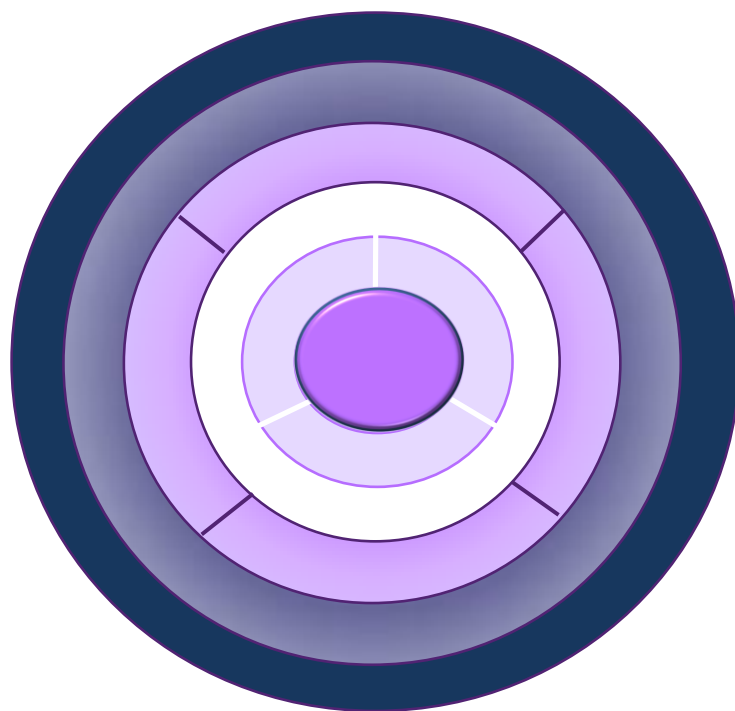


Rethinking employee voice

Voice at Sainsbury's



tomorrow's
company

Voice case studies overview

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

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

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

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

In particular we aim to understand:

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

Part 1: Introduction

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

J Sainsbury plc (hereafter called Sainsbury's) is a prominent retail business in the UK, with over 1,000 stores across the country. Overall, Sainsbury's employs 150,000 staff, or 'colleagues' as the company calls them.

Number of employees	150,000 (Note: The company doesn't distinguish between temporary and permanent)
Proportion of male/female employees	45% male/55% female
Employee turnover in year to date	21%

Part 2: Background of voice at Sainsbury's

Employee voice at Sainsbury's is both embedded in their organisational culture and fundamental to their business success.

It has been profoundly affected by the arrival of Justin King as Chief Executive in 2004. He took charge at Sainsbury's during a difficult period when it had been losing out to its competitors in terms of market share. In looking afresh at the business, Justin and his senior management team recognised the important role employee voice could play in delivering sustainable business success.

His new leadership and priorities have had a significant impact on how Sainsbury's approached voice and on the relationship between the organisation and its employees. New voice channels have been created and their values have been refreshed. For example it was said that before Justin, voice of colleagues working in stores was less heard than those working in the headquarters. To call all employees 'colleagues' is intentional and reinforces the equality of status, potential and recognition.

Sainsbury's are fully aware of the importance of voice to their organisation. They understand that voice is one of the key drivers of employee engagement. They also realise that engagement has a significant impact on performance, particularly in the competitive, customer-focussed sector in which they operate. As Jacki Connor, Director of Employee Engagement explained, *"a company that cuts off voice from their colleagues is missing a really important source of ideas generation."*

Sainsbury's face a number of significant challenges in terms of facilitating voice. Their large and diverse workforce is spread across the length and breadth of the country, working in supermarkets, convenience stores and depots. In such circumstances, it is difficult to provide all members of staff with the opportunity to have a voice, and to ensure that all are heard.

To overcome the challenges associated with this, Sainsbury's have developed a variety of well-structured channels for accessing employee voice. The company has demonstrated its commitment to voice by investing in it, and it is always looking to improve its channels further.

Part 3: Voice at Sainsbury's

Sainsbury's face a number of challenges in accessing employee voice. But despite the size, spread and diversity of its workforce in the UK, they manage to provide an equal and consistent voice to their 150,000 colleagues.

In order to achieve this, Sainsbury's have set up a number of different voice structures. This includes a balance between individual and collective voice channels. Each of them plays a particular role in relaying and feeding back information from colleagues to managers and senior leadership and vice versa. Face-to-face discussions might be the most effective and authentic platform to interact but the recent upgrade of their intranet website has added a new dimension to colleague voice.

Individual voice

In terms of individual voice, Sainsbury's operate a staff survey they call Talkback. It is part of 'A Great Place to Work' and gives the opportunity for the company to continuously appreciate the success of their engagement with colleagues. The survey is completed by every member of staff once a year but it is carried out in six waves. This enables Sainsbury's to get a snapshot of engagement levels roughly every two months or so. As Jacki Connor, Director of Colleague Engagement explained, Talkback is a "*continual temperature check*" which is vital, particularly given the fast-moving nature of the retail sector.

The results from Talkback are fed back to colleagues through the Colleague Council (see below) and through store managers. An action plan is developed to address any issues identified in the survey at both company and store level.

In addition to the regular Talkback surveys, Sainsbury's are able to take any particular issues to the Colleague Panel. This is a voluntary online panel hosted on MySainsbury's, the company's intranet site, which allows them to undertake short e-surveys on any issues that arise. They have 27,000 registered colleagues on MySainsbury's.

Another individual voice structure is Tell Justin. This is a colleague suggestion scheme that allows members of staff to send in their ideas and suggestions direct to the Chief Executive – on postcards, by email or by text message. In return all colleagues receive an individual response to each message, by letter or email, within a maximum of six weeks. So far they have received more than 40,000 suggestions and they consider this channel to be very effective both in terms of getting feedback on campaigns and products, and in identifying new business opportunities.

Collective voice

In addition to the mechanisms for accessing individual voice mentioned above, Sainsbury's have got a number of channels for collective voice.

The Start the Day sessions are breakfast listening groups held in stores, depots and store support centres. The Chief Executive and key Operating Board Directors each attend them on a regular basis in different parts of the country. Representatives from local stores for example are brought together and are able to ask questions they have prepared in advance, with their colleagues. It establishes a direct relationship between colleagues and senior leadership. This allows colleagues in stores to feed

their ideas up and feel they are being listened to, and it allows the senior leadership to stay in touch with the views of front-line staff.

Sainsbury's have established an effective structure for collective voice in the form of Colleague Councils. The Councils act as a consultative body that represents all their staff. Their purpose is to help share ideas that will improve the business.

The Councils have four levels, starting from shop level and going right up to the national representation.

- At store level, it is composed of one colleague per department in the store, the HR manager and the store manager. They meet at least once a month.
- One member from each store Council is selected to sit on the regional Council. This enables local stores to share ideas with each other and work together.
- Then there is a Colleague Council for each zone – representing the North, East, South, and West of the country – which is made up of one representative from each region.
- Finally, two colleague representatives from each zone attend the National Colleague Council. This also includes representatives from convenience stores, logistic and depots representatives, and support centres; trade union representatives. The National Colleague Council meets four times a year and provides an opportunity for colleague representatives to question Justin King directly, and for senior management to inform or consult colleagues on important changes occurring within the company. At this occasion extra speakers will be invited to present the change programme and will ask colleagues to gather feedback from their peers.

Councils ensure a structured and efficient channel of two-way communication between front-line colleagues, store managers and the senior leadership at Sainsbury's. Representatives sitting in councils relay information from the grass-roots to the top of the organisation, and vice versa. The Colleague Councils provide a great opportunity to *"get the actual feelings of colleagues"* but they also provide a channel for the transmission of information from the top down.

The role of the store manager is pivotal. As line managers their role is to listen and work with colleagues on solutions.

Sainsbury's are fully aware of the importance of cross-learning and sharing practice between stores and between colleagues working in the same area. Regional Colleague Councils present the opportunity to develop cross-store collaboration and information sharing.

Recognising the youth of its workforce, Sainsbury's have also established Youth Forums exclusively composed of colleagues under 25. These mirror the structure of the Colleague Councils and they provide a forum for the business to facilitate the voice of younger colleagues, so they can understand and address their particular issues. Sainsbury's recently held the first national meeting of the Youth Forum which was a great success. Jacki Connor explained that *"the discussions at the National Youth Forum are usually free flowing. Our young colleagues very much focus on solutions and actions."* This interlacing between various voice channels shows their success and efficiency in sustaining and improving the organisation.

The structures of communicating and relaying information up and down are well-settled. However with a workforce of this scale and with such a dispersion of their stores, lateral communication between colleagues at a more local level is all the more

important. As said above regional Colleague Councils enable colleagues to share learnings. In addition to this the recently re-launched intranet website, MySainsbury's, also provides the platform for colleagues to interact directly. The website is accessible from home and via smartphones; it contains all policies and HR information, career pathway booklets, colleague benefit details as well as blogs by senior leadership. It also creates a space where colleagues can directly talk to each other called Chatterbox – a Twitter-type social media platform allowing messages of up to 150 characters to be exchanged between colleagues. It has been used to highlight and demonstrate all the good things colleagues have been doing. The intranet website has been *“remarkably positive”* according to the Colleague Engagement Team. So far MySainsbury's has 27,000 registered users.

Implementing voice

Through using the various individual and collective channels mentioned above, Sainsbury's are able to access the authentic voice of their colleagues. It enables the company to communicate effectively with colleagues, to receive feedback on employee engagement and to generate business ideas. These channels also involve direct exchange with Justin and the other board members, which is very much appreciated by the colleagues. To include the voice of all their colleagues, Sainsbury's try to ensure that communication is always kept easily accessible and transparent.

Sainsbury's are very much aware that in addition to enabling colleagues to have a say, it is vital that they feel that they are listened to. Deborah Dorman, Head of Great Place to Work told us that *“pretending to listen is worse than not listening at all - if you are going to listen you have to demonstrate that you did, even if it is to say no; it's much better to explain why.”* For example Sainsbury's have created 'You said/We did' messaging which explains how they acted on issues that have previously been raised by staff, reassuring them that their voice does have an impact.

Sainsbury's have created a plethora of voice channels and opportunities for colleagues to speak up. They value highly the impact this has on their business; *“to not involve would be a real missed opportunity”* as one interviewee told us.

Part 4: Factors influencing voice at Sainsbury's

Customer relationships

Customers are right at the heart of the company's decisions. If Sainsbury's is to achieve sustainable business success, it needs to offer good value, exceptional service, and be a great place to shop that people want to visit.

Equally, Sainsbury's understand that to achieve a high level of customer service, they need to engage with their staff and support employee voice; *"we know that the way we engage with colleagues has an effect on the way they engage with customers."* Relationships between colleagues and customers are seen as pivotal in terms of ensuring the success or failure of the business. As Jacki Connor put it, *"customers will tell us what is wrong and colleagues will come up with the solutions."*

As a reflection of putting customers and colleagues relationships at the core of their success, Sainsbury's have created the role of Customer Service and Colleague Director, which is currently held by Gwyn Burr who also sits on the Operating Board. Not only is Gwyn Burr very senior in the organisation but her role is unique in strategically aligning customer services and colleague involvement. Sainsbury's have a fundamental belief in the connection between motivation and performance, which this role helps to put into reality.

Leadership style

Sainsbury's have profoundly changed since the arrival of its current Chief Executive, Justin King. He brought with him, it was said, a shift in leadership and relationships between colleagues and the top of the organisation. Tell Justin was a channel created after 2004 and was *"a symbolic way of doing things."* Through voice and different internal communications' channels (such as awards or the in-house magazine), he exercises 'sight leadership', a direct and regular contact with colleagues. Through regular attendance at the National Colleague Council plus the Start the Day breakfast groups, he is able to hear the issues that matter to colleagues and engage them in improving the business. This leadership style has made him very approachable and created an open and entrusted environment to bring the business forward – colleagues *"love hearing from Justin"*.

This new style of leadership is also shared with the other members of the board. The Start the Day sessions are opportunities for colleagues to not only discuss with the Chief Executive but also with a member of the board in a friendly environment.

Apart from the 'sight leadership' of the top, Sainsbury's gives much importance to local leadership. Leadership at the local level and on a daily basis is what makes the difference for colleagues. It also provides the most efficient results in engagement and productivity. Sainsbury's recognise that the most frequent and natural place to be heard is the colleague's daily workplace. The company empowers local store managers to exercise leadership through their chairmanship of the Colleague Councils. Another example is that the budget for A Great Place to Work is distributed to the store Colleague Councils that decide independently about how they want to spend it.

Organisation, structure and ownership

Sainsbury's were founded in 1869. At present, they have 560 supermarkets and 440 convenience stores (a total of 1,000 stores). They also have a banking branch with Sainsbury's Bank that is jointly owned with Lloyds Banking Group. Sainsbury's Supermarkets Ltd are listed on the London Stock Exchange (LSE) and have been part of the FTSE 100 company index since 2007. Their revenues in 2011 amounted to £21,102 million. Shareholder pressure coming from its listing on LSE hasn't been mentioned during the interviews. The literature on employee voice suggests that in the case of listed companies, the pressure from shareholders for immediate returns might work to the detriment of voice. However, it is clear that the public ownership of Sainsbury's doesn't seem to affect the way colleague voice is treated within the company. Employee voice remains highly valued and important to their business success.

Given the size, spread and diversity of the workforce at Sainsbury's, accessing an authentic employee voice is always going to be a significant challenge. The Colleague Engagement Team are responsible for supporting voice throughout the organisation – helping feed up views from the shop floor, and helping transmit messages from the senior leadership down. To reinforce equality and consistency among the workforce, colleagues across the entire Sainsbury's business are treated evenly and provided with a wide variety of voice channels so that everyone has the opportunity to be heard.

Principles, goals and values

The company's values and overall culture demonstrate the celebration of colleagues and their contribution to the organisation.

Principles, goals and values in relation to colleague voice are very much covered in the internal programme called A Great Place to Work.

A Great Place to Work is a corporate responsibility strand comprised of different elements such as inclusion, diversity, extra colleague benefits, skills and career development. Giving colleagues a voice is one of its elements. Having such different areas covered under the same programme makes Sainsbury's distinctive. Indeed, an interviewee told us that, *“all these things are connected in a holistic way. With the creation of the Colleague Engagement Director, Sainsbury's recognises from a strategic perspective that having a meaningful relationship with its colleagues is important. There are so many levers that are part of the mix [of 'A Great Place to Work'] – recognition, communications, career development, voice... All these things are inter-connected and create a powerful relationship with our colleagues.”*

To reinforce local leaders' understanding of the company's values and culture Sainsbury's re-launched in September 2011 their set of colleague values at an internal conference on Sainsbury's new strategy plan, 2020 Vision. Renewed values include trust, efficacy, great quality service and personal responsibility. The event was attended by 5,000 colleagues and has been very positively received.

Part 5: Benefits

Employee voice at Sainsbury's has clear benefits both for employees, and for the organisation as a whole.

Empowering colleagues to speak up reinforces their commitment and engagement. Sainsbury's found in an employee survey that for colleagues voice – along with recognition and career development – is a key driver of their engagement. Voice makes colleagues feel part of the Sainsbury's family and it enables them to be actively involved in problem-solving and in generating ideas to improve the business. Without it, *"Sainsbury's won't be a great place to shop for customers and a great place to work for colleagues"* recognises the Colleague Engagement Team.

Times are tough for the retail industry and their customers. Within this competitive and customer-focussed environment, Sainsbury's understand how important it is to have an engaged and enthusiastic workforce. Research carried out by Sainsbury's showed that 13% of performance within their stores can be attributed directly to employee engagement. They also know that voice is one of the key drivers of engagement. It is clear therefore that voice has a direct impact on the bottom-line and on sustainable business success.

Since Justin King became Chief Executive back in 2004, the sustained focus on employee voice has coincided with a considerable improvement in performance. Sainsbury's have successfully managed to create a connection between the company and its workforce that helps drive performance. The senior leadership at Sainsbury's involve colleagues in decision-making and problem-solving because they recognise how vital their involvement is in the performance of the business. When things are not being done correctly, feedback from colleagues ensures that Sainsbury's still hold the mirror up and adjust their positions. The effective and egalitarian use of voice ensures that there is an open and honest conversation between the management and colleagues. Colleagues know they are respected, that they will be heard and their ideas will be listened to.

From Sainsbury's perspective the colleagues' feedback and relay of business ideas push Sainsbury's to constantly evolve and improve their products. There are many examples of suggestions from a colleague leading to better performance; from adapting the shape of herb jars to make them more user-friendly to altering drivers' delivery routes to make them more efficient.

In the fast-moving retail industry, listening to colleagues who are on the front line with the customers enables the company to constantly improve and deliver services that are better-tailored to the demands of its customers.

Conclusion

Colleagues are central to the business and its culture. Sainsbury's understand that in order to have satisfied customers, they need to have engaged employees. They see voice as key to delivering this.

With a large and diverse workforce, spread over almost a thousand sites, creating consistent, equal and efficient voice channels and a culture supporting it is challenging. However, through establishing a clear structure of voice channels and through promoting their values, Sainsbury's has managed to achieve this.

If voice is now widely spread and heard throughout Sainsbury's, this is partly due to the leadership style of Justin King. The leadership is convinced of the importance of voice in colleague engagement and the link with increased productivity.

However Sainsbury's still faces challenges in order to maintain and build on its successes in employee voice. From a process perspective, the size of the business compels internal communications to be outstanding. Voice needs also to be supported locally by the store managers; local leadership and empowerment being central for colleagues in their daily job. Store managers should support and encourage their colleagues to speak up. Sainsbury's recognise that reaching consistency throughout their stores is an on-going challenge. Convincing line managers of the importance of voice is therefore crucial.

With the recent successful launch of MySainsbury's, the company seems to be improving the channels for bringing together colleagues across stores and different parts of the country. In an organisation of this size peer-to-peer exchange is challenging yet crucial to the success of both stores and the company as a whole. It is another example of how Sainsbury's are continuing to develop and improve their work on employee voice, in order to increase engagement and drive productivity.