



Case Study–Brush Electrical Machines (BEM) Ltd

A takeover and new management had impacted morale, trust and employee engagement in this 800 employee manufacturer of generators for steam and gas turbines.

Brush Electrical Machines (BEM) Ltd joined the Acas managed Innovative Workplaces project and as a result introduced initiatives to improve communications across the plant. Set against continuing challenges which were an impediment to improving levels of trust and despite relationships between management and trade unions remaining poor, the outcome, in the view of senior management, was that the situation would have been far worse without involvement in the project.

Case study organisational background

BEM was one of ten organisations that participated, during 2009/10, in a project managed by Acas, known as 'Innovative Workplaces – Developing Organisations for the Future' (IWP). The project was funded by the East Midlands Development Agency (*emda*).

BEM is a manufacturer of generators for steam and gas turbines based in Loughborough, Leicestershire. At the start of the project BEM had 800 employees. Other separate Brush plants also occupied the site. Along with its current sister company in the Czech Republic, BEM is the world's largest independent manufacturer of turbine generators. Prior to the project, a takeover had led to new management which had instituted a 'lean production' system resulting in a series of redundancies. During the IWP project BEM merged with a Brush Transformers plant at the site which had previously been under separate ownership. Rationalisation occurred across the two companies resulting in a new round of redundancies and, by the end of the project, BEM had a workforce of 700.

The issues

The recent takeover and change in management together with other changes had resulted in low employee morale which was reflected in a disappointing response rate in an employee survey in 2009. The union felt that poor communication, in addition to the issues of change and ownership, had contributed to the lack of trust and poor morale. The company's



particular concern was that, whilst the workforce was highly skilled, there was a need to develop a less functional, more process driven perspective among the workforce to take the organisation forward.

The opportunity to participate in an Acas supported initiative was first promoted by a union official on behalf of employees at BEM. There was a view amongst employees and the union, together with middle managers, that they were not being listened to following the changes in senior management arising from the takeover. Involvement with the project was perceived to be an opportunity to help improve morale, trust and employee engagement across the site.

How Acas helped – ‘The Innovative Workplaces Project’

This innovative project was designed to stimulate organisational change, be workplace focused, provide customised organisational support, and develop management and leadership skills through a practical rather than a theoretical approach. It offered in-depth support to a number of organisations in the East Midlands region that were seeking to change workplace practices and increase employee engagement as a means of improving organisational performance.

Over an initial twelve month period during 2009 - 2010, the Innovative Workplace Project (IWP) provided a number of interventions to ten participating organisations. The IWP began in April 2009 with the recruitment and selection of organisations seeking to participate in the IWP. The organisations' nominated representatives participated in three core elements of the initiative commencing with an initial three and half day course to develop management and leadership skills, to build trust and dialogue between nominated representatives and to establish the group relationships necessary for action learning. The programme provided nominated representatives with the optional opportunity to gain a recognised management and leadership qualification.

This initial intervention was followed by monthly participant network meetings, which included action learning sets. Both the short course and the network meetings were facilitated via Acas' delivery partner UKWON. The third core element of the IWP was customised workplace facilitation provided by Acas Senior Advisers. Additional support was provided where there was an identified need, for example through Acas short training courses. Each organisation drew up an action plan and these were presented at a launch event in September 2009. These plans informed the projects within each organisation.

BEM Ltd

BEM's initial action plan aimed to improve two way communication across the site in order to allow the workforce to 'feel valued, heard and motivated'. Following an initial meeting between the Acas Adviser and the organisation's representatives, a Steering Committee of seven individuals was constituted and terms of reference were agreed. It was decided that the Committee should address issues of employee engagement.



The Acas Adviser then facilitated eight focus groups, each consisting of 10 or 11 employees, representative of both shop floor and administrative staff. Each group was attended by a member of the Steering Committee. Concerns emerged from the focus group discussions in relation to communications, not being listened to, a perceived lack of interest in employee views on organisational problems and the handling of previous redundancies.

The Acas Adviser compiled a report capturing all the issues emanating from the focus groups and presented this in the first instance to the Steering Committee and then to the Managing Director. It was concluded that the Steering Committee would, going forward, become an Engagement Committee.

The outcomes and impact

Initially the program seemed very successful with the establishment of the Steering Committee and the eight focus groups which helped to improve lateral communication across the site. Whilst various concerns, noted above, were expressed there was also continuing pride in the Company's history and its products. An immediate outcome of the project was the reintroduction of social events and the establishment of a newsletter. Both were perceived to have improved communication across the plant as evidenced by the following comment:

"I think the way we operate and communicate has probably got better. We work closer together rather than being segmented ... I don't think communication is great but we do work better across departments now."

The employer further identified that the company's increase in productivity, its ability to ride out the recent economic downturn could, in part, be attributed to its involvement in the IWP project.

However, six months following the end of the project there continued to be divisions between management and employee representatives and there was now an absence of any organisational representatives to take the project forward. One of the organisation's representatives, the senior shop steward, withdrew from the project following the breakdown of pay negotiations and concerns about his role as a project representative whilst the other, a business analyst, left the organisation for employment elsewhere towards the end of the project. Notwithstanding, both parties viewed the project itself very positively and, in particular, the contribution made by Acas. A recent round of redundancies has been an impediment to improving levels of workplace trust but senior management's view is that the situation and morale would have been far worse without involvement in the project as illustrated by the following observation:

"I think if we hadn't been doing the talking, if we hadn't been doing these things then it would have been worse".

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