

Motivating and engaging employees for better business



Introduction

Virgin Media was created from the merger of NTL, Telewest and Richard Branson's Virgin Mobile and is a part of Liberty Global plc, the world's largest international cable company. In the UK, Virgin Media is the first 'quad play' provider, meaning that they provide broadband, TV, mobile phone and home phone services. The company has invested over £13 billion and owns the UK's largest fibre optic network, making it the biggest privately built network. In the first quarter of 2013 Virgin Media had 4.49 million broadband subscribers.

As a forward thinking company Virgin Media is at the forefront of digital technology, with its engineers researching the technologies that could be possible 20 years into the future. As well as investing in new technology Virgin Media continually invests in the people who work for the company, maintaining Richard Branson's philosophy that engaged and motivated employees lead to happy customers, which in turn leads to shareholder gain.

'Great people, connected to delighted customers, connected to great business results.'

The company believes that its employees need to both understand and believe in the journey of the business and the personal role they can each play in its success. This applies to all employees. There are a range of careers at Virgin Media from apprenticeships out in the field in areas such as installation and service to a variety of graduate opportunities. Virgin Media's apprenticeship programmes, which consist of light work using screwdrivers rather than heavy duty maintenance work, are attracting a growing number of females into its technician roles year on year. As well as work experience and traineeships there are a wide range of career opportunities in the three main business areas:

- Serve which includes roles in customer support and service technicians.
- Growth which includes sales and retail.
- Support which includes roles in finance and health and safety.

Balancing business needs with the needs of its employees is achieved through the company's commitment to creating a fun environment for its employees whilst they develop their careers.

'Being Virgin Media means we don't just want to be proud of what we do, we also want to love how we do it.'

The company's values - Insatiable Curiosity, Heartfelt Service, Delightfully Surprising, Red Hot, Smart Disruption and Straight Up - championed by the company's Chief Values Officer, Red, act as a 'red thread', underpinning the company's story and guiding decision making. This case study shows how Virgin Media understands the impact motivated and engaged employees have on its business' performance.

What is motivation?

Motivation is the driving force behind actions and behaviour. It leads individuals to take action to achieve a goal or to fulfil a need or expectation. Understanding what motivates employees at work



ensures that a business not only has employees that have the knowledge, skill and ability to do the job, but who are also committed to achieve a high standard of work. There are many positive behaviours that indicate employees are motivated including taking responsibility, helping colleagues, a commitment to achieving company targets and goals, as well as interest and concern for the business. On the other hand negative behaviours can be indicators of demotivated employees. These behaviours include poor timekeeping, high levels of absenteeism, avoiding responsibility and poor customer service all of which can impact on business performance.

As individuals we are all different and therefore are motivated by different factors at work. Virgin Media considers the welfare of its employees a priority and understands that engaging and motivating its people benefits its customers, the business and also the individuals involved. Virgin Media has also worked to understand the key drivers of engagement for its people; those areas which have the greatest engagement impact. This has led to targeted engagement practices business wide.

'It is impossible to win the loyalty of customers without first winning the loyalty of employees.'

Virgin Media understands there is a direct link between motivated employees and customer satisfaction. Customer satisfaction is measured using a monitoring and measurement tool called Net Promoter® which measures and scores customer experience data. Customers rate their experience out of 10. Customers giving a score of 9 or 10 are advocates that are likely to talk positively about Virgin Media. The data is then used to improve both the customer and employee experience.

The following sections explore some of the key theorists who have contributed to our understanding of motivation in the workplace.



Taylor's scientific management

In the early 19th century Frederick W Taylor's book *The Principles of Scientific Management* was published which changed the way organisations, in particular manufacturing organisations, worked. Taylor believed that work activities could be broken down into tasks by using a scientific method to find the most efficient way of performing a job. He advocated that work should be reduced to a series of routine, predictable and standardised tasks. Taylor assumed that workers were motivated by money so he introduced payment on a piecework basis, as an incentive which would increase productivity. The phrase 'a fair day's pay for a fair day's work' was used by Taylor to motivate workers to work harder.

Although we can still find evidence of Taylor's scientific management, his approach was widely criticised for discounting the human element and behaviour in the workplace. Although money is still an influencing factor in motivating people at work, individual differences mean that we are motivated by other factors in the workplace as well as money.

Although recognised as not a key driver of engagement, Virgin Media recognises that reward is one of many motivating factors for a lot of its people and offers competitive salaries. It also offers bonus schemes, such as its ASPIRE field pay and reward scheme. The scheme rewards every Net Promoter® score (NPS) of 9 or 10 with £10. However, as a forward thinking business it understands the importance of different motivational factors. It offers additional benefits including private health care, life assurance, company pension scheme and staff saving schemes. The opportunity to progress within the company is also an important factor, for example, Benjamin joined Virgin Media in 2011 and went from apprentice to service technician and then network engineer in just 18 months. As he says:

'Six months after gaining my apprenticeship I moved up to a new role. I think this shows how the company is supporting my ambitions.'



In this way, Virgin Media's approach to engaging with its employees is more in line with the human relations theorists who had opposing views to that of Taylor. One theorist whose studies became influential is Elton Mayo who carried out research at the Hawthorne plant of the Western Electric company in Chicago in the 1930s. The research was intended to find the optimum level of lighting needed at the plant to maximise productivity. However, Mayo found that productivity increased amongst the workers whether the lighting was increased or decreased. He realised that it was the attention the workers were receiving during the research that was affecting their performance. Mayo's research concluded that motivating factors include recognition, a sense of belonging and involvement, as well as social aspects of the workplace.

Virgin Media use a variety of strategies to recognise the achievements of its employees. One method used is its NPS Hero Championship scheme where employees receive a personalised letter congratulating them on a perfect 10 score. Virgin Media's successful online peer to peer recognition scheme, SHOUT, provides a simple way by which individuals right across the business can be thanked for living the Virgin Media values in their work. The employee forum VOICE is another way the company engages with its employees.

'Within a large organisation it is important to create a culture where everyone feels they can be heard, not just about the big things but about the everyday things that make the working environment a great place to be.'

In 2009 Virgin Media introduced a fleet of fun, movie themed super-vans. The new vans were inspired by vehicles used in films including Thunderbirds, Disney's Herbie and The A-Team. The vans were specially designed for the company's top performing engineers as a reward for consistently delivering exceptional customer service.

Herzberg's two-factor theory

Research undertaken by Frederick Herzberg in the 1950s has broadened our understanding of motivating factors and job satisfaction in the workplace. From his research he concluded that employees have two sets of needs in the workplace. He described these as hygiene and motivator factors. Hygiene factors (satisfiers) include salary and working conditions. However, these factors on their own do not lead to job satisfaction and can lead to dissatisfaction if pay and conditions are poor. Motivators are factors such as recognition, responsibility, achievement and opportunities for progression. Herzberg found that a combination of these factors increased motivation and improved individual performance.

Virgin Media has a variety of programmes that support this theory. Its established apprenticeship scheme recruits apprentices based on their behaviour as well as their ability, looking for people that show potential as it offers successful candidates mentoring, coaching and training. The company recently opened a new office in Birmingham where all apprentices are trained. Role play is an important part of the training and actors are hired to perform the role of the customer with apprentices. This approach creates a safe environment for the apprentices to learn, ensuring they are qualified before meeting Virgin Media customers. The training suite, designed to simulate a customer's home, gives the apprentice the opportunity to see how their role is seen by the customer through watching footage back to analyse their performance.

Within Virgin Media, support, training and development is an on-going process for all employees. For its field based staff, the company has an online portal, IGNITE, which can be accessed remotely from home. This forms a training record for colleagues including apprentices.

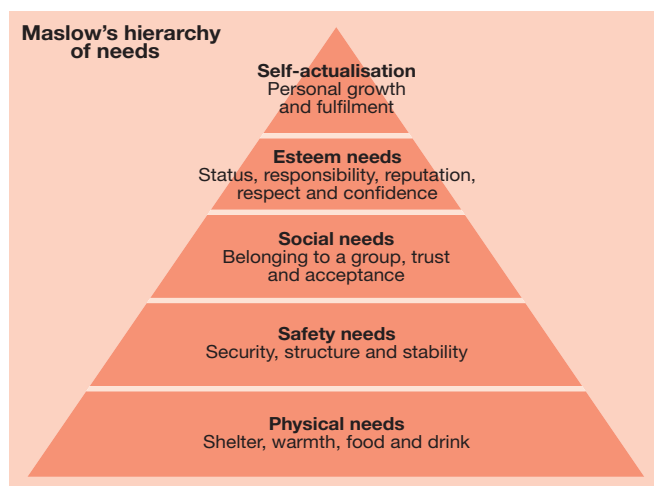


'The ability to login from home provides an engagement factor through personal development opportunities which would otherwise be either costly or logistically impossible.'

Another example of recognition at Virgin Media is its annual apprentice graduation. The event is an opportunity to celebrate the hard work of the apprentices as they successfully complete their training programme and progress their career with Virgin Media.

Maslow's hierarchy of needs

In 1943 Abraham Maslow published his theory of a hierarchy of needs. Maslow identified that as individuals we have five sets of needs as shown in the diagram.



At the first level, basic needs are those of food, water, warmth and shelter with wages that meet those needs. Safety needs include protection from danger, for example health and safety at work as well as job security. Social needs include a sense of belonging in work teams. He identified esteem needs as those of self-confidence, feeling useful and needed by other people. Maslow proposed that having satisfied all the lower needs an individual would then be able to realise their own potential for self-development.

Although Maslow's theory has been widely criticised, because he believed that one set of needs had to be satisfied before moving on to the next, it has nonetheless contributed to the understanding of motivation in the workplace.

Involving and listening to employees views is essential in creating a sense of belonging to the company. Using its annual employee engagement survey, Virgin Media values have been developed with employee input. Each year, an employee opinion survey asks

all employees to answer questions from categories such as training, development and career, strategy and way of working. In this way everyone at Virgin Media is able to contribute to making the company a place in which they all love to work. The company has seen year on year improvement with the 2012 results showing 82% of Virgin Media's workforce is engaged.

All Virgin Media technicians are managed through the 'Your Story Framework' for career progression. This includes regular meetings to discuss performance, review progress against set objectives and develop plans which offer a clear career ladder to enable progression within the company. This approach ensures fairness and consistency and also offers opportunities for progression in salary. This framework directly supports Maslow's higher order needs. As Francis, a female apprentice says:

'First, it's not all about the job. Second, you're really well looked after. Third, Virgin Media are genuinely interested in your future development.'

Virgin Media has a culture of 'doing the right thing' and believes that creating a fun workplace where people feel happy makes for a better business. Its commitment to corporate social responsibility ensures its employees have access to opportunities to meet their self-actualisation needs. For example, each year a day is dedicated to raising money for charity.

Conclusion

Understanding the factors that motivate employees helps a business to determine the ways in which it should engage with its people. From valuing their views and opinions, providing opportunities for training and career progression, as well providing a great environment to work in are all motivating factors. The level of motivation and satisfaction amongst employees can have a direct impact on meeting and exceeding customer expectations and overall business performance. Virgin Media's engaged employees are committed to the company's values and to providing excellent service to its customers.

1. Explain the term motivation. (2 marks)
2. Describe two motivation theories. (4 marks)
3. Analyse the relevance of employee motivation in achieving customer satisfaction. (6 marks)
4. Evaluate the effectiveness of Virgin Media's employee engagement strategies. (8 marks)