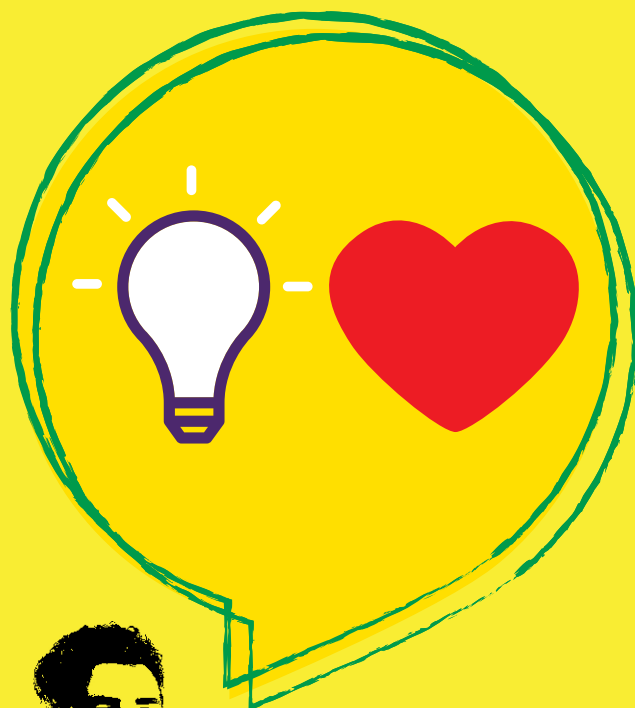


THE EVIDENCE

HOW EMPLOYEE ENGAGEMENT IMPACTS THE BOTTOM LINE



HEADLINES.



**DRIVING
ENGAGEMENT
IN YOUR
ORGANISATION**

TOOLKIT



ENGAGEMENT: WHY DOES IT MATTER?

The report makes clear that, as a business tool, **engagement is now an imperative.**

New evidence showing the direct impact employee engagement has on the bottom line clearly demonstrates that it is a must-do, not a nice-to-have.

Improved engagement across the UK could add as much as **£26 billion** to our gross domestic product – bringing a significant improvement in productivity as well as a much-needed boost to the economy.

When David MacLeod and Nita Clarke published their 2009 Engaging for Success report to the UK Government, they identified four themes or ‘enablers’ for employee engagement. These are: **strong strategic narrative, engaging managers, employee voice and integrity.**

The enablers provided the theory to effective engagement and the 2012 follow-up report, The Evidence – based on research and real world examples from some of the UK’s top businesses – offers hard evidence together with case studies and examples of best practice.

Marks and Spencer stores with improving engagement had, on average, delivered

£62 million more sales

than stores with declining engagement.

Sainsbury’s found that colleague engagement contributed up to

15 per cent of a store’s year-on-year growth.

Dorothy Perkins stores with high levels of engagement produced

12% higher growth in sales – the equivalent of **£445,000 extra revenue.**

WHAT DOES IT MEAN AND WHAT DOES AN ENGAGED EMPLOYEE LOOK LIKE?

EARS

Listening to feedback and treating people as individuals is more rewarding for everyone involved and promotes engagement and well-being.

HEART

People who enjoy their work and take pride in the organisation they work for are prepared to give more. This results in an upturn in innovation and creativity, and an overall improvement in quality.

STOMACH

The well-being of employees significantly improves through higher engagement levels and reduces absenteeism and sickness rates.

HANDS

People who work for an engaging manager and feel supported, recognised and valued feel more engaged with their organisation.

BRAIN

You are able to process a clear, credible and consistent message from your organisation and its leaders, with no ‘say-do’ gap. The values on the wall are reflected in day-to-day behaviours.

EYES

Employees who see leaders ‘walking the talk’ and showing integrity in what they do and say are far more likely to engage with the organisation.

MOUTH

Being able to voice your ideas and feelings makes you feel more valued and empowered.

FEET

Organisations with high employee engagement have the potential to reduce staff turnover by 87%, whereas disengaged employees are four times more likely to leave the organisation.

FROM ARMS AND LEGS TO HEADS AND HEARTS

Engaged employees are committed to their organisations’ goals and values and motivated to contribute to their organisations’ success.

An engaged employee experiences a blend of job satisfaction, organisational commitment, job involvement and feelings of empowerment and well-being.

David MacLeod says work has gone “from arms and legs to heads and hearts”, and that employers must realise and act on this if they are to engage and get the best from their people.

EMPLOYEE ENGAGEMENT

THE EVIDENCE

A high-level task force of some of the UK's most recognisable organisations is calling for every leader and manager across the economy to play their part in tackling the UK's employee engagement deficit.

CEOs call on UK to deliver
£26bn GDP growth
by better engaging
employees at work.

Analysis of the evidence shows that:

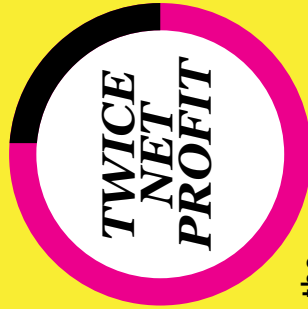
- Only around a **third** of UK employees say they are **actively engaged** at work.
- 20 million** workers are **not delivering** their full capability or realising their potential at work.
- 64%** of people said they have **more to offer** in skills and talent than they are currently being asked to demonstrate at work.
- UK productivity was **20% lower** than the rest of the G7 in 2011.

STATISTICS AND CASE STUDIES



PROFIT

Companies with engagement scores in the top quartile had **twice the annual net profit** of those in the bottom quartile.



2.5

REVENUE GROWTH

Organisations in the top quartile of engagement scores demonstrated **revenue growth** 2.5 times greater than those in the bottom quartile.



12%

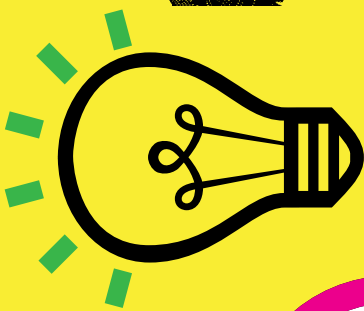
CUSTOMER SATISFACTION

Companies with top quartile engagement scores average **12% higher customer advocacy**.



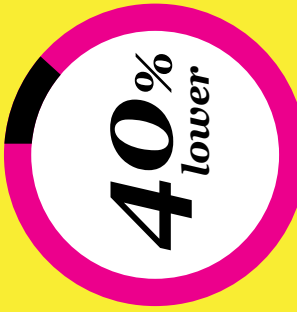
PRODUCTIVITY

Organisations in the top quartile of employee engagement scores had **18% higher productivity** than those in the bottom quartile.



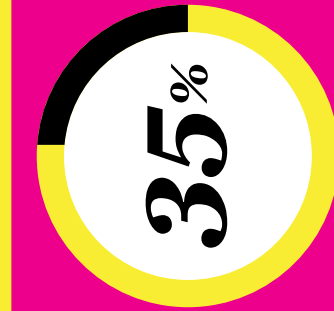
INNOVATION

59% of engaged employees said that their job brings out their most **creative ideas** against 3% of those less engaged.



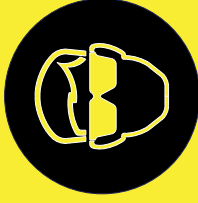
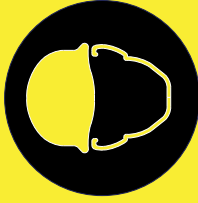
EMPLOYEE TURNOVER

Companies with high levels of engagement show turnover rate **40% lower** than companies with low levels of engagement.



EFFICIENCY

An insurance company found that teams with higher engagement had **35% less down time** between calls – equivalent to one 'free of charge' employee to every eight engaged employees.



HEALTH & SAFETY

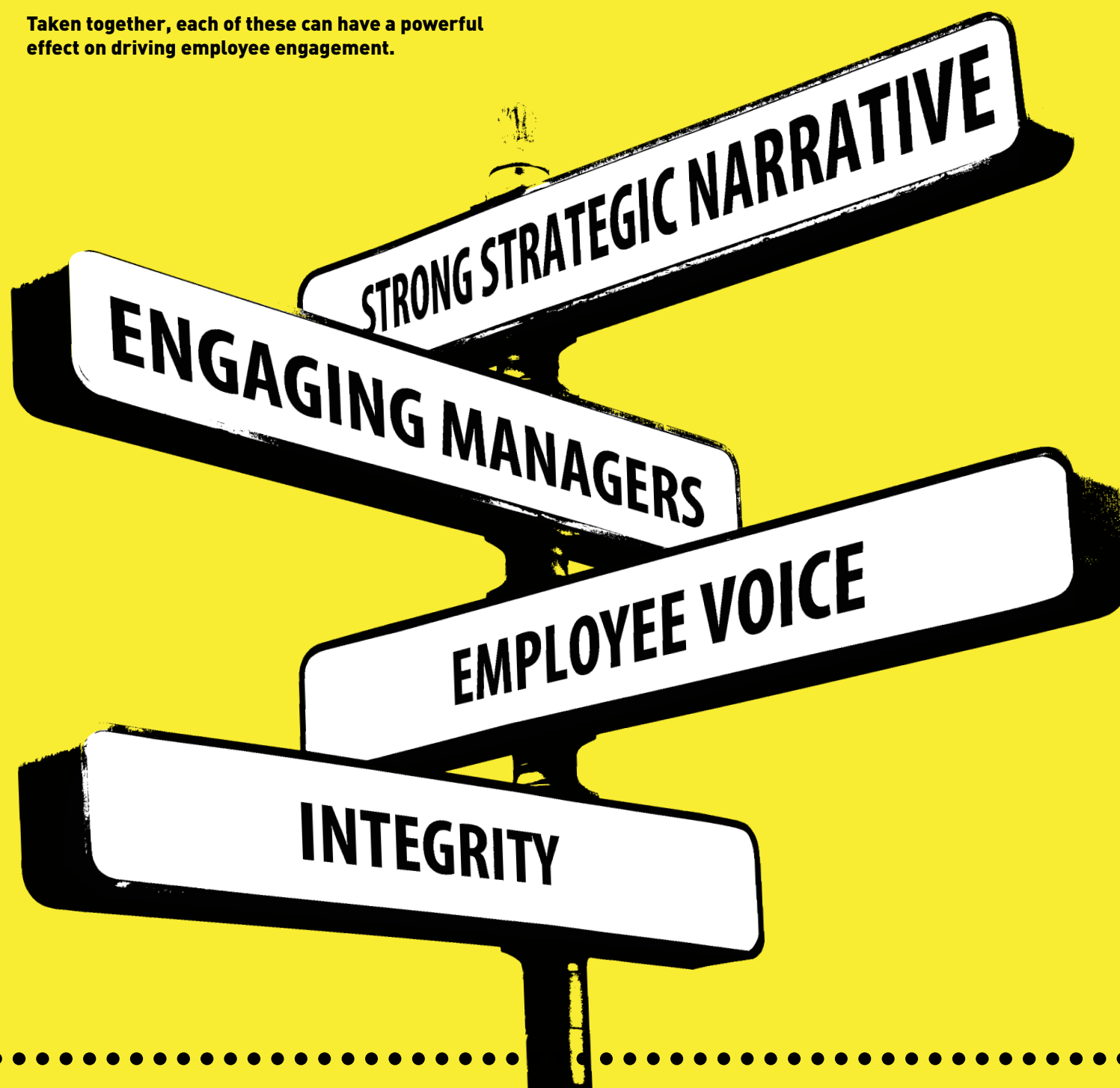
Organisations with engagement in the **bottom quartile** average **62% more accidents** than those in the top.



HOW DO WE GET THERE?

Although there is no 'one size fits all' approach for employee engagement, the four enablers – **strong strategic narrative**, **engaging managers**, **employee voice** and **integrity** – have been identified as key ingredients in achieving success.

Taken together, each of these can have a powerful effect on driving employee engagement.



THE KEY INGREDIENTS FOR SUCCESS.



Strong strategic narrative

Visible, empowering leadership provides a strong strategic narrative about the organisation, where it's come from and where it's going.

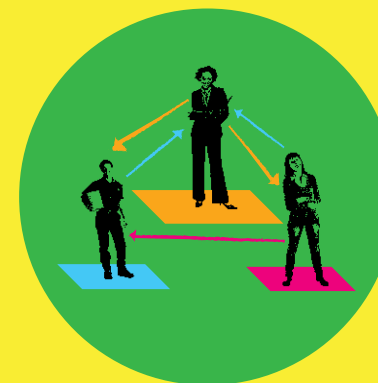
For example, in January 2010 the Welsh Government launched the 'Managing for Less' initiative in response to budgetary pressures. The initiative was cascaded through divisional ranks to teams below, creating a platform for frank and open discussions around the core cost-saving message. The result was a **98% awareness rate** among staff and **reductions in spending of more than £20m**.



Engaging managers

Engaging managers focus their people and give them scope, treat them as individuals and coach and stretch them.

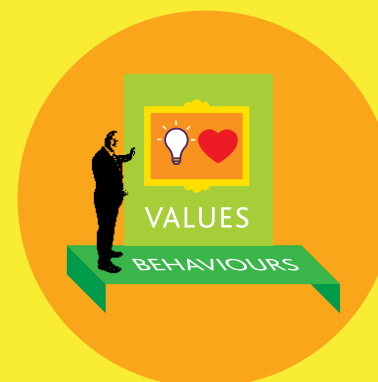
BAE Systems, recognising the need to create a more engaged workforce, embarked on a series of 'conversations' involving different departments and union representatives. By the end, more than **£26 million** of improvement opportunities were identified and the time taken to build its Typhoon fighter plane was **slashed by 25%**.



Employee voice

Employee voice reinforces people as any organisation's most important asset and is essential for gathering views and feedback and making employees part of the solution. Of course, it is essential that the organisation listens and is seen to act on what people have to say.

This was certainly the case for digital, cable and satellite television provider **UKTV**. Operating in a competitive market, the senior management team introduced a flatter hierarchical structure that placed more emphasis on individual effort and reward. UKTV has since recorded a **6% rise in revenues** against the same quarter in 2011, while the overall market is 10% down.



Integrity

Organisational integrity means that the values people can see on the wall are reflected in the way people, and particularly leaders, behave on a daily basis-i.e. that they 'walk the talk'.

Nowhere was this more evident than in the construction of the London 2012 Olympic Games. **Determined to deliver on its promise of the safest Games** ever, the **Olympic Delivery Authority** operated a zero tolerance approach to health and safety on site – even threatening to shut work down if standards were not met. Shutting work down sent out a powerful message that the ODA and its Delivery Partners were serious about preserving the health of its workforce.

FURTHER RESOURCES

Engage for Success website and the full report of The Evidence:
www.engageforsuccess.org/about/why-does-it-matter/

Free resources to support engagement are also available at:
<http://headlines.uk.com/resources/>

