

Case study
August 2014

Tackling the barriers to leadership

Port of Felixstowe, Hutchison Ports UK:
leadership that is fit for the business



WORK



WORKFORCE



WORKPLACE

Championing better work and working lives

The CIPD's purpose is to **champion better work and working lives** by improving practices in people and organisation development, for the benefit of individuals, businesses, economies and society. Our research work plays a critical role – providing the content and credibility for us to drive practice, raise standards and offer advice, guidance and practical support to the profession. Our research also informs our advocacy and engagement with policy-makers and other opinion-formers on behalf of the profession we represent.

To increase our impact, in service of our purpose, we're focusing our research agenda on three core themes: the future of **work**, the diverse and changing nature of the **workforce**, and the culture and organisation of the **workplace**.

WORK

Our focus on work includes what work is and where, when and how work takes place, as well as trends and changes in skills and job needs, changing career patterns, global mobility, technological developments and new ways of working.



WORKFORCE

Our focus on the workforce includes demographics, generational shifts, attitudes and expectations, the changing skills base and trends in learning and education.

WORKPLACE

Our focus on the workplace includes how organisations are evolving and adapting, understanding of culture, trust and engagement, and how people are best organised, developed, managed, motivated and rewarded to perform at their best.

About us

The CIPD is the professional body for HR and people development. We have over 130,000 members internationally – working in HR, learning and development, people management and consulting across private businesses and organisations in the public and voluntary sectors. We are an independent and not-for-profit organisation, guided in our work by the evidence and the front-line experience of our members.

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Case study

The CIPD report *Leadership – easier said than done* explores the barriers to leadership and good people management. This is one of a series of case studies that illustrates approaches to tackling these barriers in practice.

Hutchison Ports (UK) (HPUK) is a member of the Hutchison Port Holdings (HPH) Group, the world's leading port investor, developer and operator. The HPH network of port operations spans 26 countries throughout Asia, the Middle East, Africa, Europe, the Americas and Australasia.

The Port of Felixstowe, operated by HPUK, is Britain's biggest and busiest container port, and one of the largest in Europe. The port welcomes over 4,000 ships each year, including the largest container vessels afloat today. Rail and road links connect the port to distribution hubs in the Midlands and elsewhere in the UK.

A need for a new generation of leaders

'Like many companies today, HPUK has identified the need to evolve its approach to leadership in response to the changing external context.'

Like many companies today, HPUK has identified the need to evolve its approach to leadership in response to the changing external context. Unrivalled for some time, the Port of Felixstowe started to face competition from nearby shipping hubs in the UK and Europe. Although the organisation has been increasing the speed of container operations, they realised that technological advances have to be supported by a change in the culture of working if the port is to remain competitive. Mark French, Senior manager – Operations Delivery, says:

u/c M

'We pay very good wages and we look after everybody, but people started to take it for granted. 'Job for life' used to be a reality, and people just assumed that they could be off or not work very well. There wasn't a system to manage them; nobody would take responsibility for them.'

We recognised that if we didn't change the culture, and the competition did arrive, there was a very good chance that we would lose business. //

Despite the fears of competition at the top of the organisation, this reality was not immediately obvious throughout the business, giving rise to scepticism. HPUK have designed a bespoke management development programme, where senior managers wrote the modules to make sure that the training takes into account the reality of the business. As part of the programme 'voice of the customer' workshops matching senior-level customers with managers of all shifts were set up to share experiences directly. Steve Griffiths, Head of Container Operations, says:

'The challenge and the competition have done a lot for our cultural change, as the reality has sharpened up 2,500 people's interest in 'Shall I work a bit harder?'

Where before I had been telling them this for the last two years, now, if I say, 'This is what the customer wants,' they are immediately ready to do something about this. It was an overnight game-changer and the productivity jumped 25%. //

Changing the behaviours of line managers

Mark French explains that targeting front-line supervisors with the leadership development programme was essential as they were *'the closest to the operations and, therefore, the most important people in the organisation'*. At the Port of Felixstowe supervisors manage about 60 staff each, and with this span of control the organisation had to ensure that they are focusing on managing people, rather than being preoccupied with handling operational tasks. Mark says that only five years ago a supervisor would not see his job as talking to his team members, and wouldn't necessarily have the training to manage employee performance and well-being *'without making it even worse'*.

Embedding of the training has been supported by an increased visibility of the senior leaders at the front line, communicating the vision of the top team, and connecting the staff to the challenges of operating a competitive business. The emphasis of the programme is on managers developing their teams and planning work to prevent mistakes, instead of reverting to hands-on fire-fighting due to lack of upfront investment in skills and more efficient processes. Justin Phillips, Senior manager – Rail Operations, says:

'Supervisors used to rush around fixing problems instead of spending more time with individuals, coaching them and understanding what their issues are to unblock them to be output-driven. This is partly because there wasn't enough planning in the first place, and it's a vicious circle.'

The cultural change from a communication point of view is in changing individual managers' perceptions on how they are adding value in their everyday job, to focus them on the business overall, on the very high-level needs.

And then ask them, 'What needs to change for you to be able to achieve that, where do you need to clear away all this mess that's in front of you and focus on managing the resources we need to do the work?' I'd actually prefer him to sit there doing nothing all day, because planning and resources are in place and there is no issue in operations.'

Importantly, the organisation realised that not everyone is looking or is fit to be a manager, and has found a way to retain talented individuals without having to progress them into people management roles. In the

engineering departments two career tracks have been developed – the managerial and the technical route – allowing individuals to make a decision about the path they are following after they complete their initial training in the organisation. There is also an option of switching paths, later on in the journey, with some re-training. One of the technicians in engineering says:

'My colleague is the team leader, while I stay on the project side. He looks after the people on the day-to-day basis, whereas I will draw up technical specifications and make decisions on how things should work and how they can work and more the design side.'

There are times when I have to get involved or help out. I'm the person that people tend to come to for technical advice to a certain extent, but that's not principally my job.'

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Nurturing ownership among front-line staff

In addition to developing managers, front-line staff without managerial responsibility are encouraged to take greater ownership of the job itself, and act upon the development and coaching received from the newly trained supervisors.

To break cultures of complacency in some pockets of the business, the engineering department, for example, introduced rotating shift responsibilities. Previously the three individuals on the same shift would all be on call for fixing operational breakdowns, without a designated point of contact for the operations team to highlight any issues.

The new way of working meant that two of the workers were assigned to the reactive work, while the third one was given the responsibility of planning forward or working on special projects to increase efficiency of the service. By rotating the responsibilities between the team members, the organisation ensured that no one could 'hide behind the others' backs' and everyone took on the lead at some point in the work process. One of the managers says:

What I found was that you'd have one person that tends to be a bit more natural as a leader, would be doing all the communication and the other two would just follow. The new way allows the people that did it all the time to have some downtime from it. Also, that stops people from being in the shadows, and encourages them to take on new skills and learn.

As well as their general breakdowns and reactive work, we asked them to do projects like Mean Move Before Failure reporting. The third man has the time to learn new things, to his own project work, and to train our junior colleagues. //

The second intervention increased the visibility of individual performance, encouraging staff to benchmark themselves against colleagues and strive to improve their score. In the context of collective agreements, there are limitations to the extent of the one-to-one performance management activities that supervisors can undertake to impact individual performance.

The 'Self-Service' tool allows all staff to review their working hours, attendance, timeliness, speed of operations and a number of other KPIs, in comparison with the average of the shift. There are also indicators of the cost to the business of sick days, as well as the value added through performance, demonstrating the accountability of the individual.

On the other hand, during their development programme managers learn how to use the balanced scorecard to have conversations with individuals about their performance, and suggest ways for improving some of the indicators. Steve Griffiths says:

We are seeing people starting to self-manage. We are now seeing individuals say: 'I am really down there. I am ranked 280 out of

the 290. That is not very good. What does that mean? What can I do about that?'

We have had 40 conversations with individuals who we have considered to be the poorest performers, and 40 out of 40 have moved between 6% and 16% in the space of a week in their performance. Something tells me that if you ask people to work hard and you give them the why and the how, they will do it.

Compared with two years ago when we were trying to get people to be interested in their individual performance, we're actually getting people coming to us asking how they can get better. We look at using mentors, other people who are doing the job well. //



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