

CSR case studies



National Grid plc

Using employee engagement on safety to embed and integrate a CSR framework.

● The company

National Grid is one of the world's largest investor-owned energy companies. It employs some 28,000 people and supplies electricity and gas to millions of homes and businesses across Great Britain and the north eastern United States. It also runs a number of related businesses, including LNG importation and storage, land remediation and metering.

National Grid's corporate ethos is geared towards operating responsibly, as defined in its Framework for Responsible Business. This Framework is based on three business goals and their underlying values:

- Sustainable growth;
- Profits with responsibility; and
- Investing in the future.

Economic, environmental and social factors are embedded in decision-making at board and line management level. The board-level Risk and Responsibility Committee, chaired by a non-executive director, considers the risks and opportunities of all non-financial issues and draws on the expertise of external experts as required.

In January 2008 National Grid joined the UN Global Compact, whilst in 2006/07 it was rated as the leader in the multi-utilities sector on the Dow Jones Sustainability Index.

This case study profiles National Grid's 'Trusted to Work Responsibly' programme, which gives back the initiative to employees to create continuous improvement on safety, health and environment issues.

● The drivers

National Grid had reached a plateau in terms of its performance against Key Performance Indicators (KPIs) on health, safety and environment matters. A staff consultation programme to identify why performance in these areas was no longer improving revealed that employees perceived the company as being 'too controlling'. Rules and procedures were felt to be stifling flair, passion and innovation. The recurring comment from staff was, "You've trained us, we've got the experience, but then you don't let us use our grey cells. You don't trust us."

Reverting back to a state of continuous performance improvement, therefore, required National Grid to re-engage the passion and drive of its staff – as individuals working towards shared goals.

● Taking action

As a responsible employer, National Grid recognised the need to have an established safety framework which protects the wellbeing of its employees and the general public. A programme, 'Trusted to Work Responsibly' built on this framework to take safety to the next level by creating more space and flexibility for employees and allowing them to decide what the right thing is to do in their workspace. In the initial development phase Safety has been the focus.

Following executive-level sign on to the approach, Trusted to Work Responsibly was launched in October 2007 at a two-day conference attended by 200 of the company's Employee Safety Representatives. These employee-elected safety champions were

asked to consider the implications of moving to a more trusting environment and work out how the Trusted process could be practically applied across the business. Following the conference and with the support of the Safety Representatives, the approach was rolled out in several key areas.

From the outset, there needed to be a clear message that things were going to be different and high profile communications were developed to proactively recognise employees who demonstrated the values of the company and the Trusted approach, *celebrating* the work that they do. Previously, the stories and images used to portray work in National Grid were always too perfect (i.e. images of clear blue sky, smiley people, spotless vans and workwear). This was quite different from the real life experience employees could relate to (i.e. people working in all weathers and in difficult circumstances but still showing the commitment to protect themselves, their colleagues and the public). The view was that the company should portray real employees and tell their stories showing working life as it really is. Accordingly, the company produced 30 foot high posters, postcards, and videos for use at the monthly team talk process, and were prepared to publicly display these images of an 'imperfect' world to say, *"This is what our people do – and we're proud of them"*.

To date, the results show that people love the new 'gritty' imagery and it generates a lot of discussion. This is quite different to the previous situation where there were not many real life employee stories forthcoming. Now, using these tools as well as face to face sessions, there is no problem getting people to come forward.

Having established the message that the company is prepared to treat its employees differently, some agreed boundaries had to be put in place within which the employees had the freedom to operate. This led to the establishment of seven 'golden rules', supported by necessary policies and procedures. These covered critical safety areas where failure to do the right thing could result in employees or someone else being killed or seriously injured. In these areas everyone agreed there could be no compromise or negotiation.

This left the 'day-to-day' issues, possibly risks that are not even created by the company. The clear message on these types of issues was that the company was prepared to trust people to manage them using their experience and training (including escalating them if required). Signs, posters and procedures that generated a 'nanny state' feeling were all withdrawn.

Underpinning this trusted approach were some key prerequisites:

- "Trust is something that is earned through your experience and demonstration of being able to do the right thing; it is not automatically given." As such, the degree of trust given to a new apprentice will be different to an experienced engineer.
- Before and during work, everyone is expected to stop, take a minute, and think through the work they're going to do and how they'll protect themselves and others. Increased trust equals increased accountability for your actions.
- There needs to be open and honest dialogue on how to implement these new principles and what they mean for 'you in your environment with the hazards you're facing'. There is an obvious difference between the situation in the office and the situation in a high pressure gas system and if the company is giving you more space, you have to step forward to fill that space. Rather than telling people the answer, they were asked the question.
- A trusted approach is about doing the right things; it is not an excuse to cut corners and make ill-informed decisions. It also applies to everyone, management and staff alike.

Feedback from the first briefing process showed that people were interested in this new approach but still wanted the company to tell them 'the answer'. It has taken some time for people to recognise that they were really being trusted to come up with the answer themselves. Some people showed clear discomfort over the implications of a Trusted approach, but the view was that if people don't agonise over the issues arguably they are not thinking about it hard enough. The ensuing discussions within their teams, with their

managers and employee representatives, were what was critical to achieving success.

Based on the feedback from employees, their managers and safety representatives, a strategic framework for this new approach has been developed going forward. The framework allows the business to populate that framework in a way that works for them and comprises four key areas: roles and responsibilities which covers people's competence and capabilities; managing tasks which is about making expectations clear for certain activities; monitoring and learning to ensure continuous improvement; and line management and supervision which provides the leadership and interaction to engage employees. Each one of the key areas is then broken down into outcomes, investment from the company, checks and performance criteria.

This framework is a tool around which the local level discussion can then occur. People can individually populate it as to how they're going to move forward. This tool recognises the company is not a homogeneous business – each part of the business has to do something slightly different.

A degree of cynicism has had to be overcome. The sceptics saw this as being yet another initiative which will peter out given time. Individuals used to being given the answers have also been a source of resistance.

Trusted to Work Responsibly is a long-term process involving a significant culture change and, as such, the implementation team is not expecting overnight change. Ongoing communications and progress updates are all designed to recognise employees' capabilities and build their confidence to take ownership of issues.

● **Business benefits**

An early indication of positive change being achieved by the Trusted programme came out of the 2008 Employee Survey. As John Duckworth put it, *"86% of employees responding to an employee survey is in itself a positive sign of a culture where people believe they will be listened to. Notably, the highest positive scores concerned safety culture, with employees confirming that they regularly talk about safety and feel confident that when they bring up an issue it gets addressed."*

The consensus is that this less prescriptive approach is the way forward and will deliver improved and sustained improvements in performance.

● **Why is it CSR?**

Trusted to Work Responsibly is designed to engage National Grid's workforce in what the company is trying to achieve by giving them space to make a real contribution and take ownership for their actions. This in turn is helping align corporate values with individuals' own values.

● **What next?**

Safety is the current area of focus, but as the workforce transition progresses, National Grid intends to broaden the scope to incorporate the environment and occupational health and wellbeing.

Contact us

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For more information on National Grid, please email John Duckworth on john.duckworth@ngtuk.com or visit www.nationalgrid.com.