



EMPLOYEE ENGAGEMENT:

THE PEOPLE-FIRST APPROACH TO BUILDING A BUSINESS

In this exclusive excerpt from his book, *David Croston* reveals how Vodafone Australia has tied employee engagement to its corporate brand and values

Vodafone Australia is a wholly owned subsidiary of the UK-based Vodafone Group PLC, the world's leading mobile communications group.

Locally the business employs over 1,100 people, serves more than 3 million customers and holds an 18% share of the mobile communications market. This is a substantial share, but it leaves the business positioned as a third-placed player to the market's 800-pound gorilla, Telstra.

Back in 2001 the local executive leadership team came to the conclusion

that the only way Vodafone could successfully compete with its larger rivals was to connect and align every employee with the company's purpose, vision and values.

Vanessa Riley, head of career and development at Vodafone Australia, recalls: "It was around this time that we

started on our journey towards becoming a values-based organisation. We invested a lot of time and money into getting everyone in this business clear about what we stood for and where we were headed."

The business made headway over the ensuing years, steadily gaining market share and improving its performance. However, as with all journeys of this type, management knew it would be a mistake to set a course and slavishly stick to it. So, in 2005, the executive leadership team bunkered down to review its business strategy – with the aim of becoming a high performing values-based organisation.

"As part of the review, the executive leadership team began asking questions about the values we had in place at the time," explains Riley. "We were operating with separate 'people' and 'brand' values, and to be honest, we spent most of our time focusing on the internal values. Many of our people struggled to even recall the

external values, which of course meant we had a very internally focused culture."

By coincidence, at the same time that the Australian executive leadership team was reviewing its strategy, Vodafone Group in the UK was working on the global brand strategy. The outcome of this work was a major employee engagement initiative aimed at bringing the essence of the Vodafone brand alive. The focal point of this initiative was a new brand essence statement, 'Red, Rock Solid and Restless'. This was a simple and memorable internal brand mantra designed to reinvigorate the culture of the business. 'Red' symbolised passion and spirit, 'Rock Solid' represented reliability and dependability, and 'Restless' signified fresh thinking and innovation.

Riley notes, "In the end, it was a pretty simple decision for us to cull the existing values and replace them with 'Red, Rock Solid and Restless', which we in Australia saw as a set of values, as well the brand's essence."

The global brand team delegated the launch of 'Red, Rock Solid and Restless' to the local markets. "They provided us with a framework that explained the thinking behind this new statement, but left it up to us to make it meaningful," explains Riley. "To launch the values we ran workshops



for about 80 people at a time that unveiled the new values statement and explained its relationship to our new customer and people strategies.” Riley outlines the model used in these workshops – a clever combination of complexity and simplicity that established the relationship between ‘Red, Rock Solid and Restless’ and the desired customer and employee experience. “Our goal was for our customers and our people to feel ‘appreciated, confident and inspired,’” says Riley. “To do that we launched separate customer and people promises, which was a vital step because when you take it down to the level of making a promise, you get a greater sense of commitment from everyone.

“Our customer promise was, ‘No one values your time more’. And that’s what we believe; the commodity our customers value most is time, and if we can give them more time or help them to make better use of their time, that’s where we can really add value. All our marketing now sits around this concept, which has evolved into our advertising line, ‘Make the most of now’.

“To deliver this customer promise, we knew we needed to make a similar offer to our people. Ultimately it’s the people on the phones, in the stores and in the back office that have to bring our brand to life. The promise we wanted to make to them was, ‘Be your possibility, make every moment count’, which took the same concept of valuing time, but looked at it from an employee’s point of view.”

Two promises were developed – one for customers and one for employees – both of which linked back to the externally and internally aligned values statement, ‘Red, Rock Solid and Restless’. This is a refreshingly simple framework that set out the future direction for the business. “It gave a clear signal to our people that we were starting on a new journey,” says Riley.

Running the workshops was only the

beginning of the process. “We recognised that, ‘Be your possibility...’ presented us with a huge opportunity in the engagement space,” says Riley. “So we lined up all our employee touchpoints around this promise and began to develop individual propositions, that would address issues we knew were important to our people: things like career development, communication and recognition.

“Around this time we also started talking about the entire employee experience,” explains Riley. “We realised we had to deliver something pretty special if we wanted our people, for instance, to turn down a great job offer from another company or do something that was above and beyond the call of duty.”

This train of thought led to the development of Vodafone’s Employee Value Proposition (EVP) – seven initiatives that represent the core of Vodafone Australia’s people strategy and promise. “The EVP focuses on the emotional element of our people promise,” says Riley. “We already had the rational side of our offer worked out, so this was about adding an emotional layer to help us build a more enduring connection with our people.”

The scope of the program is so large that there is only space here to cover some of the highlights – Welcomingyou, Lookingoutforyou and Celebratingyou.

One of the most unique aspects of the Welcomingyou initiative is the focus given to the experience of new recruits during their first few hours inside the business. During this time many employees make a snap judgment as to whether their decision to join their new employer was the right one. Knowing this, Vodafone appointed a full-time Welcome Coordinator who, says Riley, “Meets you in reception as you arrive and presents you with your Vodafone backpack, which contains your mobile phone, your business cards, your

laptop; in fact everything you need to start working. Then they take you to your desk, introduce you to your new colleagues and help you settle in.” This is very different to the standard procedure in many companies, where new recruits are left to fend for themselves – an experience that can leave them feeling unwanted. By paying attention to the small details of the new recruits’ first few hours in the job, there is a greater chance that they will reach the end of their first day feeling ‘appreciated, confident and inspired’.

The Lookingoutforyou initiative is another winner. There is an important functional side to this initiative that deals with health and safety issues, but it’s the emotional side that is of most interest. This aspect of the initiative focuses on the wellbeing of employees and delivers a range of programs aimed at facilitating a healthy lifestyle. The goal of the initiative is to create happier, more resilient employees.

“We offer fruit at work, ‘flu vaccinations, massages, wellbeing seminars, health checks, flexible work policies: all sorts of things that go beyond the basic regulatory requirements,” explains Riley. These benefits are increasingly important to younger workers, many of whom view them almost as a basic entitlement. Companies who refuse to offer these types of benefits will find it increasingly difficult to attract and retain talent in the future.

Formal and informal recognition is one of the big drivers of engagement. Over the last three years, Vodafone has developed a program that links employees’ recognition to the company’s business goals.

The Celebratingyou initiative provides a channel for leaders to promote the organisation’s high performance, values-based culture, by recognising and celebrating outstanding performance.



The initiative has three levels of recognition:

- Stars: in-the-moment rewards, manager nominated
- Heroes: quarterly awards, manager nominated
- Legends: annual awards, employee nominated

Riley explains how each of these work. “Stars are our spontaneous rewards that leaders give out to recognise outstanding performance on a daily basis. There are various types of rewards, but generally they take the form of a \$100 department store gift voucher that arrives on your desk with a thank you card from your leader saying, ‘well done.’”

Next are the Heroes awards. “These are quarterly events, where you celebrate the high performing people in your function. These awards come with a \$500 gift that goes directly into your salary.

But more importantly, the heroes get to go to somewhere fantastic for a day. For example, this year our heroes flew down to Perisher Blue in a private jet and spent the day skiing. It was a great reward, and it was something the entire business talked about,” says Riley.

And the top awards, the annual Legends awards, are peer nominated.

“The winners are treated like rock stars, we give them the red carpet treatment from start to finish,” says Riley. “This year the Legends – and I think there were about 30 of them – went on holiday to Hawaii. It’s a big expense, but recognising and celebrating outstanding effort is crucial if you want to build a high performance culture.”

Vodafone Australia’s EVP has helped the business to deliver on its people promises. As Riley notes, “It’s the way

we treat our people, the experience we give them while they’re at work, which ultimately determines the experience our customers get.

“Our goal is to create an unbeatable experience for our people and our customers so they feel ‘appreciated, confident and inspired.’”

Results across the business indicate that the brand, customer and people alignment efforts are paying off. In 2006–07 Vodafone Australia was recognised as a Hewitt Best Employer for the first time, achieving an overall engagement score

of 76%. Vodafone’s customers continue to experience the highest levels of customer satisfaction for mobile users in Australia. And the financials are looking very healthy, with earnings growing by over 20% year-on-year. **HC**

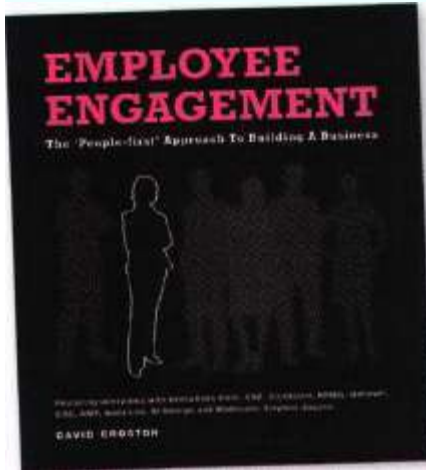
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Q: Who is the author of *Employee Engagement*?



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