with how employees perceive their organisation as a place to work, we are able to identify some broad practices that set apart organisations that have been rated highly by their employees on Performance Enablement.

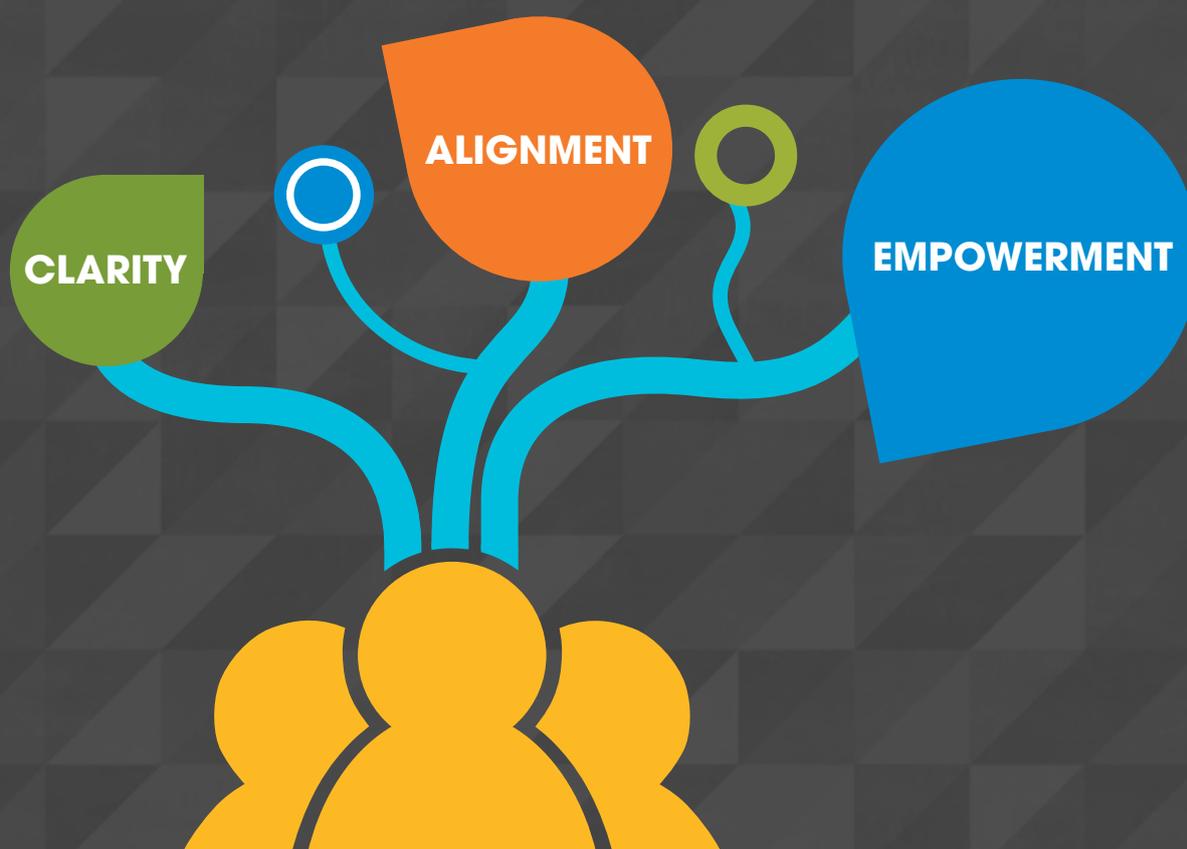
We found that organisations who scored highly on Performance Enablement are much better at meeting their people's needs of performance clarity, alignment and empowerment. In particular, these organisations are much more likely to:

- Incorporate the customer, quality and innovation measures as a crucial component of organisational performance
- Provide employees with regular updates on the organisation's performance and progress to goals
- Involve both customers and employees in continuous improvement efforts

Direction and clarity is the first step towards Performance Enablement. Our analysis revealed that senior leaders of a highly enabled workforce put a lot more emphasis on communicating

and keeping their employees updated on the organisation's short- and long-term plans. This serves to provide a common understanding of what needs to be achieved and help people focus on achieving the set goals. What gets measured can be improved, and the next step is then identifying the relevant process and outcome measures that are aligned with the organisational strategy. Metrics such as operational efficiency, quality, customer satisfaction and level of innovation can be incorporated as Key Performance Indicators (KPIs). Performance on these measures can then be monitored and communicated regularly by leaders within the organisation.

Resting on your laurels is not an option in the current economic environment. To maintain your competitive edge, there needs to be innovation. Some of the best resources to drive innovation are your people and your customers. We have found that organisations where employees feel most enabled involve both their staff and their customers in the review of product and service offerings, as well as processes/systems—in these organisations, a culture of continuous improvement is actively promoted and lived. By gathering opinions and suggestions from your internal and external stakeholders, organisations are in a better position to make meaningful changes.



# OVERLAND **OVERLAND** Gaining a “Share of Heart”

Enabling people through leadership and personal development has been a huge focus for Overland Footwear in recent years. With big business goals of doubling in size every five to seven years, going global and setting the company apart from the competition, CEO and owner Shane Anselmi says the focus of the business is to be an exciting and compelling fashion experience by delivering passion, innovation and design—and that starts with having a “share of heart.” How does gaining that share of heart happen? Having led the business for more than 20 years, Anselmi is crystal clear it’s through his network of great leaders in the 49 stores across New Zealand, as well as those managers based in their Support Office in Auckland. If the company’s managers and leaders are engaging and enabling their people, their people will be more engaged with Overland and the Mi Piaci customers.

Capping off the last eight years of testing engagement levels of its people and being Best Workplaces finalists in its size category every year, 2012 was a momentous year for Overland on a number of fronts. At the beginning of the year, the company went international, opening its first stores in Australia, and at the end of the year, it took home Overall Winner 2012 at the Kenexa Best Workplaces awards evening—proof that Overland is not only sustaining momentum in growing its people but through this, reaping the reward of business growth.

When it comes to engaging its widely distributed staff, ensuring everyone has the necessary tools and skills to do their jobs is key for Overland. “100 percent engagement



is when the manager isn’t in the store and the part time sales associates are still committed to delivering excellent customer service,” says Amy Buller, People and Development Leader. In addition to this, the distributed nature of the business adds its own challenges into the mix. “We have the tyranny of distance. Trying to get engagement across all stores is hard work. The lynchpin is the manager in each store and the extent to which he/she is engaged and believes in the culture and philosophy we have, the more that flows through the stores,” Anselmi says.

As a result, a key focus has been put on enabling managers through leadership development. Store Managers are involved in two day training programmes every three months, during which time they complete training modules on such things as emotional intelligence and overcoming conflict, along with mentoring to help build a greater awareness of their own personal development. Recently, Anselmi has been driving for greater transparency of business metrics, including engagement and financials, along with developing the business acumen of store managers. “On a quarterly basis, our CEO is sharing more of the corporate history, the nitty-gritty of the numbers (turnover, sales, costs), comparison to competitors, comparisons to where we have come from,” Buller says. Store managers are being made aware of what sort of impact an increase in sales could have on the business if

## PROFILE

**ORGANISATION NAME:** Overland Footwear Company Limited

**INDUSTRY SECTOR:** Retail

**STAFF NUMBER:** 402

**GEOGRAPHIC SPREAD:** NZ nationwide and Australia

**TYPICAL ROLE(S):** Store Managers, Assistant Store Managers, Retail Sales Associates

**WEBSITE:** [www.overlandfootwear.co.nz](http://www.overlandfootwear.co.nz)

## KEY LEARNING POINTS

- Multiple staff locations need not be a barrier to having a highly engaged workforce
- Ensure that all staff have the necessary tools and skills to enable them to do their job
- Investment in front line leadership development will help to build engagement levels throughout the organisation
- Transparency around business financials helps individuals in how they contribute to the success of the business, and thereby helps create greater levels of engagement
- Use the individual expertise with the staff in your organisation to train and up-skill others



costs are kept constant, and as a result are being blown away at the level of sharing and transparency that now exists within the business. "It helps them get a real sense that they are part of a bigger picture—that what they do in store really matters," says Buller.

Following a comprehensive induction programme, staff within stores are constantly being measured on their performance, and there is visibility throughout the organisation as to where each individual sits relative to his/her peers. By having this full transparency, staff are encouraged to do better and are supported in doing so. Non-achievers are constantly coached in order to help them do better. "Our first assumption is that if someone is not doing well, it is our fault and we need to bridge that gap," says Melissa Mason, General Manager of Retail. This coaching comes in many forms, from utilising performance plans to weekly coaching and focus groups, all tailored to the individual to target what he/she might be lacking or what challenges he/she is facing.

The use of buddy managers is also implemented for staff who might be

struggling. Mason says, "A learning for us in recent times has been moving from a structured system with a defined group of buddy managers to using the strengths of all and all managers to engage with those needing support and training—if a manager is strong in Visual Merchandise or organisational time management then we buddy them to those needing to learn." These buddy managers have also been key in helping to better engage Assistant Store Managers (ASMs). This group of staff have traditionally been the least engaged, mainly due to the lack of career development opportunities previously available to them. Over the past two years, the company has put greater focus on the training and development of these individuals through similar development programmes and sessions to store managers. To help develop and build stronger relationships amongst this group of staff, ASMs now gather every six months, during which time they receive training specific modules, customised for their particular job role. Similar to Store Managers, they are being given increased visibility of business processes, and are able to network and develop personally. Given

the recent expansion of the company into Australia, Anselmi sees this group of staff as crucial: they will gain access to the career opportunities they have been so desperately seeking, and will help ensure the successful transplant of the Overland culture into the Australian market, continuing the significant momentum of the business.

This strong focus on structured training and development programmes is supplemented by the company's holistic attitude to the entire person they are employing, including their wellbeing, resilience and individualism. Staff are provided with training opportunities, which enable them to better understand what is most important in their day-to-day life, as well as support in managing and balancing their commitments—students balancing work with study commitments and parents balancing family life. All of this cumulates in highly engaged staff, with high retention rates for managers, who are some of the most sought after people in New Zealand retail. ■

## ORGANISATION METRICS:

### RESPONSE RATE:

2010 94%

2011 95%

2012 90%

### ENGAGEMENT INDEX:

2010 86%

2011 87%

2012 87%

### ESSENTIALITY OF TRAINING

QUESTION	OVERLAND FOOTWEAR 2012	BWPS AVE 2012	DIFFERENCE
This organisation delivers on the promises it makes to its customers	90%	75%	+15 %
I have the tools and resources I need to do my job effectively	88%	73%	+15%
This organisation ensures that I am adequately trained for the work I do	89%	73%	+16%

\*Note: BWPS refers to Kenexa Best Workplaces Survey



## ADINSTRUMENTS

# Developing People, Products and Partnerships

For the past 20 years, some of the world's most important medical research has been conducted on systems developed not by the Microsofts or Apples of the world, but by a little organisation in New Zealand. From small beginnings, family-run ADInstruments has rapidly grown to 170 employees across Australia, Brazil, Chile, China, Europe, India, Pakistan and the United States, creating data capture and analysis systems for the life science industry. "Our work cuts across geographic and political barriers, cuts through language, religion, geography and politics," says founder and CEO Michael Macknight. "Medical research touches everyone's lives. Work we do may help researchers discover something important for cancer." So how does a small organisation retain its unique identity while embracing international growth?

As four-time finalists in the Kenexa Best Workplaces Survey competition, the New Zealand office of ADInstruments has successfully harnessed employee feedback to ensure its employees are highly engaged. But the company is also exceptionally good at enabling its employees to deliver to the best of their abilities, a priority which has remained throughout major expansions to new countries. For Macknight, the big picture is always front of mind. "Our aim is to be around for the foreseeable future; we want to operate sustainably," he says. "We like the fact that customers come back and buy a new version 15 years later. We've always been in it for the long term." This approach means ADInstruments must by necessity focus on three key areas: customers, developing high-quality products and continuous improvement.

"Our customers drive innovation for us," says Macknight. "They want to be the next big thing in their own area, so we have to adapt to support them." Sales staff are seen as a critical component in the development process, as their close contact and conversations with clients regularly result in new ideas and suggestions for future products, or spark new thoughts on how to innovate. ADInstruments sees this history of customer-driven research and development as a strong selling point for potential new customers.

Regardless of whether customers' ideas are implemented or not, ADInstruments makes a big effort to ensure that

the person who suggests the improvement is included in a conversation about its pros and cons, so that they have insight into why it was adopted or set aside. Timelines for implementation are also shared, so that they can connect their suggestion with the eventual change, further reinforcing the sense that customers are at the heart of everything ADInstruments does.

Quality is the second key area ADInstruments excels at, and is seen as integral to customer focus. As important research decisions are made based on the data ADInstruments'



### PROFILE

**ORGANISATION NAME:** ADInstruments

**INDUSTRY SECTOR:** Computer Services

**STAFF NUMBER:** 172

**GEOGRAPHIC SPREAD:** Australia, Brazil, Chile, China, Europe, India, New Zealand, Pakistan, United States

**TYPICAL ROLE(S):** Sales, software development

**WEBSITE:**  
<http://www.adinstruments.com>

### KEY LEARNING POINTS

- Expect a lot of your people, but ensure they have the resources to deliver.
- Listen to your customers. Their experience with your products can help you innovate.
- Ensure your customers feel listened to. They will keep coming back to a company they believe cares.
- Make sure your systems keep pace with your growth. This will help avoid situations where engaged employees become frustrated when trying to do their jobs.



software collects and analyses, complete accuracy and reliability are critical. This means every employee has a responsibility to ensure products are of the highest quality. Macknight sets expectations from the top, saying "I spend a lot of my time trying things out, and if I'm not happy, I tell people. Ultimately, what I want is for them to have the same standards themselves, and that's something that has worked over time."

Wherever possible, technical staff are sent out to client sites to see the systems they have developed in use. This helps build employees' sense of context into how their products are used, the necessity for quality, and provides visibility into the importance of their jobs—all of which contribute to the team's engagement. "And to keep people focused on quality, it's so important to have enthusiasm from the top," Macknight says. "Enthusiasm rubs off on people, and changes the way they see their work."

The third area ADInstruments sees as enabling success is its flexibility, which allows for speedy responses to market demands. ADInstruments has deliberately set about building itself into an organisation that can respond faster than competitors when technology changes to take advantage of ever more powerful tools.

This approach is particularly visible in the product development process. "I don't want to have a company that's so bureaucratic that we can't change our minds," Macknight says. "If something isn't working properly or a better idea comes up, it's never too late to re-evaluate. Meeting deadlines is not as important as potentially delivering a better product."

To achieve this flexibility, ADInstruments needs to have employees who are capable of responding very quickly to technology. As a result, employees spend much of their time learning. Junior team members spend approximately 25 percent of their time in training, while senior employees attend monthly coaching sessions and annual conferences. Informal training is critical, as there are few formal courses applicable to ADInstruments' unique working environment. In addition to this, employees are expected to undertake self-directed research and learning, experiment and share their findings with their peers.

Keeping and building engagement and enthusiasm can be difficult enough in a single location, but increasingly ADInstruments has been faced with the challenges associated with growth, trying to translate its competitive edge

into success in a range of new markets. As a 'small company with big company problems', the solutions to growing pains have been to implement technology and support systems that fit with its ethos. "Our [engagement] survey results have helped us order and prioritise our initiatives as we make these major changes across the company," says Global HR Manager Kelly Macknight. Some of the initiatives the company has focused on as a result include a global customer relationship management system that encourages collaboration, knowledge sharing and customer feedback, and a simplified performance management structure that provides better quality feedback to employees.

ADInstruments has been exceptionally successful at providing the right support for engaged employees to do their best. The result is an organisation whose employees continue to create high quality, innovative software that enables demanding customers to help change the world. ■

## ORGANISATION METRICS:

### RESPONSE RATE:

2010 **100%**

2011 **100%**

2012 **91%**

### ENGAGEMENT INDEX:

2010 **73%**

2011 **87%**

2012 **87%**

\*Note: figures are for NZ survey results

### QUALITY UNDERPINS EVERYTHING ADINSTRUMENTS DOES

PERFORMANCE ENABLEMENT QUESTION	2012 (NZ*)	BWPS AVE 2012	DIFFERENCE
This organisation delivers on the promises it makes to its customers	90%	75%	15%
Day-to-day decisions demonstrate that quality of products/services are top priorities for this organisation	87%	72%	15%
This organisation expects high standards of performance from its people	95%	82%	13%

\*Note: BWPS refers to Kenexa Best Workplaces Survey

Giltrap



## GILTRAP AUDI

# Dealer Pros: Putting the Headlights on Customers

How do you attract and retain your customers when you have seven competitors situated on the same stretch of road, all within one kilometre? Gary Periam, General Manager of Giltrap Audi, knows that in order to stand a fighting chance, you need to understand that service is the only way to differentiate yourself in the motor vehicle industry. "Most organisations have good products, but it is the people that determine whether the business is a success or failure."



Giltrap Audi opened its doors on its new state-of-the-art dealership a little more than a year ago, establishing a team that predominately came across from Giltrap Prestige. In new premises, selling prestige cars and sponsoring some of New Zealand's most elite sportspeople really lights up the eyes of those who work with Periam. It also raises the expectations of an extremely tight community of Audi drivers and customers, and requires the team to step up and meet them.

With the highly competitive industry of car sales and servicing, it is easy to get preoccupied with achieving individual targets and the commissions or rewards that come with it. However, Giltrap Audi has found that by ensuring the customer and the customer needs are the pivotal point of focus for all, it has enabled its employees to work as a team effectively and work consistently towards a common set of business goals. Given this core focus, it is no surprise that they scored well above the average in the "common purpose" section of the Kenexa Best Workplaces Survey compared to the top 25 percent of organisations that took part in 2012 (91.7 percent vs. 84.2 percent).

Providing customers with an environment that revolves around them, the Giltrap dealership's new flagship "Audi Terminal" racetrack look and feel brings strong consistency from the Audi brand. This thread of consistency flows through to the relationships formed at Giltrap Audi. It is not just up to the sales and service teams to know Giltrap Audi's

### PROFILE

**ORGANISATION NAME:** Giltrap Audi

**INDUSTRY SECTOR:** Retail Trade

**STAFF NUMBER:** 58

**GEOGRAPHIC SPREAD:** Auckland, NZ

**TYPICAL ROLE(S):** Sales team members, Service Advisors, Technicians

**WEBSITE:** [www.giltrapaudi.co.nz](http://www.giltrapaudi.co.nz)

### KEY LEARNING POINTS

- Giving people a clear customer focus enables consistency upon delivery by all
- Customer focus allows for collaboration rather than competition between employees
- Providing relevant, real-time resources means people work more effectively
- Creating a buzz for your customers. Also create a buzz for your employees.



customers; instead you can expect any member of staff to deliver the same high level of customer experience. As Assistant Service Manager Shawn Cawood says “the customer is king” at Giltrap Audi. The high service levels are constantly being reviewed and improved through requesting regular customer feedback, typically within a week of the initial customer interaction. Both positive and negative feedback received over the phone and through customer surveys is used constructively for continuous improvement.

While providing staff with a clear customer focus assists in fostering a strong team culture, it remains difficult to perform your job effectively if you do not have access to the right tools and resources. At Giltrap Audi, the use of the Audi Dealer pro system (a live system that tracks much of the organisation’s inputs and outputs) allows both Periam and his team to know what is going on in the business at the click of a button. There is no waiting until the end of the week or month to address issues—they are constantly monitoring all business activities daily to ensure that customers’ vehicles are serviced completely and targets are being met. This means that

at any given time, the dealership can determine, for example, what current and future sales appointments are booked in, how many cars are currently being serviced, what stage in the servicing process a customer’s car is at, what parts are needed, on order and installed, and if customer feedback has been received. This centralised hub, which is accessible by the entire team, allows for 100 percent visibility on what the whole team is doing, thus team members are able to make well informed work decisions and make promises they can keep to customers. As a result, Giltrap Audi has earned the number one ranking for the least repeat repairs amongst Audi dealerships worldwide and achieved high results in the Audi Customer Service Index programme.

Through strong customer focus and adequate access to resources, Giltrap Audi has not only been able to create an environment of strong collaboration amongst the team, but also between the team and its customers. Building on the concept of creating a customer community, Periam and Giltrap Audi have strengthened these ties beyond selling and servicing by holding regular social events

tailored to its customer demographic. Examples of these are Audi ‘drive days’ at Hampton Downs and up the slopes around Queenstown, running a free weekend car wash and employing customers’ children as the staff, and running driver training programmes for the next generation of Audi customers. By being so involved with its customers, Giltrap Audi achieves a buzz—following what Periam says of “activity creates activity.”

How has focusing on these performance enablers impacted the success of Giltrap Audi? The understanding that customer focus is a priority is consistent throughout all departments and the sense of camaraderie is strong. Working together in such a collaborative way has meant that no sales or feedback have fallen through the cracks. With such a tight community of Audi customers, Periam and the team have worked extremely hard to exceed customer expectations through their strong customer focus and diligent use of resources to ensure their Audi community only has great things to say about them. ■

## ORGANISATION METRICS

### RESPONSE RATE:

2011 **61%**

2012 **79%**

### ENGAGEMENT INDEX:

2011 **76%**

2012 **91%**

### CLEAR CUSTOMER FOCUS ENCOURAGES TEAM COLLABORATION

PERFORMANCE ENABLEMENT QUESTION	2012	BWPS AVE 2012	DIFFERENCE
This organisation delivers on the promises it makes to its customers	91%	75%	+16%
People I work with cooperate to get the job done	91%	81%	+10%
I have the tools and resources I need to do my job effectively	90%	73%	+17%

\*Note: BWPS refers to Kenexa Best Workplaces Survey



## YEALANDS

# Think Boldly, Tread Lightly and Never Say It Can't Be Done

Tucked away in the Awatere Valley of Marlborough is one of New Zealand's newer players in the winemaking industry, Yealands Estate Wines. Yealands has worked hard to build its brand in a short space of time, and is not only impressing with its fine wine and emphasis on operating as sustainably as possible, but is also winning awards for being a great workplace.

Yealands participated in the Kenexa Best Workplaces Survey for the first time in August 2012 and was named a finalist in the Small-Medium workplace category. Yealands has a high performance culture that is based on encouraging innovation, equality and involvement from everyone in the organisation. This in turn has resulted in employees feeling genuinely valued by the business—something many organisations find difficult to accomplish.

Since opening for business in 2008, Yealands has quickly become a successful company, winning a number of awards including the title of "Producers of the World's Best Sauvignon Blanc" at the International Wine Challenge 2012. The Yealands' philosophy is that the business succeeds when everyone achieves—a principle that leads its performance measurement and review processes.

Yealands executives believe in involving employees in strategy and objective planning; at least 20 executives go offsite for a



planning day twice a year where they craft the organisational strategy and set the company "Top twelve Key Performance Indicators" (KPIs). These are the twelve aspects of the business that Yealands executives feel are important to its success (including safety performance, wine culture, sustainability, customer satisfaction, etc.). The KPIs are also aimed at helping Yealands achieve its budget goals for the year.

When coming up with these KPIs, the executives research the current state of the industry and share this information back to employees. CEO Jason Judkins believes this has been a key factor in its ability to achieve stretch goals because everyone has been involved in the process.

Every employee is measured based on the same KPIs, so everyone is working towards a common goal and the overall success of the wine estate. Progress towards these KPIs is measured quarterly and results are openly shared with employees during team meetings and catch ups with their managers. Yealands executives think it is important to keep people involved in how the organisation is tracking and how each employee is progressing on KPIs. They also think it is important for people to understand how their work contributes to the organisation and that the focus is put on team achievements.

Judkins says one of the best things the company has done to drive performance is regularly celebrating successes. Having milestones along the way has helped keep people focused on the big picture and has reinforced the belief that they are working for a successful organisation.

Yealands' desire to be a leader in its industry and not a follower has made the company more open to trying new ways of

### PROFILE

**ORGANISATION NAME:**

Yealands Estate Wines Limited

**INDUSTRY SECTOR:** Viticulture Industry

**STAFF NUMBER:** 122

**GEOGRAPHIC SPREAD:** Marlborough, Auckland, Hawkes Bay, Australia and International

**TYPICAL ROLE(S):** Vineyard Operations, Winemaking, Sales, Marketing, Logistics, Mechanical Workshop

**WEBSITE:** [www.yealandsestate.co.nz](http://www.yealandsestate.co.nz)

### KEY LEARNING POINTS

- Encourage innovation, equality and involvement from everyone in the organisation
- All employees are measured based on the same key performance indicators (KPIs), so everyone works towards a common goal and the overall success of the organisation
- Having milestones along the way helps to keep people focused on the big picture
- Create a culture where employees feel safe sharing their ideas and opinions and encourage them to push the limits
- Having good systems and processes is important but remember the human factor too
- Make people feel personally valued—not just for the work they are doing, but for who they are and what they bring to the company



doing things. The attitude of becoming a fully sustainable wine estate is an example of this. Sustainability is a huge part of its culture with a lot of innovation occurring as a result of wanting to become fully sustainable. It has also helped employees think more sustainably and made them realise they can do things better.

The inclusive culture of Yealands extends to its use of survey results, with staff encouraged to come up with ideas for addressing feedback at action planning workshops. While not all ideas come to fruition or are successful, those that do not work as planned are considered learning opportunities. Yealands has created a culture where employees feel safe sharing their ideas and opinions and are encouraged to push the limits. Peter Yealands, founder of Yealands Estate Wines, played a big part in creating this culture with his positive attitude towards every idea being worthy of consideration, and even the most outlandish suggestions can be learned from or trigger different approaches. Yealands' ethos of "think boldly, tread lightly and never say it can't be done" is a living statement for all employees. This balance of risk and innovation is a fundamental pillar of the culture at Yealands, and continues to be an important part of helping build a successful business.

Leonie Woolnough, HR Consultant believes Yealands' competitive edge in the wine industry also came from its family

culture as opposed to a very corporate culture—"having good systems and processes is important but you need to remember the human factor." The open culture and involvement of many people in decision making has not only helped people involved come up with a wide range of ideas, but has also made cascading information to the rest of the organisation easier. This inclusive approach results in massive buy-in from all employees as they feel they are able to have their say and are listened to—a critical way of promoting a sense of belonging and feeling valued.

In an organisation of almost 130 people, it may seem difficult to imagine that everyone is able to get to know one another, however, this is something Yealands sees as integral to its culture and employees feeling valued. As an example, the Yealands end of year function starts with a business briefing in which employees get to hear business updates and recognition from all teams. This, along with a bi-monthly newsletter with contributions from different areas of the business, helps keep employees involved and informed of what their co-workers have been doing and how the organisation is tracking towards its goals. Following this briefing, employees are split into teams and head out to the vineyard to plant in wetland areas. This exercise has helped break down barriers between employees as they all muck in together. Equality amongst employees is paramount to the inclusive, family culture at Yealands.

Yealands achieved a very high score on the question "I feel my contribution is valued" in the Kenexa Best Workplaces Survey in 2012—an area that many organisations struggle with. Judkins believes this is because people are made to feel personally valued—not just for the work they are doing, but for who they are and what they bring to the company. Managers invest in their employees by ensuring one-on-one catch ups are happening, which has helped employees feel individually looked after in terms of their development opportunities. Mr. Yealands also plays a key role in helping employees feel valued; he knows everyone in the team as well as their families. Woolnough says that Mr. Yealands "does not put himself above anyone else and his accessibility and visibility have made him very much loved by all employees." His open door policy welcomes everyone from the gardeners, to the head of viticulture, right through to visitors to the winery. This approachability helps employees feel more connected with the company's leadership, as having opportunities to speak with leaders often helps people feel more appreciated by the organisation.

This focus on the key ingredients has grown a unique, inclusive, family culture, which has helped make Yealands a happy and high performing business, where pushing the limits is the norm. As Woolnough puts it, "At Yealands, it feels good to go to work. You're part of a family environment. You're part of something great." ■

## ORGANISATION METRICS

### RESPONSE RATE:

FEB 2012 **96%**

AUG 2012 **100%**

### ENGAGEMENT INDEX:

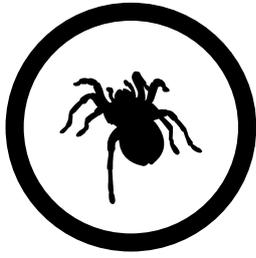
FEB 2012 **80%**

AUG 2012 **87%**

### PUSHING THE BOUNDARIES TO INNOVATE

PERFORMANCE ENABLEMENT QUESTION	2012	BWPS AVE 2012	DIFFERENCE
This organisation encourages ideas and suggestions from employees on how to improve the way things are done	79%	73%	+6%
I am sufficiently involved in decisions that affect the way I do my job	77%	72%	+5%
This organisation expects high standards of performance from its people	88%	82%	+6%

\*Note: BWPS refers to Kenexa Best Workplaces Survey



## PROVOKE SOLUTIONS

# Involving the Animals to Create a Happy and Successful Zoo

When Mason Pratt co-founded software design company Provoke Solutions in 2001, his vision was to create a workplace culture where people not only wanted to come to work each day, but felt they could really thrive and “do good stuff.” More than a decade later, the uniquely fun and creative culture Pratt instilled continues to be a key factor in attracting and retaining top talent for what he refers to as “the Zoo.”

Fundamental to Provoke’s success is its approach to involving employees in all areas of the business, and being open to hearing all ideas and suggestions. “Given that we’re a services business, it’s 100 percent a people oriented culture... everything we do is about collaboration and inclusion,” says Pratt. “People are encouraged and almost expected to have a contribution or an opinion on anything and everything that affects what they do when they’re in the office.”

Building a culture of inclusion for Provoke starts right from the recruitment phase, where potential candidates meet with people at all levels of the organisation. Evan Gits, HR Manager, believes that this helps to build a well-rounded view of the company and the culture, and allows current employees to give their opinion on whether the person is a good fit. Provoke’s interview questions are intentionally designed to assess the cultural fit of a candidate. Questions like, “If you were an animal, what would you be and why?” are used to determine the candidate’s creativity and sense of humour—two key ingredients of the Provoke culture. The animal theme is also used internally, with all employees having their chosen animal printed on their business cards and working in animal-themed offices, which contributes to the fun atmosphere that people love at Provoke.

The Provoke culture is continually evolving and really sits in the hands of the “animals” themselves. Employees are encouraged to dream up suggestions for their workplace or culture by submitting wishes to the online Wishing Well on the company’s Intranet. Whether it’s a new coffee machine or renovated office space, any positive ideas are welcome. Once a month, representatives from the various teams sit down and review all submissions. Every request gets responded to, so

employees know they have been heard, and if their wishes are not possible, they are told why. This feedback loop ensures everyone is on the same page and feels their ideas are taken seriously, which comes through in employee survey results. In the 2012 Kenexa Best Workplaces Survey, 96 percent of Provoke staff agreed that the organisation encourages ideas and suggestions on how to improve the way things are done, almost 20 percent above the IT sector benchmark.

Provoke is highly committed to surveying its staff regularly. The philosophy of employee involvement is particularly evident in the “Extra Thought-Provoking Questions” that Provoke adds to its workplace survey each year. Asking questions like “if you were appointed CEO of Provoke tomorrow, what is the first initiative you would implement to help Provoke retain its most valuable animals?,” and “if there was one initiative or direction that Provoke should take or move into in the future, what would it be?” These questions not only make employees feel valued and included, but also provide the management team with a range of diverse perspectives and ideas that may lead to improvements in the business.

Provoke’s offshore expansion strategy is a prime example of a long-term business initiative that resulted from staff feedback. For a New Zealand company with predominantly Generation Y employees, “the big OE” is a contender that even the best places to work can struggle to compete with. Provoke’s solution was to expand offshore, with offices now in Auckland, Wellington, Seattle, Singapore and Manila. This has multiple benefits extending beyond just retaining talented employees who want to travel. It provides employees with opportunities for development and new experiences, and these employees bring with them the culture of the Provoke

### PROFILE

**ORGANISATION NAME:** Provoke Solutions Ltd

**INDUSTRY SECTOR:** IT services & consulting

**STAFF NUMBER:** 97

**GEOGRAPHIC SPREAD:** Auckland, Wellington, Seattle, Singapore and Philippines

**TYPICAL ROLE(S):** Developers, Technical Engineers, Business Analysts, Test Analysts, Project Managers, Account Managers

**WEBSITE:** [www.provoke.co.nz](http://www.provoke.co.nz)

### KEY LEARNING POINTS

- Foster an inclusive culture by encouraging employees to share suggestions through formal and informal processes
- Respond to all staff suggestions using a feedback loop to show transparency and encourage future participation
- Include employees in the hiring process to check for cultural fit of potential candidates
- Add creative questions to your organisation’s workplace survey to collect valuable feedback and innovative ideas from employees
- Take action based on employee feedback to engage and retain talented staff and show that their feedback is valued
- Fully utilise your technology and consider use of a “swap scheme” to facilitate collaboration between different locations

“zoo” to their new location. “Keeping the same people in the family in some way mitigates some of the risk of opening up in a completely different market because we’re working with people who know the company and know the culture,” says Pratt.

As the organisation continues to grow, a key element of making employees feel involved, informed and connected is the constant focus on open and honest two-way communication. Across all offices, an important vehicle to emphasise this is the Friday meeting. Every Friday at 4:30 p.m. the whole office stops to go into a board room with a few drinks and snacks to review the week that was. All business units share what they did and how that impacts other people in the business. The meetings are run by a different employee each week. “It doesn’t matter who you are, you’ll be on the roster and at some stage you’ll be expected to facilitate a full company meeting,” says Pratt.

As for the overseas offices, the different time zones and geographical distance does pose a challenge to ensuring regular communication and collaboration between teams. However, being a technology business, the company has systems in place to make sure that close-knit communication is easy between offices. All employees have video conferencing available at their desks so they are able to chat face-to-face with their colleagues in other locations. Another initiative that is being tested to connect people is the “swap scheme” where employees can apply for new roles in other Provoke offices. The benefits of this are two-fold with employees getting new opportunities and experiences, while facilitating greater levels of collaboration. An added bonus is the resulting cross-pollination of ideas, creating a perfect recipe for innovation and continuous improvement.

The culture of inclusion and continuous improvement is certainly paying off, and the year-on-year improvements in engagement levels are only the beginning. In the last calendar year, Provoke increased its revenue by 20 percent across the group. Amongst other accolades, the company was awarded Microsoft Country Partner of the Year 2011 and selected as a finalist in the 2012 AUT Excellence in Business Support Awards.

Where to from here? Reflecting upon its growth and success over the years, Pratt the lion is well aware that “the Zoo” and its “animals” are on a continuous journey. Its philosophy is very much to “keep on keeping on,” of course taking all the fun and creativity along with it. ■



## ORGANISATION METRICS

### RESPONSE RATE:

2010 88%

2011 98%

2012 99%

### ENGAGEMENT INDEX:

2010 76%

2011 84%

2012 87%

### MAKING EMPLOYEES FEEL INVOLVED

PERFORMANCE ENABLEMENT QUESTION	PROVOKE SOLUTIONS 2012	IT SECTOR BENCHMARK 2012	DIFFERENCE
This organisation encourages ideas and suggestions from employees on how to improve the way things are done	90%	73%	+17 %
I am sufficiently involved in decisions that affect the way I do my job	81%	71%	+10%
Teams in this organisation work well together	85%	66%	+19%



**NEW ZEALAND  
TRADE & ENTERPRISE**

**NZTE**

# Toward “One Team,” with Strategy Driving Collaboration

As an organisation whose mission is to unleash the international potential of New Zealand (NZ) businesses, New Zealand Trade and Enterprise (NZTE) understands that its success hinges on everyone being 100 percent focused on its customers and delivering as “One Team.”

The recent renewal for NZTE began following its engagement survey in early 2011. CEO, Peter Chrisp, who had been in the job for six months at the time, describes how the results clearly showed that “people had a deep abiding belief in the NZTE ‘cause’—that is, a commitment to growing NZ business.” This emotional connection to their country was a lynchpin Chrisp felt was the key to success. The survey results also showed that people were confused about NZTE’s direction and strategy, which meant they did not feel they had a common goal to work towards and silos had formed within the organisation. Chrisp likened this dilemma to a party of English hunting dogs: “When there are no rabbits in sight the hounds are running all over the place, yelping and scrapping and carrying on. But when the rabbit appears the hounds start hunting as a pack.” Chrisp

quickly recognised that the missing link was a clear strategy; a strategy that would channel people’s commitment towards NZTE’s purpose.

Creating and communicating the strategy became the number one priority for NZTE, and for an organisation whose purpose is to grow NZ businesses internationally, it made absolute sense to use this mission as the “light on the hill.” NZTE shifted from an organisation that saw the Ministry as the customer to one that sees NZ companies as its key customers, and instead positions the Ministry as owner and strategist. This shift in thinking gave people at NZTE more focus and direction so they were able to better witness the difference they could make to NZ businesses firsthand. With a strategy that pulls people together, the entire organisation



## PROFILE

**ORGANISATION NAME:** New Zealand Trade & Enterprise (NZTE)

**INDUSTRY SECTOR:** State Sector (Crown Entity)

**STAFF NUMBER:** 550

**GEOGRAPHIC SPREAD:** NZTE has 10 offices in New Zealand and staff in 36 locations around the world.

**TYPICAL ROLE(S):** Customer Managers (NZ based); Trade Commissioners, Business Development Managers (in international markets)

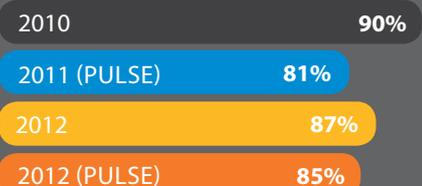
**WEBSITE:** [www.nzte.govt.nz](http://www.nzte.govt.nz)

## KEY LEARNING POINTS

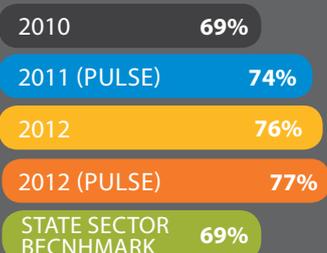
- Use customers as a beckon to bind people together
- Align your team from the top to the bottom and ensure everyone is clear on the goals
- Ensure that deliverables and how they are achieved align with the organisation’s values
- Use a “90-day plan” to review progress and set targets and priorities as a team
- Create an environment open to staff initiated spontaneous activities

## ORGANISATION METRICS:

### RESPONSE RATE:



### ENGAGEMENT INDEX:



(550 employees across 36 locations worldwide and 10 in NZ) was then on its journey to building a culture of collaboration; "One Team" that focuses on customers.

For Chrisp, "One Team" means alignment from the top to the bottom, with everyone being crystal clear about the goals at NZTE. As a result of this thinking, each Lead Team member is accountable for specific goals and actions related to the strategic areas. These goals and actions are then cascaded down to individuals. Adopting a "90-day plan" philosophy, the Lead Team members get together to review the progress on their actions and set their targets and priorities as a team on a quarterly basis, which are then fully communicated in person by the CEO through the entire organisation. As people became aligned to the priorities of the organisation, collaboration and engagement followed naturally.

At NZTE, alignment is not only reflected in what people are expected to achieve, but also in "how" people behave—the way people work with customers and with each other. Chrisp believes alignment in how people deliver is reinforced by the NZTE characters, which were specifically chosen to close down clear known weaknesses "regardless of your function or role, everyone is operating under 'One Team' and united by a common set of characters: Adventurous, Agile and Astute." Both what people deliver and how they deliver it are incorporated into their performance review. "You cannot hit your target without doing it the NZTE way," says Chrisp. To reinforce the importance of how one delivers, NZTE introduced its six monthly Pounamu Awards, a peer-nominated award programme based around the

characters. "These have been a great way to hear stories, which otherwise may not have been told, about people within the organisation who have gone the extra mile for a customer or each other."

The impact of the new strategy, and the alignment and collaboration that stemmed from it, have been a steady increase in employee engagement scores between 2010 and 2012. At the same time, NZTE has seen increases in its customer satisfaction scores. This has been reflected in the culture, with more staff-initiated, spontaneous activities. "We have seen an increase in spontaneity as people become involved, and it is that bottom up stuff that is so powerful!" says Chrisp. An example of this bottom up spontaneity is the employee-initiated "Friday Fast Track"—an 8:33 a.m. meeting every Friday attended by about 80 people for a fast and fun catch up on highlights or updates on various activities underway. The weekly sessions have created more openness and given people insight into what others are working on, plus it is a barrel of laughs.

A great by-product of collaboration and alignment at NZTE has been greater inclusion and expression of fun across the business, as teams work together to meet the needs of NZTE customers. Across the globe, relationships have strengthened and "all these really amazing, spontaneous things have started happening; in LA the team organised a huge "Call me Maybe" style flash dance, while in London the Europe team designed a London-based haka. People are having fun and becoming more engaged because we are all focused on achieving our cause," says Chrisp.



Although NZTE has made great strides in improving collaboration and engagement, Chrisp is very realistic about the organisation's journey being far from over—"as Shakespeare said, 'a swallow does not a summer make'. We are making good progress, but we are not there yet." He believes that for NZTE (and any organisation for that matter) "keeping the engagement engine burning is a core part of improving and maintaining performance. Eighty percent of my job is making sure this is happening."

With such commitment and focus on improving engagement, 2013 is looking to be a busy and exciting year as NZTE continues to strive toward "One Team" in its mission to grow NZ businesses internationally, for the benefit of New Zealand. ■

### BUILDING "ONE TEAM" THROUGH CUSTOMER FOCUS

PERFORMANCE ENABLEMENT QUESTION	2010	2012	STATE SECTOR BENCHMARK
This organisation delivers on the promises it makes to its customers	65%	71%	65%
This organisation encourages ideas and suggestions from employees on how to improve the way things are done	54%	72%	61%
Teams in this organisation work well together	51%	63%	56%
I get regular feedback on my performance	60%	71%	63%

### NZTE CUSTOMER EXPERIENCE SURVEY





## CITY COUNCILS

# Raising the Bar in Local Government

It is one thing to set performance expectations; it is another matter entirely to meet them. And when it comes to organisations operating in the public sector, there are plenty of interested parties more than willing to offer their opinions on perceived performance.

Constantly featured in the media, New Zealand's local government organisations are facing stiff challenges to manage local resources, provide essential services, be prudent with ratepayer funds and navigate an evolving political landscape. At the heart of it, councils are organisations that provide essential public services through their people, and those that will be most efficient will be the ones who most successfully engage their staff and enable them to do their jobs effectively.

Bucking the trend seen by Kenexa across the New Zealand local government sector, Nelson City Council (NCC) has been steadily improving employee engagement levels since 2007. In 2012, its results were strong enough to be placed in the Top 10 of the 'medium-large' workplaces category in the Kenexa Best Workplaces Awards. The organisational vision for NCC is not unusual to the sector, with the goal being "to make Nelson a better place"—to live, to work and do business in. Like other councils, this vision tends to attract community-minded employees. However, it is the way they go about delivering on all that is expected of a council that makes them successful.

Acting Chief Executive Richard Johnson pinpoints the appointment of previous Chief Executive Keith Marshall in 2009 as a turning point for the organisation. Traditional business unit structures and centralisation of power and decision-making restricted the ability of the Council to most effectively deliver ratepayer services. Marshall put a challenge to the organisation: "is this all you want to

be, or could we be something that is so much better?" The organisation transformation that has occurred since has all been about rising to this challenge and really delivering on the purpose of the Council and its customer promise. This has only been possible through an organisation full of motivated and engaged employees.

Customer satisfaction is one of four Key Performance Indicators for NCC. Johnson firmly believes that the quality of the service or experience that ratepayers have is of critical importance in justifying the Council's role in the community. One of the first acts of Marshall's tenure was to centralise the customer support functions, so ratepayers could go to one location for any interaction needed. Customer Centre staff are enabled as much as possible to address any enquiry that comes in, without having to pass the enquiry on to other parties. A centralised, comprehensive database of information has been developed to that end, and the success of both that database and staff performance are constantly measured by whether enquiries are dealt with in a single interaction. "There's huge satisfaction for customer service staff in being able to deal with customer enquiries directly, great productivity gains for all those specialist staff who have 80 percent of their calls screened and addressed, and customers don't find themselves talking to voicemail services as much either."

Customer service expectations are not restricted to Customer Centre staff though. NCC's explicit customer promise is something that all employees are expected to live up to, and includes targets around things like response times to

### NCC PROFILE

#### ORGANISATION NAME:

Nelson City Council

#### INDUSTRY SECTOR:

Local Government

#### STAFF NUMBER: 253

#### GEOGRAPHIC SPREAD:

Nelson

#### TYPICAL ROLE(S):

Administrative, Technical, Professional and Managerial

#### WEBSITE:

[www.nelsoncitycouncil.co.nz](http://www.nelsoncitycouncil.co.nz)

### NCC ORGANISATION METRICS

#### RESPONSE RATE:

NCC 2010 **96%**

NCC 2011 **94%**

NCC 2012 **96%**

#### ENGAGEMENT INDEX:

NCC 2010 **76%**

NCC 2011 **78%**

NCC 2012 **81%**

LOCAL GOVT BM 2012 **70%**

### FOCUS ON QUALITY OF SERVICE IMPROVES THE CUSTOMER EXPERIENCE

PERFORMANCE ENABLEMENT QUESTION	NCC 2012	LOCAL GOVT BM 2012	DIFFERENCE
This organisation delivers on the promises it makes to its customers	75%	64%	+11 %
Day-to-day decisions demonstrate that quality of products/services are top priorities for this organisation	73%	64%	+9%



Nelson City Council

voicemail messages and emails. For senior managers, customer focus also means regular engagement with key stakeholders, with the goal of better understanding their needs and feeding that information back to teams within NCC.

“We want to be very clear that this is what we’re trying to achieve as an organisation, these are the metrics, and this is your role in delivering on those standards,” says Johnson. “More and more we are bringing our customer interactions into our customer service request system, so we are getting better data about the quality of our engagement with our customers—we know the nature of the calls, how they are dealt with, whether there are any delays, etc. This means that we’re not just waiting for our regular customer service surveys to be returned, instead we know how we’re tracking through the year and we’re monitoring it.”

In speaking to Richard Johnson, a picture emerges of an organisation that has carefully considered what it means to commit to a customer-centred culture. The vision and performance standards have been set; something most councils

have achieved. Ratepayers are seen as customers; something that many councils state but don’t demonstrate. But the real difference in delivery for NCC comes down to a commitment to tying it all together, and retaining focus on customers throughout. Great systems and process support, good training, daily conversations, and a focus on quality delivery that is supported by a wealth of metrics that are acted on are key enablers for the Council in transforming itself into a truly customer-centric organisation. Its focus on enablers of customer-related performance has paid off with a steady improvement in customer service results over the years.

Another local authority that has been targeting the enablers of both performance and engagement in recent years is South Taranaki District Council (STDC). Chief Executive Craig Stevenson describes an organisation that has been very careful in its development and maintenance of a strong organisational culture. The evidence of its success has been its four-time ranking in the Top 10 of the ‘medium-large’ workplace category in the Kenexa Best Workplaces Awards. STDC has the goal of being “New Zealand’s most ‘can-do’ Council,” and like

in NCC, this is something that can only be achieved through engaged, enabled people doing what is required to deliver great customer service.

A key enabler of both engagement and performance that was identified early in STDC’s six-year history of running employee surveys with Kenexa has been Learning and Development. “Well-trained people understand our common purpose, are in tune with the organisational culture, show high levels of engagement and generally perform to a higher level,” says Stevenson. While the components of STDC’s recently-redesigned learning and development programme are unlikely to surprise many people, it may be that it is more about the level of commitment and the pride that STDC has in its development programme that ensures its ongoing improvement and success.

New staff members to STDC start with a ‘Building Blocks’ series of learning modules. There are 10 half-day sessions that are delivered across the employee’s first year, and Stevenson describes them as being “designed to raise the skill set of all employees, with the content being

## STDC PROFILE

**ORGANISATION NAME:**  
South Taranaki District Council

**INDUSTRY SECTOR:**  
Local Government

**STAFF NUMBER:** 158

**GEOGRAPHIC SPREAD:**  
South Taranaki

**TYPICAL ROLE(S):**  
Administrative, Technical, Professional and Managerial

**WEBSITE:**  
www.southtaranaki.com

## STDC ORGANISATION METRICS

### RESPONSE RATE:

STDC 2010 **86%**

STDC 2011 **91%**

STDC 2012 **94%**

### ENGAGEMENT INDEX:

STDC 2010 **79%**

STDC 2011 **86%**

STDC 2012 **85%**

LOCAL GOVT BM 2012 **70%**

## OPPORTUNITIES TO UPSKILL, ALIGN AND GROW

PERFORMANCE ENABLEMENT QUESTION	STDC 2012	LOCAL GOVT BM 2012	DIFFERENCE
This organisation ensures that I am adequately trained for the work I do	84%	71%	+13 %
There are learning and development opportunities for me in this organisation	83%	67%	+16%

closely aligned to our organisational values. We want all our people to be clear about the organisation's vision and values, to understand our priorities and expectations, and this is assisted by ensuring we have a common language." Initially much of STDC's training was designed and delivered by external training providers, but this has been brought in-house to improve cost-effectiveness, content relevance, and provide further opportunities for staff facilitators to develop other staff, thus creating a more sustainable training programme. "Staff also responded much more positively to the idea that this content would be presented internally, rather than getting external providers in," says Stevenson.

The ongoing nature of the Building Blocks learning programme ensures that a conversation about the link between organisational vision and purpose and the daily work of Council staff is constantly occurring. For Stevenson, "it's all about our 'one waka' principle. If our staff (and our elected members) are paddling our waka in the same direction at the same time, there is nothing we can't achieve for our communities." STDC's staff survey results bear testament to the value of the conversation that the Building Blocks programme maintains on organisational alignment—in 2012, 96 percent of STDC staff agreed that the organisation had a clear vision of where it was going and how it was going to get there, compared to just 59 percent of staff across the rest of the local government sector. A "sense of common purpose" was felt by 89 percent of STDC staff, compared to 52 percent across the local government sector. Indeed, STDC's results in this area have either improved or remained consistent over 2011-2012, while the rest of the local government sector has seen dramatic declines. The Building Blocks programme plays a key role in enabling people to really understand how their role makes a difference.

For longer-serving staff, a series of learning modules are run throughout the year to help staff develop a variety of technical and 'soft' skills that will enable them to be more productive and effective. Known as "Knowledge Cafés" these modules are again largely run by internal facilitators and cover topics like Microsoft Word, Excel and PowerPoint skills, to more specialist sessions such as improving the quality of external communications, budgeting and financial reporting.

To increase leadership capability across the organisation, STDC also has a long-running comprehensive three-tier programme to develop leadership skills, and close to 100 staff members have been through that programme in the past 11 years.

STDC's approach to developing staff may on the surface look similar to what many organisations have in place. The components of the induction programme, technical training, soft skills training and leadership development are not unusual. So why are STDC's programmes so successful? The programmes reinforce the culture at STDC, and the unwavering commitment management displays towards developing its people demonstrates how highly STDC values its employees.

What is next for STDC? The focus on culture, engagement and learning and development will remain Stevenson says, but greater emphasis will go on another performance enabler—improved quality levels for internal processes, internal service and customer service. ■



South Taranaki District Council

## NCC AND STDC KEY LEARNING POINTS

- Identify the key metrics of your organisation, then work out how progress on these can be measured and tracked throughout the year. Annual measurement on its own is not enough.
- Find out what stands in the way of a great customer experience, and remove those barriers. Empower people to be able to do their job really well.
- Foster an ongoing conversation within your organisation about what customer service is, and how all staff contribute to a great customer experience.
- A sustainable Learning and Development programme is one that can be supported using internal resources, protecting it against inevitable budget reviews.
- An effective organisation-wide Learning and Development programme can support the building and maintenance of organisational culture through modules on vision and values.
- Learning and Development has been demonstrated to be a driver of both employee engagement and performance enablement—it shows a commitment to both the individual and his/her output.

# EMPOWERING YOUR PEOPLE:

## THE JOURNEY **STARTS NOW**

Building an engaged and enabled workforce is a long-term journey. Our research shows organisations that are well ahead on that journey integrate employee feedback as part of the “business as usual” process. They also utilise survey results to inform and prioritise their efforts to improve, plan and implement organisation-wide initiatives, and hold individual managers accountable for addressing issues and building engagement.

Knowing is half of the battle. Lay your foundations for success by understanding your people and your culture. Use your employee surveys as a business tool to build performance clarity, alignment and empowerment.



## TRANSURBAN

# Paving the Way: Using Employee Surveys to Lay the Foundations for Success

Every day, Transurban serves millions of people by providing safe and efficient routes to work, school and home. People who use roads managed by the Melbourne-based group include parents taking their children to school, commuters heading to work, thousands of tourists and truck drivers who need to deliver goods on time.

Apart from direct contact with the road users, Transurban continually works with government, community leaders and transport-focused organisations to ensure that the roads are safe and meet the needs of the people they serve. The difference Transurban makes to individual people, the community and the economy is tremendous.

“Our customers cover a pretty broad spectrum,” said Troy McInnes, Human Resources Advisor at Transurban. “For instance, on any given day, you could say everyone who lives in or visits one of the cities we serve could be a customer or stakeholder. How we manage the relationships with our customers is quite complex. Depending on who you talk to, you might get a different view of who they see as their customers or stakeholders, which makes it an interesting place to work.”

Given the group’s vast scope and breadth, and the large number of customer and stakeholder groups it serves, Transurban’s people are absolutely critical to its performance. Research has shown that a motivated, engaged, well-led and efficient workforce is more likely to deliver success, which is why Transurban decided it needed to understand how its employees felt. “We wanted to understand engagement, but we also wanted to understand our culture and how it relates to areas such as diversity and safety” McInnes says.

Transurban had a short timeframe in which to select the appropriate survey, design it, implement it and develop action plans to improve the business. Kenexa’s consultants worked with HR and leaders from each of the different business units within the group to create a survey that was well received by both managers and employees.



## PROFILE

Transurban Group is a toll road owner and operator with interests in Australia and the United States. The group’s focus is on partnering with governments to deliver roads that meet community needs over the long-term. Transurban Group has been in business since 1996 and serves more than 5 million customers globally.

**ORGANISATION NAME:** Transurban

**INDUSTRY SECTOR:** Infrastructure and Utilities

**STAFF NUMBER:** 650

**GEOGRAPHIC SPREAD:** Melbourne, Sydney, New York and Washington, D.C.

**TYPICAL ROLE(S):** Technology, Project Managers, Infrastructure Managers, Customer Service, Operations

**WEBSITE:** [www.transurban.com.au](http://www.transurban.com.au)



The survey was a great success, with 80 percent of Transurban's employees participating—a significant achievement in itself. It was important that clear links were made between the survey feedback and business strategy so that highly effective action could be taken. Transurban also required Kenexa to provide manager training sessions throughout the reporting and action planning process to ensure the feedback would be understood and consequently acted upon.

The survey revealed that many of Transurban's employees wanted to understand and be inspired by the vision for Transurban's future and how it relates to them. They also wanted to feel more connected to other parts of the group—related to the fact that employees work in two states on Australia's east coast as well as along the eastern seaboard of the United States.

But the survey also showed that Transurban's employees have a strong desire to learn more about their customers and highlighted

enormously strong relationships within the company—spanning colleagues and leaders. The survey provided great insight into Transurban's strong culture and focus on employee and customer safety.

Armed with survey feedback, senior leaders went out into each business unit to talk about the group and team results. Senior leaders delivered results to small groups of employees, with conversations focused around areas of success and challenges, and how the organisation would implement action planning activities. This approach gave all employees a chance to discuss the results with senior executives from their business unit.

In addition to key actions taken by the senior leadership team, each group within Transurban was given the flexibility to create its own action plans. Leaders have access to Kenexa's online reporting tool to speed up communication and follow through.

"Employees now have a better understanding of what is happening across the organisation," McInnes said. "They have a desire to feel a part of one company, and they want to know what we are doing for our customers and stakeholders in different cities. We now devote more resources to communicate this to our employees, helping them to feel part of the larger group."

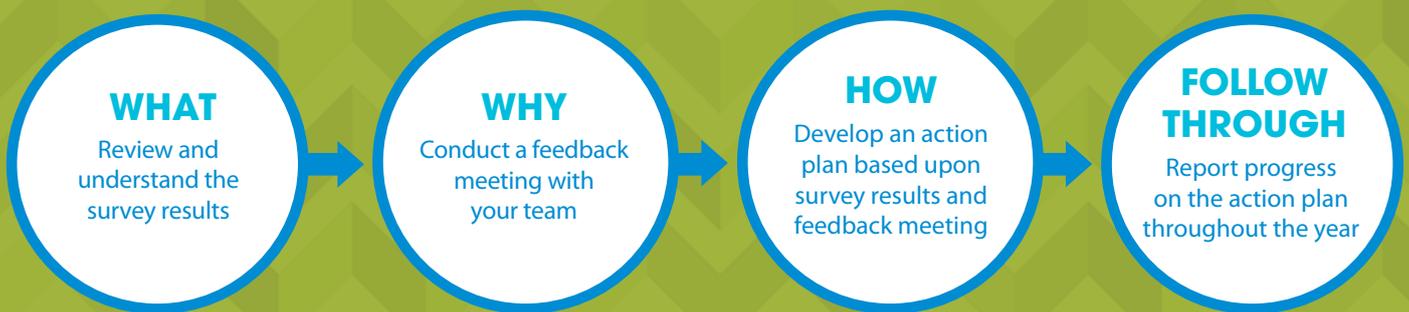
Transurban has a busy and exciting year ahead implementing positive change around the organisation. With the focus now on taking action, Transurban is well on its way to improving employee engagement, laying the foundations for future success. ■

## KEY LEARNING POINTS

- Dedicate resources to improve communications with employees about the customers they serve and stakeholder engagement
- Following the survey, acknowledge people's feedback and share the results
- Communicate to each business unit its areas of success and challenges or opportunities
- Develop action plans within each business unit geared to improving engagement and leading to better business outcomes
- Provide all employees access to senior leaders during the delivery of results and action plans

# ACTION SPEAKS LOUDER THAN WORDS

Global Kenexa research shows organisations that successfully turn employee feedback into tangible improvements not only listen to what people have to say, but make sure that they hear why, involve their people to plan how to change and follow through to deliver actions for change.



## WHAT

It is essential to understand the survey results—this is employees' honest feedback on what they enjoy about their workplace and what frustrates them most. Take time to read through results and consider them in context—what results are expected and are any surprising?

## WHY

A common pitfall is assuming why people answered the way they did. Check assumptions before considering how to create change. A good way to do this is by conducting focus or feedback meetings with teams.

## HOW

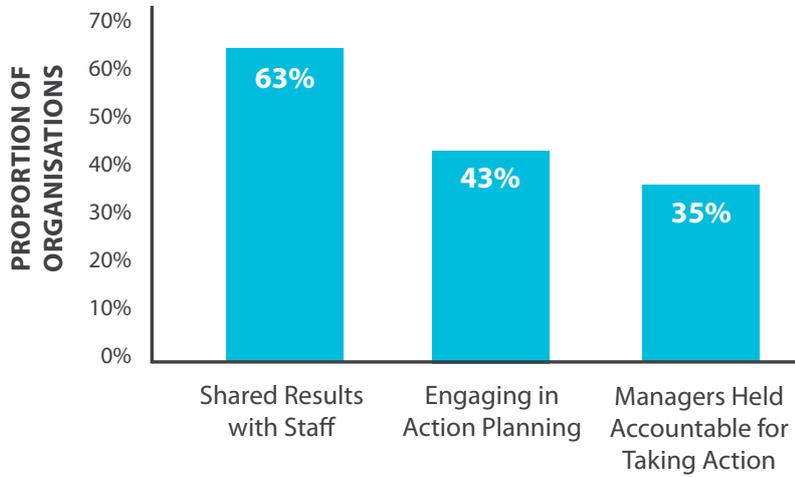
This is another good point at which to involve staff, and they will often have very insightful ideas on how to improve. Prioritise the options and develop an action plan for transforming them into visible change.

## FOLLOW THROUGH

Ensure the hard work in progress is visible or people will not know that their feedback had an effect. Refer back to programmes and initiatives resulting from the survey in newsletters, communications and meetings, and discuss when reviewing each quarter.

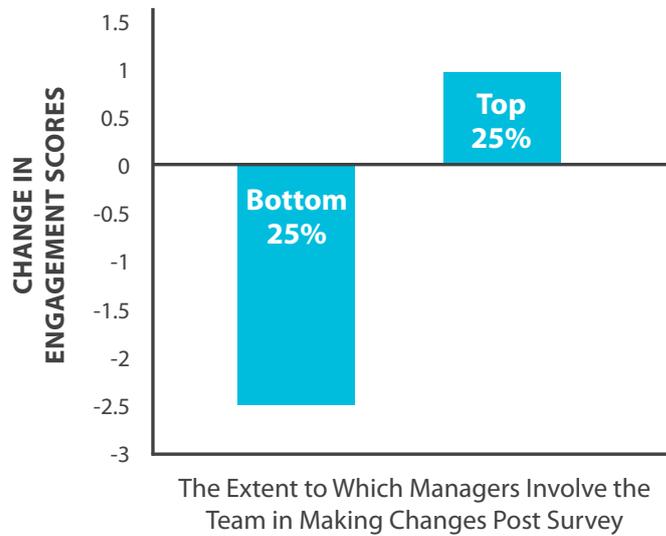
According to results from Kenexa's 2012 People Practices Study, while the majority of organisations surveyed report that they shared results with staff (63 percent), a smaller proportion actively engaged in action planning (43), and only a third of the organisations actually reported holding managers accountable for taking actions on the survey results.

### POST-SURVEY ACTIVITIES



Action planning does not guarantee change and improvement, as it is the “doing” that makes the real difference. We find that organisations whose managers actively involve their teams in taking action see the greatest improvements in employee engagement year on year. Employees of these organisations are more likely to see the survey as an effective change agent. What’s more, when managers are not seen as doing anything with the results, employee engagement levels actually drop. The message could not be clearer—informed actions lead to change, and the key is to invite your people along on the journey.

### IMPACT OF TAKING ACTION



“The customer is king’... The high service levels are constantly being reviewed and improved through requesting regular customer feedback, typically within a week of the initial customer interaction. Both positive and negative feedback received over the phone and through customer surveys is taken on board and used constructively for continuous improvement.”

– **Giltrap Audi**

“Yealands’ ethos of ‘think boldly, tread lightly and never say it can’t be done’ is a living statement for all employees. This balance of risk and innovation is a fundamental pillar of the culture at Yealands, and continues to be an important part of helping build a successful business.”

– **Yealands Estate Wines**

“On a quarterly basis, our CEO is sharing more of the corporate history, the nitty-gritty of the numbers (turnover, sales, costs), comparison to competitors, comparisons to where we have come from.”

– **Amy Buller, Overland**

“More and more we are bringing our customer interactions into our customer service request system, so we are getting better data about the quality of our engagement with our customers—we know the nature of the calls, how they are dealt with, whether there are any delays, etc. All this means that we’re not just waiting for our regular customer service surveys to be returned, instead we know how we’re tracking through the year and monitoring it.”

– **Richard Johnson, Nelson City Council**

## TO DRIVE

### HIGH EMPLOYEE ENGAGEMENT

Satisfaction, commitment and discretionary effort

### HIGH PERFORMANCE ENABLEMENT

Customer orientation, quality focus, job-related training, performance excellence and collaboration

“They have a desire to feel a part of one company, and they want to know what we are doing for our customers and stakeholders in different cities. We now devote more resources to communicate this to our employees, helping them to feel part of the larger group.”

- **Troy McInnes, Transurban**

“Both what people deliver and how they deliver it are incorporated into their performance review. You cannot hit your target without doing it the NZTE way.”

- **Peter Chrisp, NZTE**

## TO ACHIEVE

Safe Delivery



Customer Experience



Quality Services



Productivity & Efficiency



Growth



Market Share

“People are encouraged and almost expected to have a contribution or an opinion on anything and everything that affects what they do when they’re in the office.”

- **Mason Pratt, Provoke**

“Well-trained people understand our common purpose, are in tune with the organisational culture, show high levels of engagement and generally perform to a higher level.”

- **Craig Stevenson, South Taranaki District Council**

“To keep people focused on quality, it’s so important to have enthusiasm from the top. Enthusiasm rubs off on people, and changes the way they see their work.”

- **Michael Macknight, ADInstruments**

SPECIAL THANKS TO:



 **Nelson City Council**  
te kaunihera o whakatū



**OVERLAND**

**transurban**  


“ We believe we are at the tipping point in workforce enablement. Organisations that are committed to enabling a Smarter Workforce will ultimately have the competitive advantage. ”

Sanchia Yonge  
Managing Director ANZ  
Kenexa, an IBM Company

The logo graphic consists of an orange circle with a cyan-colored shape extending downwards from its bottom edge, resembling a stylized question mark or a drop. The text is centered within the orange circle.

**Kenexa**

an IBM Company

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