

Empowered by Coaching

The business

E.ON UK, which sells gas and electricity through its Powergen brand, has seen a great deal of change in the past four years. In 2002 the company was acquired by E.ON AG and, in the same year, it bought energy provider TXU's retail business. It added Midlands Electricity to its portfolio last year. The group now has about 10,000 staff and has 9 million electricity and gas customer accounts.

The challenge

The organisation had become highly devolved with different approaches to areas such as competency models, performance management and pay bargaining. According to Liz Somers, leadership development manager at E.ON UK: "It was clear we needed to start conveying a more unified corporate vision."

The company also wanted to improve coaching skills among line managers to help staff to develop the right skills for the industry's rapidly-changing environment. There was also a need, highlighted by employee opinion surveys, for managers to improve their face-to-face feedback at employee assessments.

The solution

E.ON UK decided to create a coaching culture with a programme it called Achieving Our Potential (AOP), which it devised with business psychology specialist Kaisen. This set out to develop the coaching skills across all management layers. A series of two-day workshops was introduced to enable individuals to develop their coaching skills through role-playing scenarios.

The devolved structure of utility giant E.ON UK meant managers needed to convey a unified corporate vision to staff and switch on their coaching skills. *Alex Blyth reports on how it was done*

Board members were the first to take the course in October 2002, followed by 100 of the organisation's top managers. By April 2004, it had been rolled out to all of the company's 1,500 managers after E.ON UK employees volunteered to be taught how to be AOP trainers on effective coaching by Kaisen.

Somers says: "We had one trainer for every three managers on the programme, so it was far more cost-effective to adopt a 'train the trainer' approach. Getting our own staff to deliver that training also helped to generate buy-in."

Once they had been trained on coaching, managers were encouraged to use the coaching model in a variety of formal and informal settings.

The outcome

The company used four sources to evaluate the success of AOP. It looked at the results of employee opinion surveys. In 2001, 54% of employees had said they received good, regular, constructive feedback from their managers; by 2003 this had risen to 62%.

E.ON UK checked the findings of electronic 360-degree surveys carried out before and after AOP. These indicated improvements across the company in coaching capability, with significantly more employees stating that managers were 'driving high performance' 'developing capability' and 'inspiring others'.

The company also conducted in-depth employee interviews, which provided qualitative feedback on the programme.

Lastly, staff turnover dropped from 9% in 2003 to 5.1% in 2004, equating to a cost saving of about £1.5m per year.

Somers says: "It is difficult to separate out the causes of these improvements, and it would be dangerous to say that AOP was the reason for them all.

"Such good figures do though suggest that we're going in the right direction."

Learning points for HR

Somers offers this advice to development professionals looking to introduce a coaching culture in their organisation.

She says: "Don't be narrow-minded about who can train coaches. Often staff were training people much more senior than themselves, and it was good to involve people from every part of the organisation, be they accountants, IT executives, or whatever.

"Expect it to take a while to get going. I

EMPLOYEE PERSPECTIVE

Vian Davys is the asset manager for E.ON UK Renewables, the division which generates energy from sources such as wind farms, burning biomass and hydro-electric schemes. Having originally joined East Midlands Electricity in the 1980s, he has seen the business through privatisation, and successive acquisitions by Powergen and E.ON.

He has experienced many change management programmes and admits that he was sceptical about Achieving Our Potential (AOP).

"Previous initiatives had never really worked and I would not normally volunteer for something like this," he says. "But I decided to become a trainer on AOP as I could see it would work, because it had a clearly defined process."

He believes that he has learnt many simple techniques that help him to engage colleagues. "For example," he says, "I have learnt how to turn conflict situations into something positive. I have been really impressed by the emphasis on managers providing a process within which individuals can develop themselves."

hoped people would rush to volunteer, but that only happened after a few people had done it and fed back good reports.

"Finally," she says, "it is a big investment but it's worth it. Apart from creating an effective coaching culture, this programme has personally benefited all those who have been involved, has raised the profile of our board members, and has made a strong statement about how highly the organisation values its people." 