



HIGH PERFORMANCE WORKING PRACTICES RESEARCH

A Report by Tokos Solutions and Annabel Jelley on behalf of York and North Yorkshire Local Enterprise Partnership

April 2022

EXECUTIVE SUMMARY

1. York and North Yorkshire Local Enterprise Partnership (Y&NY LEP) commissioned Annabel Jelley and Nada Tokos to undertake research to increase its awareness of the High Performance Working (HPW) practices “landscape” across the LEP area, and understand the specific support needed to expand the reach and depth of HPW for the Y&NY business community.
2. HPW Practices are described as “*A general approach to managing organisations that aims to stimulate more effective employee involvement and commitment in order to achieve high levels of performance*”.
3. HPW covers 3 types of practices: Employee Involvement, Skills Acquisition and Motivational.
4. According to the recent national employer survey data, HPW practices had been adopted by only 4% of businesses in Y&NY who responded. This was a full 5 percentage points lower than the England average.
5. The commission was intended to focus on two specific primary research activities:
 - Identify the top five HPW Practices perceived as important by SMEs and micro-businesses in Y&NY.
 - Identify specific support measures SMEs would like to see introduced or strengthened to help them effectively embed the identified HPWPs within their businesses to underpin their growth ambitions.
6. Our research involved:
 - Background literature research to set a context for the report and consultations.
 - Telephone or online video interviews with 36 representatives from 20 employers and stakeholder and business support organisations.
 - Collation and analysis of findings.
 - Drafting of three case studies to demonstrate the take-up and impact of HPW practices in Y&NY businesses.
7. The research reports key findings against the two activities:

Identifying the top 5 HPW practices

- Awareness of the HPW practices are low amongst most employers.
- There is evidence of HPW practices being adopted, albeit informally for many smaller businesses, but the term ‘HPW practices’ is not widely used nor understood.
- Drivers for adopting the practices include problem-solving (businesses addressing a particular issue or challenge) and compliance (businesses putting processes and systems to meet contractual or regulatory requirements).
- Businesses typically adopt a combination of practices often supporting a cultural change.
- Employee engagement provides an essential foundation on which to build and embed other HPW practices.
- Most businesses had adopted skills acquisition practices such as appraisals, regular reviews and inductions.

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- Businesses have recently increased the adoption of motivational practices such as flexible and hybrid working as a result of the pandemic.
 - The top five practices amongst the consultees were:
 - Communicating with staff about business developments.
 - Enabling staff to input their own ideas.
 - Self-managed teams.
 - Appraisals and reviews.
 - Flexible working.

Identifying specific support measures

- Few of those consulted specified additional support needs to adopt the practices.
 - Stakeholders suggested that the Growth Hub has a key role to play in enabling businesses to access the support to embed HPW practices.
 - Some current projects were cited as supporting businesses to access specialist support, including the ESF Business Scale-Up Programme.
8. The three case studies demonstrated the positive impact and benefits of HPW practices on small businesses operating in 3 diverse sectors. These include:
- Improvements in staff motivation.
 - Increased staff retention.
 - Improved services, resulting in accessing more business opportunities.
 - Improvements in performance, contributing to an increased financial turnover.
9. We identified six recommendations to the LEP for it to consider when planning for future skills activities. These include:
- a. To promote the benefits of HPW practices, using language that businesses understand.
 - b. To ensure that support for businesses to develop HPW practices is featured in existing and future funded programmes, where possible.
 - c. To promote case studies of businesses that have grown as a result of adopting HPW practices.

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1. INTRODUCTION

- 1.1 The York and North Yorkshire Local Enterprise Partnership (Y&NY LEP)'s local Skills Advisory Panel (SAP) activities are coordinated by its Skills and Employability Board. The DfE is working closely with all LEP area SAPs to support them to develop their understanding of local skills issues based on robust evidence, formulate skills priorities and design and deliver action plans to address these.
- 1.2 This report is one of a suite funded by a DfE Grant to support Skills and Employability Boards (or their equivalents) across all LEP and Mayoral Combined Authority (MCA) areas and which now have Skills Advisory Panel (SAP) status in line with DfE guidance.
- 1.3 In October 2021, the Y&NY LEP commissioned Tokos Solutions, supported by Annabel Jelley, to undertake research into High Performance Working (HPW) Practices across York and North Yorkshire.
- 1.4 The main purpose of the research was to make a critical contribution to the LEP's awareness of the HPW "landscape" along with specific support to expand the reach and depth of HPW for our business community. In particular it was to focus on two specific primary research activities:
 - Identify the top five HPW Practices perceived as important by SMEs and micro-businesses in Y&NY.
 - Identify specific support measures SMEs would like to see introduced or strengthened to help them effectively embed the identified HPWPs within their businesses to underpin their growth ambitions.
- 1.5 The research is largely based on the definition of HPW Practices set by the former **UK Commission for Employment and Skills**¹, as "a general approach to managing organisations that aims to stimulate more effective employee involvement and commitment in order to achieve high levels of performance". HPW is essentially about developing and implementing a series of integrated processes, practices and policies which serve to deliver improved employee motivation and performance.
- 1.6 The timing of this research is of relevance. It took place between October 2021 and January 2022, coinciding with the Omicron variant of the COVID-19 pandemic causing disruption to the economy, workplaces and people's daily lives, alongside impacting on the way that businesses and organisations were able to operate.
- 1.7 The interviews we conducted were inevitably shaped by the circumstances of the current time. We wish to thank all those that took the time to participate in this research, at a particularly difficult time for many businesses and stakeholders.
- 1.8 We would also like to extend our thanks to Futureworks NY, Marson & Co and White Horse Cleaning Services for their case studies to be used in wider dissemination by the LEP.

¹ Now no longer operational but was a publicly funded, industry-led organisation that offered guidance on skills and employment issues in the UK: <https://www.gov.uk/government/organisations/uk-commission-for-employment-and-skills>

2. CONTEXT

2.1 The HPW Practices concept is widely recognised across UK businesses as contributing to improved staff motivation and ultimately higher productivity. The **High Performance Work Practices: linking strategy and skills to performance outcomes** report² suggests that there are two main benefits of HPW practices:

1. HPW Practices may create sustained performance improvements in organisations.
2. HPW Practices may create a better workplace in terms of employee satisfaction and a sense of personal achievement.

The report suggests “When these two benefits work together, this translates into higher levels of financial performance, strong employee commitment, sustained competitiveness and innovation”.

2.2 Thus, HPW practices can potentially drive growth in businesses where the practices are adopted.

2.3 However:

- In Y&NY LEP’s first comprehensive **Labour Market Analysis 2019**³ HPW practices were, according to the most recent national employer survey data, adopted by only 4% of businesses in Y&NY who responded. This was a full 5 percentage points lower than the England average.
- There are relatively low levels of productivity across Y&NY, as suggested by an early draft of the Labour Market Assessment 2021 for Y&NY.

2.4 There may be a range of barriers to businesses adopting these practices, not least the fact that Y&NY’s economy is largely made up of SMEs (with less capacity/ capability to put into place the management tools needed to embed HPW practices), and of course, currently most businesses have other priorities. Our research suggests that these may well be more widespread than the data suggests.

2.5 The importance of research to establish the awareness of HPW practices, and to identify how barriers to embedding them may be addressed in practice, is evidenced by demonstrating its potential strategic impact.

2.6 The expansion of HPW practices amongst Y&NY businesses can contribute to the successful delivery of Y&NY LEP’s strategic vision of a **Greener, Fairer, Stronger**⁴ economy by helping to increase growth, profitability and productivity of businesses that embed these practices. Businesses embedding HPW practices are proven⁵ to increase productivity and performance. Businesses are more likely to:

- Retain their workforce.
- Adopt talent strategies, which in turn reduces skills gaps and shortages.

² High Performance Work Practices: linking strategy and skills to performance outcomes, 2011, DTI/CIPD https://www.longwoods.com/articles/images/High%20Performance%20Work%20Practices_UKReport2011.pdf

³ Full analysis can be accessed here:

https://www.ynylep.com/Portals/0/adam/Document%20Manager/0iFgq8fawkaCNdVYQBRsyQ/Doc_Link/80671-LEP-Labour-Market-Analysis-2019-Executive-Summary.pdf?ver=sdbCqDgt_iB_1OnyGt5PCA%3d%3d

⁴ Details can be found at <https://www.ynylep.com/strategies/greener-fairer-stronger#:~:text=The%20LEP%20acts%20as%20a,places%20and%20businesses%20to%20thrive>

⁵ Evidenced through research undertaken by Towards Maturity /CIPD in 2018 report – Driving Performance and Productivity. <https://www.cipd.co.uk/knowledge/strategy/development/performance-productivity> and earlier research undertaken for the Institute of Employment Studies found at: <https://www.employment-studies.co.uk/system/files/resources/files/mp36.pdf>

- Promote inclusion – engaging their whole workforce.
- Develop new products, services and techniques – enabling them to compete in existing and new markets and grow.
- Support the development of new ways of working to respond to changing needs, thus also solving problems and developing resilience.

2.7 HPW practices also have the potential to contribute to successfully delivering the LEP’s **Skills Strategy 2021-26**⁶, *Empowering people for a greener, fairer, stronger economy*, by enabling people to “*thrive in good workplaces*”. This is evidenced by the high staff retention rates of those employers that have embedded these practices, which equip them to realise the potential of their workforce and therefore helps to reduce skill shortages and gaps.

2.8 In addition, previous research commissioned by the LEP⁷ (including Upskilling and Reskilling Across York and North Yorkshire⁸) points to the need for embedding employee commitment and involvement in integrated workforce development at organisational level.

2.9 In order to understand the extent that businesses are aware of HPW practices, it is important to set out a clear definition of what they are. The following section collates and summarises a number of documents including CIPD⁹, UK Commission for Employment and Skills reports.

What Are HPW Practices?

2.10 High performance working (HPW) is about creating a culture where there is transparency, trust and open lines of communication for all. It is about eroding the traditional hierarchical structure which many organisations still operate under, and instead creating a flatter structure where employees are happy, engaged, motivated and share and understand the vision of the organisation.

2.11 The former UK Commission for Employment and Skills defined HPW as:

A general approach to managing organisations that aims to stimulate more effective employee involvement and commitment in order to achieve high levels of performance.

2.12 HPW is fundamentally a series of processes, practices and policies which can be put into place, and when integrated together can result in improved performance of employees.

The Three Types Of HPW Practices

2.13 HPW practices are a set of complementary work practices that fall within three broad areas:

- Employee Involvement.
- Skills Acquisition or Human Resource practices.
- Motivational or Reward and Commitment practices.

⁶ <https://www.ynylep.com/strategy-detail/id/3531>

⁷ Access to the research is at: <https://www.ynylep.com/strategy-detail/id/4041>

⁸ <https://www.ynylep.com/Portals/0/adam/Stories/OhqqpV3Rg0aL68WCU08pNA/Body/YNY%20Re.Upskill%20report.%20Publication.%20Mar21.pdf>

⁹ Chartered Institute for Personnel Development <https://www.cipd.co.uk/>

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- 2.14 **Employee Involvement:** Aimed at encouraging a much greater level of trust and communication between employers and employees. This is done through involving them more in the organisation. This results in employee empowerment and increases their ability to exercise discretion within the workforce i.e. increases responsibility, accountability and ownership of their actions. These practices are often linked to higher levels of staff motivation, leadership, communication and teamwork. Examples are:
- Circulating information on organisational performance and strategy
 - Providing all employees with a copy of the business plan and targets
 - Staff Association arrangements
 - Internal staff surveys
 - Staff suggestion schemes
 - Quality circles/total quality management
 - Self-managed or self-directed teams
 - Cross-function teams
 - Specific efforts on continuous improvement in work systems (Kaizen practices).
- 2.15 **Skills Acquisition:** Aimed at creating a greater depth of human capital investment and skills development within the organisation. The higher skill levels result in improvements in the quality of work and the services delivered to the customer. Ultimately this leads to higher organisational performance – e.g. higher levels of productivity and innovation. Examples are:
- Annual appraisal
 - Formal feedback on job performance from superiors/employers
 - Formal feedback on job performance from customers/clients
 - Reviewing vacancies in relation to business strategy
 - Formal assessment tools for recruitment (e.g. competencies etc.)
 - Annual review of employees' training needs
 - Training to perform multiple jobs
 - Continuous skills development programmes
 - 'Structured' induction training
 - 'Work-(re)design' for improved performance
 - Workforce diversity for competitive edge
 - Mentoring
 - QA assurance (e.g. ISO9000 or other similar schemes)
 - The Business Excellence Model or equivalent
- 2.16 **Motivational:** Aimed at developing a greater sense of belonging and commitment to the organisation. Financial rewards such as profit-sharing, share options and performance-related pay enable a sense of stake-holding within the organisation. In addition, egalitarian terms and conditions, free employee facilities and benefits and family-friendly policies also result in a greater sense of common purpose and commitment amongst employees. Examples are:
- Performance pay for some employees
 - Performance pay for all employees
 - Profit-sharing for some employees
 - Profit-sharing for all employees
 - Share options for some employee
 - Share options for all employees
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- Flexible job descriptions
- Flexible working (e.g. hours, locations, job-share etc.)
- Job rotation
- 'Family-friendly' policies
- Non-pay benefits (e.g. free meals, gifts or health packages)
- Benefits covering spouse or family members

CASE STUDY: MARSON & CO¹⁰

Marson & Co is a design, print and marketing company that was set up and incorporated by Chris Marson in June 2020, following many years of experience of print and marketing, and with an aim to deliver a quality service and products.

The company, based in Scarborough, now employs 10 staff having come out of the pandemic and grown quickly during the last year. Growth has come as a result of embedded 'good work' principles and staff fully engaged in ensuring the business's success.

Staff are involved in business planning and there are open communications on business matters and decisions that affect the business. Managers and staff meet regularly to explore ways of working more effectively and securing more business.

This employee involvement means that staff are more motivated. They can see where they fit in, and how they can effectively contribute to the on-going and future success of the business. The management have undertaken visioning exercise with the staff and asked them where they saw themselves in 10 years' time in terms of job titles and salaries. Feedback from this activity has shown management that the staff have a loyalty to the business and see themselves still working for Marson & Co for the long term. Thus demonstrating that **Employee Involvement** has the potential to ensure long-term staff retention.

Skills Acquisition practices also appear to be contributing to success. Staff undergo monthly one-to-ones and more in-depth reviews on a quarterly basis. These help to identify staff development needs and result in staff accessing training to support quality service delivery. The business is also proactive in developing progression pathways for their staff and enabling them to grow into higher level roles. An example of this is the Head of Design who is now a Senior Manager. They also use a mentoring approach – identifying potential managers who are good at their job but need support to enable them to manage people effectively.

Whilst it is relatively early days, as the business is still young, it is evident that benefits are already accruing from embedding these High Performance Working practices in the way the business operates. It has more than doubled in size in terms of staff. With more staff, it has been able to attract new customers and enter new markets. It has also significantly increased its profile across its target markets, most likely resulting in even more business in the future.

¹⁰ <https://www.marsonandco.com/>

3. KEY FINDINGS

Activity 1: Research to identify the Top 5 High Performance Working Practices perceived as important by SMEs and Micro-businesses in Y&NY.

- 3.1 **Awareness of High Performance Working (HPW) practices is low:** Most businesses and stakeholders are not aware of HPW practices as per the definition used in this research. When questioned further regarding their approach to, for example, skills acquisition, it is evident that these practices are used in their organisations. However, different terminology may be used to describe them, and they may be used in a piece-meal way and not necessarily linked to a wider workforce strategy, or necessarily improving performance.
- 3.2 **Evidence of some use of HPW practices:**
- It is clear from discussions with businesses and the stakeholders that work with them that many SMEs actually do use HPW practices; however, they do not use this language to describe them.
 - Several businesses referenced the term “employee engagement” as this usually underpinned all the activities they undertook.
 - Larger SMEs are more likely to be incorporating these practices in the way they work.
 - For smaller businesses such practices are informal, rather than driven by any written process. This is largely due to a capacity issue, i.e. because of their size they are busy working on the delivery of services or products/goods and they are unlikely to have a member of staff (e.g. HR) dedicated to putting into place and maintaining processes and systems.
- 3.3 **Drivers for HPW practices** in businesses are:
- Where businesses are facing particular challenges or issues that they need to address in order to sustain their business or grow, e.g. staff retention challenges, identification of skills gaps in existing workforce, capacity to release employees to train.
 - Compliance e.g. the requirement to put into place appropriate support structures to offer apprenticeships. However, for some of these businesses, it may not necessarily mean that they are fully embedding the practices, rather that some may just be ‘ticking boxes’, as suggested by stakeholders consulted.
 - Leaders recognising the benefits of a positive working environment, especially if their previous experiences have been negative. Where individuals have worked in negative environments, they have sought to develop a more progressive leadership approach when they have moved into a new company or set up their own.
- 3.4 **Multiple practices are used:**
- Where HPW practices are in evidence, they tend to be combined i.e. no businesses interviewed said that they only undertook one type of practice.
 - Most consultees found it difficult to specify the extent that a single practice resulted in a particular impact. Positive impacts were mostly as a result of a combination of practices.
- 3.5 **Employee engagement is key:**
- Employee engagement was quoted most frequently by employers as an essential foundation on which to build and embed other HPW practices. The importance of

developing a culture where all employees felt valued and involved in shaping the future of the company was emphasised, enhancing employee satisfaction and increasing productivity.

- Communications regarding business direction and challenges they faced allowed employees to understand their roles better, and what they could do to support business growth.
- Organisations providing opportunities for employees themselves to input their own ideas, saw benefits in terms of new ways of working, innovations in both service and products, as well as increased motivation and responsibility from staff.

3.6 **Skills acquisition practices are widely adopted:**

- Most of the businesses involved in the consultation had incorporated different elements of these practices, e.g. appraisals, reviews, inductions.
- Many of the small businesses consulted did not necessarily have formal processes in place for appraisals and reviews, and they were typically tailored to reflect changing circumstances. During the 18 months for example, in more than one business staff reviews were often not just about training needs, but also included a well-being review, brought in as a result of the impact of COVID-19 on individual staff.
- However, feedback from stakeholders supporting businesses suggested that few businesses linked these processes to longer-term strategic, talent and succession planning, e.g. training reviews are not collated across the business to develop skills plans that will support business growth.
- Some businesses taking on apprentices are required to put in place systems and processes that align with HPW practices, e.g. induction, appraisal, performance review. However, most businesses may not be thinking longer-term than 12 months, nor on a strategic basis. Given the practical advice and support available to enable businesses to take on apprentices, e.g. *The Apprenticeship Hub*¹¹, there is an opportunity to help businesses to consider the potential impact by linking these required systems and processes to a broader approach to adopting HPW practices, thus contributing to increased productivity, sustainability and growth.

3.7 **More businesses have introduced motivational practices** recently as a result of the pandemic, in particular through business owners offering both flexible and hybrid working to their staff. Feedback from one business incorporating hybrid working for their office-based staff is that it was particularly well-received, with staff enjoying the perceived benefits of more autonomy and less micro-management. This helped to create a positive working environment.

3.8 **Businesses actively committed to people-centred values are more likely to embed HPW practices:** Those businesses that are also involved in activities such as engaging with schools and their local communities, are already developing the culture and values needed to effectively embed HPW practices.

3.9 **Some sectors are constrained** in the possibility of businesses fully adopting these practices. Where businesses are working to fixed price contracts in a competitive field, they are unable to look at practices such as performance pay e.g. in sectors such as

¹¹ See Y&NY LEP's Apprenticeship Hub, a European Social Fund project, delivered by Calderdale College and providing capacity building support to businesses wishing to take on apprentices.
<https://www.calderdale.ac.uk/external-funding-unit/the-apprenticeship-hub/>

health and social care, which is constrained by Government funding. Other practices such as flexible working hours are not possible when staff have to be on site at a particular time e.g. construction site staff with prescribed hours of 7.30 am to 4.30pm.

- 3.10 The conclusion from these key findings are that the top five practices perceived as important to SMEs/Micro businesses, bearing in mind a small sample size, are:
- Communicating with staff about business developments.
 - Enabling staff to input their own ideas.
 - Self-managed teams.
 - Appraisals and reviews.
 - Flexible working.

- 3.11 The key impacts and benefits businesses consulted identified from adopting these practices include:
- Feelings of inclusivity from staff – they are more involved in the business and its future.
 - Improvements in staff motivation.
 - Improvements in team-working.
 - Improvements in staff-well-being.
 - Increased staff retention.
 - Improved services, resulting in accessing more business opportunities.
 - Improvements in performance, contributing to an increased financial turnover.

Activity 2: Identifying from the primary research specific support measures that SMEs would like to see being introduced or strengthened to help them embed HPW practices.

- 3.12 Few of those consulted identified any additional support measures that they needed, and at the same time, there was limited awareness amongst employers of the Growth Hub¹² and the services it offers.

- 3.13 HPW practices go hand in hand with strategic working – thus where businesses are developing longer term growth strategies, they are more likely to be receptive to HPW.

- 3.14 HPW practices are also more likely to be introduced where businesses identify the need to adapt in response to changing drivers, e.g. the impact of economic shocks such as Brexit or COVID-19, or technological advances. Those who are more successful and effective at responding to such drivers also tend to place a high premium on employee engagement.

- 3.15 Where companies identify a problem or a challenge and seek support from a third party, it will invariably consider HPW practices as part of the solution. This can provide the opportunity to take a holistic approach. E.g. if they have particular issues with staff retention, support can include the development of an action plan which incorporates a range of HPW practices and interventions.

- 3.16 Some stakeholders suggest that the Growth Hub has a key role to play in terms of helping businesses to access the support they need to embed HPW practices. However, recognising that there are businesses that do not know of the Growth Hub, it

¹² The Growth Hub is the business support arm of the LEP

was also suggested that more could be done to raise awareness of Growth Hub itself, as well as the support services available to adopt and embed HPW practices.

- 3.17 HPW as a term is not widely understood or employed as such, although the practices to which it refers to are generally familiar to most employers. However, in promoting support to embed these practices, the focus should be on what outcomes the business seeks to achieve and will make a difference to them.
- 3.18 Businesses value support where they have to invest some of their own resources – therefore HPW support might best be funded through a combination of public money and employer contribution.
- 3.19 The employer-focused ESF projects such as Business Scale-up Development Programme¹³, Specialist Skills Support Programme¹⁴ and Skill Support for the Workforce¹⁵, have been useful in enabling businesses to access consultancy support to help them to address the issues they face. A number of these consultancies have helped to deliver interventions that have supported businesses to incorporate these practices into their operations, and respond to the challenges.
- 3.20 However, for many businesses accessing support through these projects, they are working on a reactive basis, responding to market pressures, rather than addressing strategic aims to increase staff motivation or employee involvement in decision-making. More can be done by business support organisations to promote the benefits of taking a strategic and proactive approach.

¹³ <https://www.calderdale.ac.uk/scale-up/>

¹⁴ <https://www.york.ac.uk/business/cpd/specialist-skills-support/>

¹⁵ <https://ssw.fundingunit.org.uk/areas/ynyer/>

CASE STUDY: WHITE HORSE CLEANING SERVICES¹⁶

Lee Harris-Hamer, the Managing Director of White Horse Cleaning services, has a very strong belief in developing an environment where all staff are supported. All decisions are based on what would get the best out of each member of staff, taking into account their circumstances, for example if they are a single parent.

This approach, which is integral to High Performance Working (HPW) Practices, has contributed to a highly motivated workforce, delivering a quality service, in turn enabling the business, based in Thirsk, to grow its customer base.

Skills development support is offered as an incentive and is available to all staff. The company focuses on taking unskilled new starters and developing them to become confident and competent employees. Interest and enthusiasm are the main prerequisites.

During the lockdown the management looked at progression within the company, recognising that people want and benefit from a clear career progression pathway. They understood how this could contribute to a positive working culture.

The company now offers Level 3 Team Leader training and qualifications as a progression step. The opportunity is open to all staff, as long as they show the potential and attributes, the company is seeking. One member of staff in her fifties showed these attributes and was offered the opportunity to become a team leader. She had never been in this type of role before, nor had been offered such an opportunity previously, but feedback from a client indicated that she had the potential to be successful in such a role. She is now a supervisor.

Another member of staff, who started out on a contract of just 2 hours per day, was also supported to progress, and has over time become one of the Team Leaders and is now undertaking Level 5 Operational Manager qualifications.

As part of the embedding of the **Skills Acquisition** practices seen in the examples above, the company undertakes annual reviews/appraisals, and monthly and bi-annual informal reviews. Feedback is collected regularly from line managers, staff, and from clients, informing these reviews, which focus on how the individual is performing in their role. This information helps the company to identify and address training gaps, to enable the individual to do their job better, as well as help them to progress in their career.

The business has also embedded **Motivational** practices into the operational model. Flexibility and family-friendly practices are built into the way that they work. The management is focused on being responsive to staff needs and their commitments such as childcare. The business has changed its shift patterns to enable parents to work shifts to suit their responsibilities. If a member of staff's circumstances change, then they allow them options, for example changing their working hours or times. The management recognises that consistency and communications are essential, enabling their staff to plan and achieve a better work-life balance.

These practices have resulted in improvements in worker retention through increased staff motivation and individual growth, increased ability to attract and recruit suitable candidates, better skilled workforce impacting on increased client satisfaction and an acceleration of sales and new clients.

¹⁶ More details on this business are available at <https://www.whitehorsecleaningservices.co.uk/>

4. RECOMMENDATIONS

- 4.1 To raise awareness of the meaning of HPW in a variety of ways by identifying and exploring the concept it in strategic documents, communications, campaigns and at conferences or events.
- 4.2 To promote case studies of businesses that have grown as a result of adopting HPW practices. These should include key lessons that the businesses have learned in embedding these practices.
- 4.3 To promote the benefits of HPW practices, using language that businesses understand.
- 4.4 To ensure that support for businesses to develop HPW practices is featured in existing and future funded programmes, where possible. This should also include resources for the Growth Hub.
- 4.5 To develop a directory of support and projects that can help with different types of HPW practices and share this across provider and business support intermediaries.
- 4.6 To provide support for and promote progressive workforce development tools or initiatives, building on existing skills support, as this will increase business engagement with HPW practices. This may require increased awareness amongst providers delivering these initiatives about HPW practices and support available, to enable referrals to the most appropriate support.

CASE STUDY: FUTUREWORKS NY¹⁷

Sarah Thornton and Michelle Kitching set up Futureworks NY as a Community Interest Company in 2012 to provide personalised support and guidance for people in Scarborough wanting to improve their lives. The Business's team of nine staff work with 80-100 local residents at any time, providing guidance, practical support and training. Activities include helping young people and adults to develop skills needed to move into employment, offering volunteering opportunities and developing community-based projects to address local issues and opportunities, e.g. providing practical activities through property refurbishment projects to address mental health issues of young people affected by the pandemic, whilst also providing them with new skills.

The Directors' focus on social objectives and their past experience have shaped their approach to how they operate their business overall. They have embedded High Performance Working Practices from the start, recognising the critical importance of having a motivated workforce in delivering their services to Scarborough residents.

Employee involvement is central to the organisation's ethos. The Directors involve staff in discussions about the contracts and service delivery, obtaining their views about potential improvements and new service offers.

One member of staff suggested an idea for a furniture shop as an addition to the organisational delivery model, where learners could make, restore and recycle products, and then sell them. The Directors agreed to develop this idea, resulting in the establishment of [Furniture Works](#) (a unit within Future works NY) in autumn 2020 enabling residents to gain skills, as well provide as an additional income to reinvest and support sustainability of the parent organisation.

As a matter of course, Future works NY also embed skills acquisition practices, supporting staff to access the skills and training they need to progress in their careers; and motivational practices, offering family friendly terms and conditions to their staff.

These approaches have contributed to:

- An improved quality of service, which enables Futureworks NY to tender for more contracts and expand their service offer. It has resulted in service delivery contracts being extended as staff that are accountable and understand where they fit in the organisation exceed their targets.
- Increased staff-wellbeing, with staff reporting that they are happy, and it is "the best place they have worked".
- An increase in trust and motivation, with staff contributing to service delivery beyond their specific job role.
- Increased staff retention as staff like the working environment and it means the organisation gets the best out of them.

The Directors agree that High Performance Working Practice have had positive impacts on the business and have the potential to significantly improve its sustainability and long-term future.

¹⁷ www.futureworksny.co.uk

5. CONSULTATION METHODOLOGY

5.1 The consultation was undertaken on behalf of York & North Yorkshire Local Enterprise Partnership (“The LEP”) by Nada Tokos, Partner at Tokos Solutions, and Annabel Jelley. Our approach included the following:

5.1.1 Identification of key stakeholders. We sought stakeholders who actively worked with businesses as intermediaries or as providers, thus had an understanding of their needs and ways of working. Our engagement with these stakeholders involved:

- a. Consultations to gain their perspectives on HPW Practices take-up and an understanding of the kind of support that they provided their clients.
- b. Sourcing potential businesses to participate in the consultation. The following organisations referred employers to us:
 - i. Federation of Small Business (FSB)¹⁸
 - ii. North Yorkshire Construction Training Group¹⁹
 - iii. Yorkshire in Business²⁰
 - iv. Pro Development (UK) Ltd²¹

5.1.2 Identification of employers, through referrals, discussions at other events and our own research. We sought, where possible, to identify businesses within the following categories and which have particular strategic importance for the LEP:

- Those engaged in activities supporting the LEP area’s transition to a low-carbon, greener economy e.g. in green construction, renewable energy and the wider bioeconomy.
- Businesses providing specialist digital services and other technologies associated with the **Fourth Industrial Revolution**.²²
- Employers planning for or transitioning to significant digitisation of their businesses.
- Employers seeking to address recruitment issues or high staff-turnover e.g. in hospitality, food manufacturing and health and social care.

5.1.3 20 One-to-one or group consultations with 36 representatives from the following organisations:

- **Stakeholders:**
 - Calderdale College²³
 - City of York Economic Development²⁴
 - Federation of Small Businesses
 - LEP Growth Hub Managers²⁵
 - LEP Skills Team²⁶
 - Pro Development (UK) Ltd

¹⁸ <https://www.fsb.org.uk/>

¹⁹ <http://www.nyctg.co.uk/>

²⁰ <https://yorkshireinbusiness.org.uk/>

²¹ <https://www.pro-development.co.uk/>

²² <https://www.weforum.org/agenda/2016/01/what-is-the-fourth-industrial-revolution/>

²³ <https://www.calderdale.ac.uk/>

²⁴ <https://www.york.gov.uk/>

²⁵ <https://www.ynygrowthhub.com/>

²⁶ <https://www.ynylep.com/>

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- Scarborough Construction Skills Village²⁷
 - TECH Nation²⁸
 - West & North Yorkshire Chamber of Commerce (WNYCC)²⁹
 - **Employers:**
 - Ardent Financial Planning (Finance)³⁰
 - Building Preservation (Northern) Limited t/as Danford, Brewer & Ives (Construction)³¹
 - Dixon Walter (Engineering)
 - Drivespeed (Car Leasing)³²
 - Futureworks NY (Employability Support)
 - GB IT Recruitment (Recruitment/ Technology)³³
 - Marshall Advanced Composites (Engineering)³⁴
 - Marson & Co (Digital Marketing/Printing)
 - MLC York Ltd (Construction)³⁵
 - Pavers Shoes (Shoe manufacture/retail)³⁶
 - William Birch & Sons (Construction)³⁷
 - White Horse Cleaning Services (Facilities)

²⁷ <https://skills-village.co.uk/>

²⁸ <https://technation.io/>

²⁹ <https://www.wnychamber.co.uk/>

³⁰ <https://ardentuk.com/>

³¹ www.dbi-ltd.com

³² <https://www.drivespeedleasing.co.uk/>

³³ <https://gbit.org.uk/>

³⁴ <https://marshalladvancedcomposites.com/>

³⁵ <http://www.mlcyork.co.uk/>

³⁶ <https://www.pavers.co.uk/>

³⁷ <https://www.williambirch.co.uk/>

ANNEX – CONSULTATION FORMAT

York and North Yorkshire (Y&NY) LEP High Performance Working (HPW) Practices Research – Consultation format for one-to-ones (employers)

Section 1a. Overview and purpose of research

In Y&NY LEP's first comprehensive Labour Market Analysis 2019, HPW practices were, according to the most recent national employer survey data, adopted by only 4% of businesses in Y&NY who responded. This was a full 5 percentage points lower than the England average.

A primary objective of this research will be to gain a better understanding of HPW (see attached brief) awareness among our businesses and, what support we can offer to help them adopt and embed HPW more effectively.

Research activities will focus on:

1. Identifying the top 5 High Performance Working Practices (HPWP) perceived as important by SMEs and micro-businesses in Y&NY.
2. Consulting with (or about) the following categories of business, which have particular strategic importance for the LEP:
 - Those engaged in activities supporting the LEP area's transition to a low-carbon, greener economy e.g. in green construction, renewable energy and the wider bioeconomy.
 - Businesses providing specialist digital services and other technologies associated with the Fourth Industrial Revolution.
 - Employers planning for or actually transitioning to significant digitisation of their businesses.
 - Employers seeking to address recruitment issues or high staff-turnover e.g. in hospitality, food manufacturing and health and social care.
3. Identifying specific support measures SMEs would like to see introduced or strengthened to help them effectively embed the identified HPWPs within their businesses to underpin their growth ambitions.
4. Identifying 3 case studies/examples of good practice by SMEs in effectively adopting one or more of the top 5 HPW practices.

The research will be conducted by Nada Tokos and Annabel Jelley.

The published Report will be one of a suite funded by a DfE Grant to support Skills and Employability Boards (or their equivalents) across all LEP and Mayoral Combined Authority (MCA) areas and which now have Skills Advisory Partnership (SAP) status in line with DfE guidance.

Section 1b. Format of discussion

45-60 minutes at a time to suit consultee.

- Background information about consultee business/organisation
- Introduction to HPW practices.
- Questions based on understanding of HWP practices and take-up by employers.
- Aim is to get open and honest views about HPW practices.

- Emphasis on what types of practices are being adopted and how can HPW be embedded further.

Section 2a. Organisational Information

- Business sector:
- Services/goods:
- Business size:
- Established:
- Strategic /business / skills planning:
- Overall organisational structure i.e. do you have a HR department/or lead for staff development.

Section 2b HPW Practices

Exploration of awareness and understanding of HPW practices (refer to attached brief).

HPW practices refer to the careful design of work organisation and practices so that they are systematically linked to the achievement of organisational objectives and performance. They are work practices that are deliberately introduced in order to improve organisational performance. They can be defined a set of complementary work practices falling within three broad areas. These are:

- Employee Involvement (or high employee involvement), e.g. staff suggestion schemes.
- Skills Acquisition (or Human resource practices), e.g. mentoring.
- Motivational (or Reward and commitment) practices, e.g. share options.

Many businesses have embedded a range of these practices, without awareness that this is what they are called.

Section 2c Embedding HPW Practices

1. To what extent do you use these practices in your business?
2. How have you moved from the point 'it is a good idea to use them', to practically implementing them?
3. Please set out the types of **employee involvement** practices you use.
4. How do you use them? Across the business, for specific groups of employees/ functions?
5. What has been the impact of using them?
6. Please set out the types of **skills acquisition** practices you use.
7. How do you use them? Across the business, for specific groups of employees?
8. What has been the impact of using them?
9. Please set out the types of **motivational** practices you use.
10. How do you use them? Across the business, for specific groups of employees?
11. What has been the impact of using them?
12. Which of these practices do you most highly rate in terms of impact on your business?

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13. Are there any areas of innovation and good practice that you have identified as a result of using these practices?
 14. Have you used any specialist support to help you to embed these practices, if so, who and what for?
 15. Are there any practices that you would like to adopt/embed, but are not sure how best to approach its implementation? (Would you like to be referred to support?)
 16. What support measures could enable you to adopt and embed (other) practices?

Section 3 Mop Up

- Summarise main points.
- Any areas that the consultee would like to raise that haven't been covered.
- Give contact details and gain permission to contact consultee again should clarification be required.