



"TRANSFORMATION AND ORGANISATIONAL DESIGN - IS CHANGE FATIGUE AND FRICTION DRIVING ATTRITION?"

On Monday 22nd May, Holmes Noble were delighted to host their first in a series of HR events exploring "Transformation and Organisational Design - Is Change Fatigue and Friction Driving Attrition?". We were delighted to be joined by guest speaker, Kevin Green, the Chief People Officer of First Bus, the second largest Bus company in the UK with 14,000 employees, who are part of FTSE 250 company First Group PLC.

After a challenging period during the pandemic, First Bus were looking to not only recover, but be better. They recognised that improvements were not only required financially, but through the relationship they had with their people, and this was essential in enabling their long-term strategic objectives.



“If you treat people well and manage them effectively you will create better engagement which will lead to less attrition.”



First Bus were looking to transform their business to focus on the service they provide to their customers and their people, changing the way they operated and the behaviours that underpinned this significant shift. First Bus's people strategy had several phases to it, but what underpinned this transformation was creating an environment where their core values were aligned ensuring change was impactful and permanent.

An evolution in the leadership skills required and the approach to change

First Bus recognised that to drive change they needed to evaluate the capability of their senior leadership team, understanding the status quo and the skills required moving forward, to establish lasting change. First Bus reviewed their operating model and worked with Holmes Noble to design a competency framework assessment, before assessing their existing capabilities and the skills that they needed to bring into the organisation from the external market. First Bus were looking for leaders who could inspire, engage and motivate their teams. They needed to introduce commercial nous, alongside an entrepreneurial mindset, introducing leaders who were prepared to take risks and were enthusiastic about doing so. This resulted in around a 25% change in their senior leadership team, with several new hires made.



“By changing how we communicate with our employees, we have seen attrition go from 41% to below 20%”



A monumental shift was the transformation of First Bus's appraisal process. Historically, the process had been poorly utilised with too much focus on what wasn't working rather than what was, creating disengagement across the Board.

First Bus changed this process, introducing 20-minute, regular catchups with a greater emphasis on how their employees were feeling emotionally, ensuring their people felt more appreciated and valued. Managers were given accountability and empowered to deliver these in their own styles, ensuring each session was authentic and delivered in a natural way. This was supported by online training and a tool kit was provided to ensure these were conducted effectively. The result was significant and First Bus saw uptake dramatically improve from 6% to 82%.

Furthermore, a change was made to bonus structures, with managers having part of their bonuses attributed to engagement scores of their teams.

Change - A bottom-up approach

First Bus recognised that to deliver lasting change they needed to adopt a bottom-up approach, empowering each depot to define the core values, rather than them being imposed from the top of the organisation. They ensured their front-line managers and workers were listened to, with the support from IT and operations to improve processes to enable these suggestions. Participation was key and changes needed to be organic, ensuring employees felt engaged. Often changes were designed at a local level, building confidence and reinvigorating engagement.

First Bus also adopted different language to mitigate the risk of change fatigue, introducing terminology such as 'pilots, experiments or tests' which were received with excitement rather than fear. First Bus also celebrated what was working and what would stay the same, with any changes being perceived as an enabler of progress.

There needed to be a cultural shift, ensuring people were confident and embraced change. They adopted an agile approach, setting a precedent where employees shouldn't fear failure, providing they failed fast and there were learnings from this.

“You said it, we did it”



Internal communication was key in effectively delivering this transformation. Regular 90-minute sessions were in place between the executive leadership team and front-line managers, mostly focused on listening to those on the front-line, aside from delivering a brief corporate update. They delivered hard and soft changes simultaneously, with a commitment to ‘you said it, we did it’, to demonstrate that all viewpoints were considered.

First Bus shared information effectively, focusing on delivering messages directly to the front-line rather than middle management and regularly conducted engagement surveys to assess how effective this was. First Bus also utilised an app, to communicate with their workforce, changing its primary purpose of being utilised by drivers to view their shifts to a broader social channel.

It was important that they were honest about what had worked and what hadn't, demonstrating that people were accountable for decisions and should not be afraid of adopting new things.

Talent Attraction & Retention

First Bus are committed to ED&I recognising that significant work needs to be done to bring talent into an industry that has historically been male dominated. They engaged with third parties to survey diverse focus groups, understanding what changes could be made to attract diverse talent to their business. This has led to a change in the physical environment, the introduction of more flexible working arrangements and a buddying system to support with the onboarding of new employees. In 15-months First Bus has increased the female representation of their workforce from 8%-11%.

Furthermore, they have also introduced an apprenticeship scheme to address the challenges of attracting the next generation of workers and have embraced social media platforms such as TikTok to engage with a younger demographic.

Soft benefits were introduced including cash incentives, cycle to work schemes, flexible shifts and the introduction of a GP service to all First Bus staff, recognising that their working patterns made it difficult to get doctor's appointments.



Summary

Delivering a transformation in a large, nationally dispersed organisation does not come without significant challenge, however ensuring that the right behaviours and culture is established is critical to its success. Embedding a bottom-up approach, listening to those on the front-line and executing a people centric, empathetic strategy is what has delivered success for First Bus and is what will ensure that change is permanent, not temporary.

