



## How good is your business really?

### Putting employees first: JJ Churchill

JJ Churchill is a family owned, precision engineering company, based in Market Bosworth, Leicestershire, employing around 120 people.

Founded by Walter Churchill on Christmas Day 1937, Churchill Components, as the company was originally known, was based in Coventry and supplied machined parts such as radial aero-engine exhaust valves to Armstrong-Siddeley for iconic products such as the Merlin engine.

After being blitzed out of Coventry in 1941, the company re-located to Market Bosworth and, following the loss of Walter Churchill during the air defence of Malta in 1942, the company was taken on by his wife Joyce. Having worked closely with Sir Frank Whittle in the 1930s, the transition to gas turbine work was a natural step and compressor blades became a core product from the mid-40s. The company has remained in the ownership of the Churchill family, with Walter's son James being succeeded by his own son, the current managing director Andrew in 2002.

The company is a first-tier supplier of precision, technology driven components to original equipment manufacturers (OEMs) in the aerospace, defence, industrial and power generation sectors, including Rolls-Royce, Cummins, BAE Systems and Siemens, and is looking to expand into the civil nuclear sector. It works closely with customers to focus on specific customised products, as well as volume sales; examples include developmental blades for the Airbus A350 Trent engine and the



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JSF, through to Industrial RB211 production volumes and legacy demand for the Tornado RB199.

The company is extremely proud of its heritage, which it commemorates on site with photographs and a memorial, and forms a key underpinning of its drive for quality and innovation and its desire to be an employer of choice. Likewise it plays an important role in the local community, reflective of the high number of local residents employed at the plant and the presence of several generations of the same family within the workforce. A strong egalitarian atmosphere pervades the plant, alongside a commitment to quality and customer service; observers remark on the 'friendliness' of the culture, reflected in an employee survey which showed that a high percentage of staff had a 'close friend' within the company.

As a family-owned company, its vision is for long-term profitable growth for all stakeholders. It explicitly places its employees at the centre of the stakeholder nexus, believing that if employees are treated well, and provided with stimulating and rewarding work, performance and productivity benefits will follow. "People do things for people" as Andrew Churchill puts it. "We put employees first because they make the fundamental difference." It places the health and safety of employees as a key priority, and delivers above average pay and benefits for above average performance.

Customers, suppliers and the local community are other key stakeholders, along with the family shareholders. Dividends, if taken, are modest, with profits ploughed back into the business. The company looks to develop business opportunities with



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profitable long-term growth potential, and is committed to improving overall factory efficiency 'using our cash to maximum effect'.

The company attaches great importance to its values, which were created by its Consultation Forum with input from all employees. Behaviours illustrating the values were written by individual staff. "You cannot beat the powerful effect of an employee quoting directly from the values statement, and saying 'I wrote that.'" says Andrew Churchill. "The values define the culture 'and what it is to work at JJC and describe "the attitudes and behaviours that we encourage and expect."

There is alignment right across the company to the mission, the values, and the behaviours that accompany them; the employee survey shows a very high positive response to the question 'my job plays a key role in delivering the company goals, mission or purpose.'

The annual employee engagement survey shows consistently positive responses to a variety of questions, including high scores for:

- Understanding 'what is required of me at work'
- Having access to the 'required tools and equipment available to do my work right first time'
- 'Someone in the company cares about me as an individual'
- 'My suggestions and opinions are valued within the company'
- 'I have the freedom to do what I do best every day at work'



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Absence levels have been reduced substantially, from 6.4 per cent to under 2 per cent. This has been achieved through:

- An emphasis on employee wellbeing - including a healthcare scheme for all staff which funds optical, dental, physio, chiro and specialist consultation as well as any necessary scans to speed-up the process of diagnosis
- The introduction of improved performance management with a structured process for managing absence, which helps line managers work through the 'capability' and 'competence' routes and support employees accordingly

Based on the survey results, the company has identified 'employee recognition' and 'continuing to develop employees' as areas for action.

Additionally, it is placing a renewed emphasis on quality and eliminating waste, after the survey suggested a drop in the perceived importance of quality to the business. The Quality Department has been strengthened, and a zero tolerance approach declared towards 'quality apathy', as well as an ongoing drive for continuous improvement. Weekly team briefings now focus on quality across all shifts on the shop floor around the local KPI Boards. A group of shop floor employees also visited the Cummins plant to get a better understanding of where the products they produce are used in engine assembly. As Andrew Churchill stressed, "our brand and our future will depend upon our ability to be the best at what we do."

The company believes strongly in the importance of leader visibility throughout the plant, and timetables daily shop-floor walks by the senior team. When he first took the reins of the business, Andrew organised three, two-day bespoke training courses



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to help develop this common vision; the board and heads of departments similarly undertook development sessions, looking at the different individual drivers, different responses to pressures, and helping them to break down silos. 50 per cent of KPI assessment is set against individuals demonstrating these values.

The company devotes substantial resources to a rigorous communication approach, with key meetings such as the union/management meeting (to negotiate all the issues governed by the collective bargaining agreement) scheduled well in advance, whilst the Consultation Forum with employee representatives covering issues not collectively bargained, meet quarterly.

All employees are briefed quarterly, with Andrew Churchill holding sessions with 20 employees across the course of a week, where issues such as current business and sales performance, quarterly results, business developments such as quality, updates on projects, and issues not covered by collective bargaining, such as the employee survey results, are presented and discussed. Continuous improvement activities are highlighted with photographic evidence of changes in shop floor layout and design and other changes delivered through CI. "You have to pick the channel of communication well, to fit the characters involved. A megaphone just won't do" Andrew notes.

Cell meetings involving all operators on all shifts are held weekly, spread throughout the week, looking at performance against KPIs and enabling monthly company updates cascaded by team leaders. A suggestion scheme brings a small financial



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reward for ideas that are adopted, and in the past have included ideas such as re-orienting a staircase to ensure better access on the shop floor.

Core to sustaining this culture is a belief in open discussion across the company. As Andrew Churchill says: "You can't put a price on knowing your employees feel comfortable in saying they've got a problem."

### Learnings

- In an increasingly challenging market, the company believes that an emphasis on engaging the hearts and minds as well as the skills of its employees enables it to respond with agility to new market opportunities and new product developments, particularly in the areas of specialised customised products, and to take full advantage of highly technologically demanding projects
- Its explicit recognition that employees are at the heart of the business and a key asset has enabled the company to maintain an even keel through market dislocations
- Constant communication with the workforce ensures that all employees are kept up to date with both company successes and challenges, and are able to develop and own solutions, such as driving down waste and improving quality