Case Study – Pendragon Contracts and National Fleet Solutions

The challenges posed by the adverse economic climate had lead to redundancies and reduced morale in this 98 employee automotive organisation. Pendragon Contracts and National Fleet Solutions joined the Acas-managed Innovative Workplace project and as a result introduced strategies to improve employee communication between two divisional teams. The outcome was improvements in employee engagement in the company.

Case study organisational background

The case study organisation consists of Pendragon Contracts and National Fleet Solutions. They are part of the Pendragon Corporate Division which is itself part of Pendragon PLC, the UK’s Leading Automotive Retail Network. The automotive retail outlets trade as Stratstone, Evans Halshaw and Chatfield’s, offering a large selection of new and used vehicles. These brands represent over 20 franchises for passenger vehicles, motorcycles, commercials and trucks operating from over 300 retail sites. The Corporate Division is located in Derby. At the commencement of the project, Pendragon Contracts and National Fleet Solutions employed 98 team members (38 males and 60 females).

Pendragon 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

The primary business of Pendragon Corporate Division is client account management and building relationships with external customers. The increasingly adverse economic climate had impacted the industry, and Pendragon Corporate Division had faced both restructuring and redundancies. Consequently, team members had experienced a number of changes, both structurally and to their own roles and responsibilities. This had left a lot of team members with feelings of unrest and uncertainty regarding their future job security (sometimes referred to by employees in the company as ‘survivor syndrome’). It was believed that this uncertainty had led to some team members becoming disengaged, which in turn was having an impact on their personal performance. Given the importance of client relationships, management believed that team members who were disengaged would adversely impact the external perception of the Division and ultimately adversely impact the overall financial state of the
organisation. The opportunity to participate in an Acas supported initiative was seen as a possible catalyst to addressing the engagement issue; would be an opportunity to set the foundations of better employee relations for the Contracts and National Fleet Solutions Divisions going forward; and provide a chance to develop approaches to engagement which could be utilised across Pendragon PLC.

**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.

**Pendragon PLC**

In this case study organisation an Acas Adviser worked with the organisation’s nominated representatives to help crystallise the focus of their action plan. This in part, related to issues emerging from the results of a recent employee engagement survey. The focus of Pendragon Contracts and National Fleet Solution’s action plan was clarified as being ‘to increase business performance through improved team member engagement’. It was believed that the IWP provided an opportunity to improve team member engagement, encourage better team participation and departmental interaction, hopefully with a positive impact on customer service.

In addition to the nominated representatives 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. The organisation had no prior experience of having a consultative forum and so had little experience of facilitating such a grouping. As a result, the Acas Adviser facilitated the inaugural meeting of a new employee forum. The employee representatives who volunteered to take part in the meeting were introduced to some exercises to ensure effective group work and Acas provided further advice on networking skills. Time was devoted to considering what issues the group wanted to take forward with the aim of improving employee relations. Participants were tasked with feeding back to their sections with the aim of coming back together to develop further the initial ideas with the help of Acas facilitation.

The second meeting of the forum, which was also facilitated by Acas, involved the participants presenting feedback from their various sections. It was agreed that there should be some cross functional support aided by the development of IT training manuals, and that as part of the initial approach to addressing the project action plan there should be the standardisation of some ’house keeping’ policies, for example, the smoking policy and car parking provision, both of which had been thorny issues. HR and local managers were very supportive of the group.

After these initial meetings, the employee forum became self-facilitating. Early on, it was identified that there was a training need on basic skills for first line managers. As a result, the Acas adviser provided a one day development event for eight first line managers. Five managers from Pendragon Contracts and National Fleet Solutions also attended a training event on ‘Having Difficult Conversations’, two attended a ‘Facilitation Skills’ training event whilst a further two attended an Acas programme designed to ‘Develop Mediation Skills’.

**The outcomes and impact**

By the end of the project in April 2010 Pendragon Contracts and Fleet Solutions had established a team member forum. Initially this forum was facilitated by Acas but later became self-facilitating. This forum agreed and instituted beneficial changes to a number of what the nominated representatives called ‘house keeping policies’ relating to such issues as an equitable car parking protocol, and the standardisation of the no-smoking policy. The successful implementation of these changes paved the way to address more challenging issues such as improved team member communication throughout the Division. A number of team building events were held to meet this objective and improved team member’s engagement. The success of this endeavour is illustrated by a comment from one of the organisation’s nominated IWP representatives:

“’The key achievement would definitely be that we’ve managed to get some cross functional or cross department dialogue going on which was a massive issue for us in the first instance. We always struggle to get the likes of Finance and Customer Service to actually talk to one another, we are not 100% there, absolutely not, but I think they work slightly more closely together so that’s been a massive achievement.’

Team leaders had begun to meet on a monthly basis and a more recent employee engagement survey displayed improved results. This enhanced communication and
engagement provided the confidence for the Division to resume their customer service survey and gain commitment from other divisions to begin a similar project internally.

Six months following the end of the project increased employee communications and engagement was helping the Division face the severe economic climate. This was re-inforced by the organisations’ nominated IWP representatives, one of whom commented, with respect to the intervention:

“It was good, it couldn’t have happened without the Acas facilitation.”

For further details please contact Acas Research and Evaluation at research@acas.org.uk