

CATALYST

How a commitment to building trust, engagement and a great employee experience is paying off for Catalyst Development

In 2015, Catalyst Development's Board agreed a new 3-year strategy for growth. At its heart was the desire to attract, retain and develop new talent - at all levels.

The senior management team realised that for its plans to work, they needed to engage staff directly in growing the business. That required objective advice on best practice.

Even so, the decision to engage Great Place to Work® was not taken lightly. The firm had never used external providers to do this kind of work before and, in a consultancy where time is at a premium, the commitment required a compelling business case that showed this was not just 'the right thing to do' but could also deliver clear business benefits.

Initially, the results were "sobering" with a Culture Audit® and Trust Index® employee survey that revealed some tough truths, but also a workforce eager and ready to change things.

And in just over a year the company transformed itself - minimising attrition, increasing engagement, reducing costs and achieving its best-ever financial results. It saw a dramatic rise in its Culture Audit® and Trust Index® scores, including the proportion of employees describing it as a "great place to work" rising by almost a third.

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ANDREW MIDDLETON
CHIEF EXECUTIVE

In 2015, specialist consultancy Catalyst Development reached a plateau. “We had relatively static staff numbers and good but not stellar revenues,” says Chief Executive Andrew Middleton.

“Looking back, we can see we’d become stuck in our ways,” Middleton adds. “There was a sense of little changing - the office looked like something from the 1990s and the senior team were too busy with their own client work to drive new initiatives. The whole focus was external on clients where we did some great things and won awards but we needed to increase engagement and create the right environment to attract and motivate the next generation of staff.”



SUE PRIMMER
HEAD OF MARKETING
AND COMMUNICATIONS

Catalyst - which consults on operations and technology, clearing, risk and regulation, leadership and change with most of the world’s largest investment banks - focused almost entirely on its client commitments while suffering from an increasingly ageing infrastructure. Despite this, the firm had high levels of loyalty and, perhaps typically for a relatively small business (with around 60 employees), a strong focus on clients. “Our consultants spend most of their time on clients’ sites and the most important thing is what the client needs,” says Sue Primmer, Head of Marketing and Communications.

“But to grow the business, you’ve got to pay attention to the domestic picture as well,” Primmer adds.

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A Complete Rethink

In the middle of 2015, the company’s management “wanted to invest for growth”, Middleton says. “We had a 21-year history of which we were pretty proud but like independent businesses, we lacked basic investment in key areas. We realised we couldn’t carry on like that and so we made some fundamental changes.” The company separated the board and the management team, which up until then had been one and the same. Then Chief Executive Greg Davis - who founded Catalyst Development in 1994 - became Chairman of the Board, and promoted Middleton to take over.

Catalyst Development also created four employee-led 'streams of change' related to people, infrastructure, sales and marketing and account management. "We wanted to baseline where we really were," Middleton says. "We brought people together and it was cathartic - they were all saying what they thought, and in some cases it wasn't great, particularly when it came to our infrastructure..."

A Baseline

A crucial part of this was engaging Great Place to Work® to undertake the Culture Audit® and Trust Index© employee survey in November 2015. Trust Index® results showed that 60% of employees agreed that Catalyst Development was a great place to work, and there were positive scores for the company being a friendly place to work, but there "weren't any startlingly good results" according to Middleton. "It was pretty sobering and told me that we were off the pace compared to the best performing small companies in our sector," he says.

His immediate reaction was, "great - now we have objective, high quality data we can actually use and expert support to help guide us through what the results are telling us. The reports and narrative comments were incredibly useful. Respondents gave constructive comments we could act on. In many cases they confirmed what we thought, but gave much more clarity about the priority areas we absolutely had to improve."

Catalyst Development's priority was to commit to acting on the survey's results. A sponsor on the management team used the Culture Audit® and Trust Index® survey results to put together a plan of what the company was going to address and how. "We prioritised what we needed to do and we went out and did it," Middleton says.

Setting Priorities

Volunteers were sought from all levels of the organisation to get involved with - and, in some cases, lead - the four change initiatives, and at one stage 80% of the workforce was involved. "They all had a day job, and [they weren't selected] on any basis other than a genuine interest to get involved," Middleton says. "If anything, I had to quell the interest a bit and remind them to keep focused on client work."

An HR and talent management manager was hired for the first time and the company invested in more training and career development programmes, and grew the junior cohort of staff. The office was completely refurbished in just two months. The company also changed reward mechanisms and became more transparent about communicating them. "A series of things were prioritised and the streams then ran - I let them get on with it and they delivered," Middleton says.

"We made no bones about prioritising things, because frankly we couldn't have done everything that the survey was pointing to us to improve." For example, the company decided not to prioritise CSR which, at 19%, was the lowest score of all. "We thought: 'This isn't going to improve employee engagement in the short term by any great amount, certainly not as much as the other things that need attention, so we will put it down the pecking order and get to that in due course when we can'," Middleton says. Despite this, a group of employees took it upon themselves to start doing things and formed a CSR Committee.

"We spent money obviously," Middleton says, "and in tandem with all the investment people made in internally-focused initiatives, our client business also flourished and we started growing again." The following year Catalyst Development's attrition halved, and it saved £100,000 on recruitment costs - being able to recruit through word of mouth rather than agencies. "You can tell the difference in the mood of the people," Middleton adds. "How they are and how they feel reflects in how they are with our clients."

Round Two

But the impact of the changes became most apparent when Catalyst Development undertook another Culture Audit® and Trust Index® survey in December 2016. “The feedback that we got from Great Place to Work® was that our Trust Index® scores had risen remarkably and our Culture Audit® scores were pretty impressive as well,” Sue Primmer says.

In just over a year, the proportion of employees saying that Catalyst Development is a great place to work has risen by 30 percentage points to 90%. Dramatic rises have been seen in job security (96% in 2016, up from 65% in 2015); culture (92% in 2016, up from 77% in 2015); engagement (83% in 2016, up from 71% in 2015); and wellbeing (90% in 2016, up from 78% in 2015).

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Even across the categories of workplace focus, Catalyst Development’s scores have increased considerably: strategy and direction (23 percentage point rise to 83% in 2016); values and ethics (15 percentage point rise to 79% in 2016); talent management (27 percentage point rise to 78% in 2016); career development (26 percentage point rise to 79% in 2016); reward (19 percentage point rise to 56% in 2016); and CSR (27 percentage point rise to 46% in 2016).

Trust has also risen from 80% to 86% in 2016. “We pride ourselves on being pretty high trust and low inspection and that manifests itself in us believing that one’s own family and own health is more important than anything else,” Middleton says. “People are trusted as grown-ups to do the right thing. We have put a lot of work into our values, but we don’t have policies around everything - it’s expected that people will behave in the right way; that they should put their own family and their own health first.”

Inclusivity and Collaboration

This was demonstrated ably when the company faced tragedy when two consultants died unexpectedly within just one year. “We supported each other, as well as supporting the families of the consultants,” Middleton says. “At the time it was everybody thinking they were doing the right thing. With hindsight, we realised this wasn’t an individual thing - it was a company being prepared to put that first and foremost, ahead of the pressures of day-to-day commercial activities.”

This family feel is evident to new recruits. HR and Talent Manager Sophie Stead, who joined Catalyst Development in early 2017, says the investment in people spending time with each other is clear. “There is consideration of people’s development needs, ambitions, and the strengths they bring to the various projects when they are on the client side,” she adds. “You’re not just part of a process, what you’re contributing yourself is an important factor.”

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Stead is among 18 new recruits in the last year who were not at Catalyst Development at the start of the change process. “At the start of all this change everybody had seen what it was like and had seen where we were going to. It was visible and clear - particularly the office itself,” Middleton says. “Now, half the people in the business don't know what the office used to look like.”

Constant Transformation

“In any given year, if you keep doing the survey, there are always areas that go the wrong way because people have a different context. Those who complete the survey next time round will be looking at what's happened since they got there. That's why changing just to stay still is so important,” Middleton adds.

The company is evaluating the areas in which its scores are still lower - including reward, CSR, talent management and career management. “There's only so much you can achieve in one year,” Middleton says. “Talent management didn't exist a year ago so it's not going to be mature immediately. But our scores have gone up in every single category.”

Catalyst Development didn't make the Best Workplaces™ ranking in 2017, but that “leaves us something to work towards,” Middleton says. “It's has never been and still isn't about winning awards. It was about actually understanding where we are currently at in an anonymous way, getting data that confirmed or challenged whether the programmes of change that we set up were right, and even if they were right, making sure we had the right priorities within them.”

Key Learnings

- In challenging times, gathering feedback from employees provides the best possible baseline for improvement.
- Prioritising areas for improvement will not just increase focus but enable changes in other areas to be addressed as part of ongoing improvement.
- Engaging employees to develop ideas for change and undertake their execution will increase collaboration and inclusivity.
- Undertaking a Culture Audit® and Trust Index® employee survey helps companies not just to be better than they were, but to be actively good compared to their peers and the wider business world. This is particularly important when new staff arrive with different expectations.
- Change must be ongoing.
- Doing the right things for the right reasons has a demonstrable impact on the bottom line.

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From the Employees

"Being a privately owned 'family feel' firm with a real focus on people, but which works exclusively in hard nosed financial services, makes our culture pretty distinct."

"Everyone makes you feel like family as opposed to a team of colleagues. There's a great bond between the management team and all colleagues."

"The absence of a hierarchical culture is great. You can talk to anyone about anything. The generally high level of trust and generally low level of inspection mean people have a higher degree of freedom to show their initiative than in most consultancies."

"The calibre of people is better than our competitors and the appetite for change to be better is good, as highlighted by streams of change."

About Catalyst Development

Catalyst are experts in regulatory driven change and organisational development within Financial Markets. Clients are typically investment banks, exchanges, clearing houses and asset managers. They help clients reduce risk, comply with and optimise the impact of regulation as well as improve human, technology and business performance. Catalyst's core services help clients they serve address the pressures caused by a combination of the banking crisis, escalating regulation and chronically depressed interest rates.

About Great Place to Work®

Great Place to Work® UK is a consultancy specialising in workplace culture, helping organisations to create exceptional, high performing workplaces where employees feel trusted and valued. We help employers improve recruitment, retention and productivity by putting employees at the heart of the organisation, analysing what they think and feel and identifying the real issues that need to be addressed. Part of a global organisation, we apply data and insights from approximately 10,000 organisations across the world to benchmark individual performance and advise employers on how to continuously improve employee engagement and wellbeing and so help build and sustain business performance. We run the Best Workplaces™ awards to enable the organisations we work with celebrate their achievements, build their employer brand and inspire others to take action.

We share our learnings through our research and publications at national, regional and global level, as well as through conferences and events.

The Culture Audit[®] and Trust Index[®] Employee Survey

The Culture Audit[®] is an HR and management evaluation tool which reveals what is unique about an organisation. In Part 1 the HR department and leadership team answers a questionnaire providing quantitative, demographic data about the organisation. Part 2 provides a qualitative insight into the organisation from its leaders and HR professionals, via a questionnaire about culture and practices that includes 15 open-ended essay-style self-reported questions. These questions map onto nine areas: Inspiring, Hiring, Welcoming, Caring, Listening, Thanking, Sharing, Celebrating and Developing, which are scored.

The Trust Index[®] survey of employees provides insight into the levels of pride, fairness, respect, credibility and camaraderie felt by employees, which underpin trust and engagement. It consists of 58 core statements which explore the key interconnected relationships between the employee and management, the employee and their jobs/the organisation and the employee and their colleagues. The combined scores of the Culture Audit[®] and Trust Index[®] survey reveal which of the nine areas the company is successfully addressing and which need improvement.



If you'd like to find out more about how we can help your organisation create and sustain a high trust, high performing workplace, please get in touch for a no-obligation chat.

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