



## Case Study – The Health Store

This co-operative wholesale and distribution centre for health food goods (with 102 employees) was facing considerable market pressures, poor employee communication and low levels of employee engagement. The Health Store joined the Acas-managed Innovative Workplaces programme and identified its Operations Department as a pilot area for the introduction of changes to help improve levels employee communication and engagement. These changes resulted in the election and training of two employee representatives, the establishment of a joint management and staff forum, improved morale and communications, reductions in absenteeism, disciplinary action and improvements in working practices as a result of suggestions made by the workforce.

### Case study organisational background

The Health Store is a co-operative wholesale and distribution centre for health foods with a production unit producing its own label dried goods. It has been trading for over 77 years and is one of the leading health food wholesalers in the UK, supplying stores throughout the UK, Ireland and many parts of Europe. Due to the growth of the business, the Health Store had moved to purpose-built larger premises in 2007.

The Health Store 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'. The project was funded by the East Midlands Development Agency (*emda*).

### The issues

At the time of applying to join the project, the company had identified the need to find operational efficiencies and to increase sales to sustain the business. It had identified that to maintain and grow the business there was a requirement for improved team work and, in particular, employee engagement across the workforce regarding the direction and priorities of the business. It was felt that managers if properly trained, could become important effective communicators in the organisation, and would play a key role in understanding employees' concerns. When the project began, workforce morale was identified as generally poor compared with when the company had been a smaller operation at its old premises.



So the opportunity to participate in an Acas supported initiative was seen as a means of developing a 'forward thinking workforce able to contribute to the future of the business'.

The main objective of the company's action plan was to increase employee engagement through better two way communication. The view was that more effective and open dialogue between management and staff would mean that staff would be better informed, more able to share their concerns with managers and more likely to put forward any suggestions they had for improvements to working practices. It was intended to achieve this by establishing consultative processes within the organisation and by appointing elected staff representatives. The Health Store's Operations Department was identified as the pilot for the initiative.

## **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.

## **The Health Store**

In addition to the nominated representative attending the IWP's three and half day programme and attending the network meetings, the Acas Adviser facilitated a number of activities in the workplace. This involved initial detailed focused discussions with the organisation's representative helping to diagnose the particular issues perceived to be giving



rise to communication, morale and engagement difficulties. Subsequently, discussion took place about a communication and consultation group which led to the establishment of a representative forum. The Acas Adviser then trained two individuals in the role and functions of employee representatives. These two individuals were also developed to be employee representatives in disciplinary and grievance cases which it was hoped would help to reduce perceived inconsistencies of approach. The Health Store's organisations representative attended the following Acas training events; 'Meetings, Consultation and Forums', 'Having Difficult Conversations' and 'Facilitation Skills'.

### **The outcomes and impact**

By the time the formal project ended in April 2010, two employee representatives had been elected by the workforce and trained by Acas, joint management and staff forum meetings had been established in the production and warehouse areas and employee representatives were attending monthly management team meetings. The improvement in two way communication is illustrated by the following elected employee representative's comment:

"It's a lot easier to talk and obviously I'm involved now with the meetings – there's no secrets anymore so there's a lot more understanding which makes my job a lot easier"

The momentum continued and six months after the project had ended, it was reported that morale and relationships between management and operations staff had improved. Over a 12 month period, absenteeism had reduced and there was a very significant fall (77%) in instances of formal disciplinary action. There were also numerous examples of improvements to working practices as a result of suggestions being made by the workforce as evidenced by the following organisational representative's observation:

"Since the project got into its stride there have been six developments that have been gained from the employee engagement process which could well have been driven by a manager, supervisor or through Health and Safety. But they certainly wouldn't have occurred at the pace they have without the employees latching on to it and driving it themselves"

Overall these changes were identified as being largely due to better informal communication and a greater openness between staff and management, but the formal consultative processes that had been put in place were being used where this was felt to be appropriate. Participants felt that the organisation was now better equipped to face future challenges as a result of participating in the programme, as the following comment highlights:

"Taking into account that we're coming out of recession and the year preceding that everyone was thinking we're going to be made redundant it's hard to quantify but it would all have been much more of a challenge without this project"

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