

The case for Increasing Employee Engagement

... and how Navisys can help you to achieve it

In this paper...

How levels of employee engagement
impact business performance
and bottom line results

How Navisys measures and improves
levels of employee engagement

Navisys Transformation Limited
The Old Chapel, High Street
Ripley, Surrey GU23 6AQ UK

+44 (0) 1483 225231
info@navisystransformation.com

Measuring and improving levels of employee engagement

Engagement is the extent to which employees put discretionary effort into their work beyond the minimum to get the job done, in the form of extra time, brain power or energy.

Engagement is driven by an employee's immediate experience of the organisation. The factors that build or destroy engagement are driven by the unique situation of each organisation and the combination of factors needed to boost engagement are therefore different between organisations.

One global study into the levels and effects of employee engagement noted that engagement matters because engaged employees have an effect on the costs of their immediate unit and a positive impact on the quality of their work, external customer service, the profitability of the company and to revenue growth.

At Navisys we have spent the past 15 years enabling many blue chip organisations to engage their people in change. This work has driven periods of high employee engagement and performance through the release of the kind of discretionary efforts that typify the behaviour of the Engaged Employee.

We have now focused our long experience of employee engagement on helping organisations to build and maintain an engaged workforce at all times.

By combining our experience with current global research into employee engagement, we are able to provide a suite of analysis and change tools that will identify current levels of employee engagement in your organisation and then work with you to help you to build and deliver a plan that will increase those levels.

Next page . . . What the research shows.

What the research shows

1. Employee engagement impacts business outcomes

Gallup sifted through data from approximately 200,000 employees in 36 organisations and across 21 industries and found causal links between levels of employee engagement and five key business outcomes including:

- ⊕ productivity
- ⊕ profitability
- ⊕ customer loyalty
- ⊕ employee retention
- ⊕ safety

2. Employee engagement impacts the bottom line

In a 2005 global employee engagement study of 664,000 employees, ISR show that companies with highly engaged employees demonstrate significantly stronger bottom-line results than companies with low employee engagement. These differences include:

- ⊕ 19% increase in operating income in high engagement companies, with a 33% decrease in low engagement companies
- ⊕ 13% net income growth in high engagement companies, with a 4% decline in low engagement companies
- ⊕ 27% increase in earnings per share in high engagement companies, with an 11% decline in low engagement companies

3. How engaged our people really are

A recent Towers Perrin study showed that 12% of UK employees were highly engaged, 65% moderately engaged and 23% disengaged. Moving people up the scale will have a big effect on company performance. Moving disengaged people up will also radically increase employee retention rates.

Next page . . . Defining employee engagement

Employee engagement definitions and indicators

Studies by Gallup, ISR, Towers Perrin, the Institute of Employment Studies and Kingston University and Ipsos/MORI for the CIPD, all indicate various definitions and drivers of employee engagement. They fall under the three primary headings as follows:

- ⊕ **emotional engagement** *being very involved emotionally with work*
- ⊕ **cognitive engagement** *focusing very hard whilst at work*
- ⊕ **physical engagement** *'going the extra mile' for your employer*

These studies provide various indicators of what drives high levels of engagement. Here are some highlights:

- ⊕ Opportunities to learn and grow and progress actually made
- ⊕ Co-workers who are committed to quality
- ⊕ Recent personal recognition and acknowledgement
- ⊕ Doing what I do best every day
- ⊕ Input to decision-making
- ⊕ Believing that senior managers are interested in my well being
- ⊕ Having opportunities to feed my views upwards
- ⊕ Feeling well-informed about what is happening in the company
- ⊕ Believing that my manager is committed to the company

Going with the flow...

The CIPD suggests that there appears to be a connection between the concept of engagement and that of 'flow'. Flow is the term used to describe the state of mind in which people become at one with the activity in which they are involved and become so immersed that they lose track of time.

Next page . . . How Navisys can help.

How Navisys measures and increases employee engagement

Step One – Measure

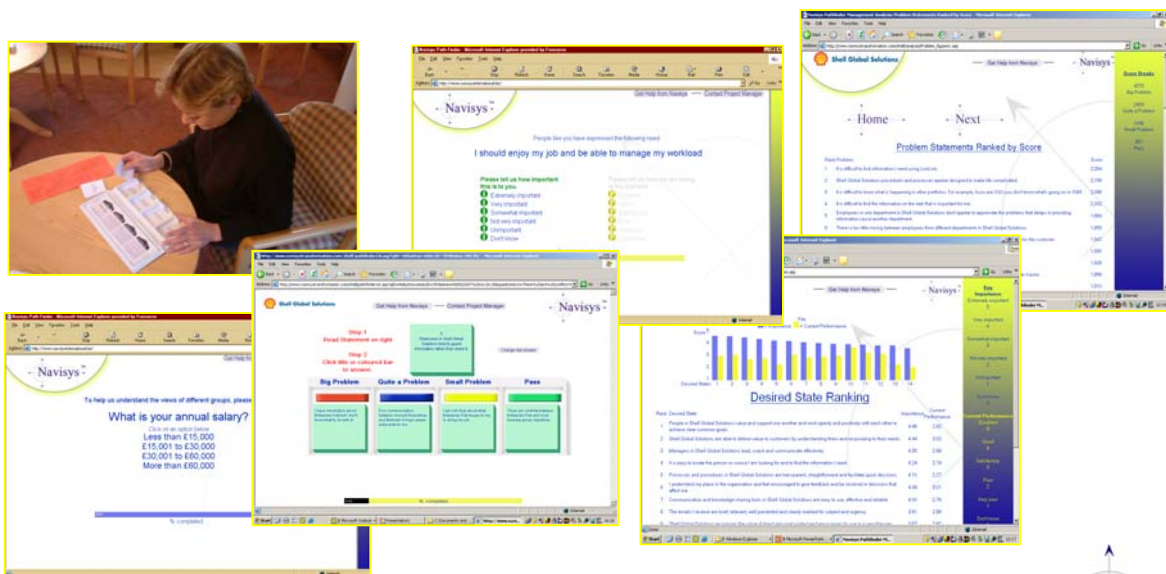
Discover current levels of employee engagement and the actual factors enabling or inhibiting engagement in your work environment..

We have distilled the research data and our own information about an engaging workplace that we have gathered over the past 15 years. From this we have developed 20 key criteria from which a company and its employees can identify the main drivers of engagement in their unique organisation.

In addition we have identified the 6 primary characteristics of each of the 20 drivers so that the company and its employees can pin-point the specific issues that must be addressed in order to raise levels of engagement in their organisation.

Both of these steps can be applied to a part or the whole of an organisation and can be segmented to uncover the drivers and issues of different departments, business units, countries or any other organisational dimension.

To facilitate this work, we deploy our unique Pathfinder engagement tool, either in its physical or on-line forms. The value of the Pathfinder has been proven over many years of employee engagement work with our clients.



How Navisys measures and increases employee engagement

Step Two – Envision

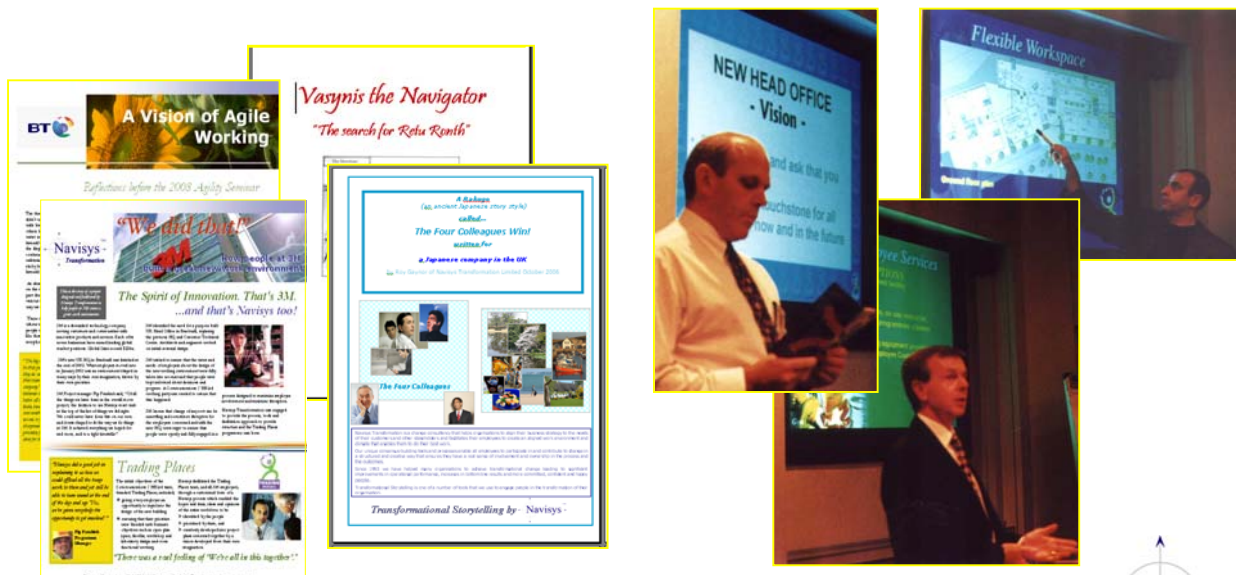
Define the Desired State for your business, communicate the Future Story to call the organisation to action.

With the employee feedback provided by the Pathfinder analysis we can define the desired state for employee engagement in the specific organisation and from there begin to build a Future Story that will be used to communicate the desired behavioural outcomes to the people concerned.

At Navisys we have used Transformational Storytelling for many years to bring the nature and meaning of change to life in the minds and actions of our clients' people.

Rooted in the reality and traditions of each organisation, Transformational Storytelling allows your people to make their own connections with business needs in a way that resonates with the reality of their day to day activities.

In helping you to call the organisation to action, we ensure that the benefits of higher levels of employee engagement to both the business and to employees themselves are clearly communicated, understood and welcomed with enthusiasm.



How Navisys measures and increases employee engagement

Step Three – Journey

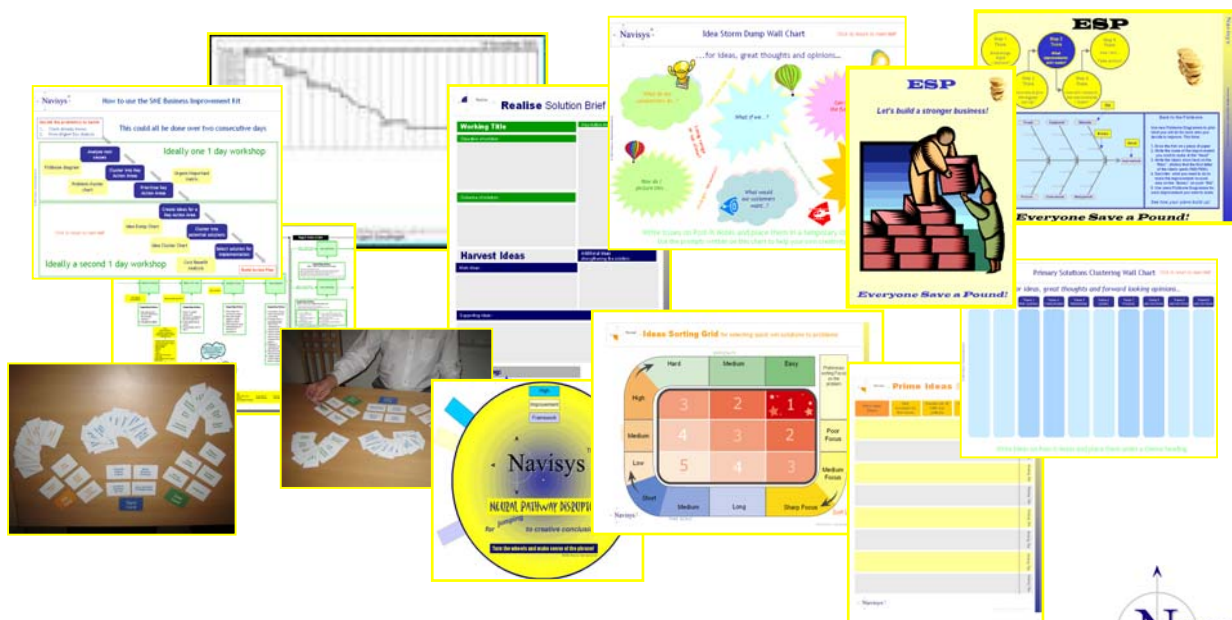
Fix your systemic problems, teach engagement skills, including Storytelling, Appreciative Enquiry and Local Problem Solving

Working with clients over the years we have developed a range of action tools that allow employees at all levels to simplify complex decision-making and engage in making change happen.

From creative tools that generate ideas for the future, through decisioning tools that help to decide the right way forward, to project design and management tools that ensure managed change, we have the right toolset for making sure that your employee engagement improvement plan is actioned. In addition, our change management toolkit can enable your managers to work with their people to remove local barriers to high levels of employee engagement.

Building on the overall Future Story defined in the Envision step, we will teach your managers how to use Transformational Storytelling as a means to communicate your key messages and relate them to the needs and goals of their teams. Storytelling has a long history and is a natural way to pass on information and develop understanding.

Appreciative Enquiry is a process that builds on what has gone well and what works well in an organisation in order to create a more productive and effective future. We will teach your managers how to use the power of this proven technique to help to build an environment conducive to greater employee engagement.

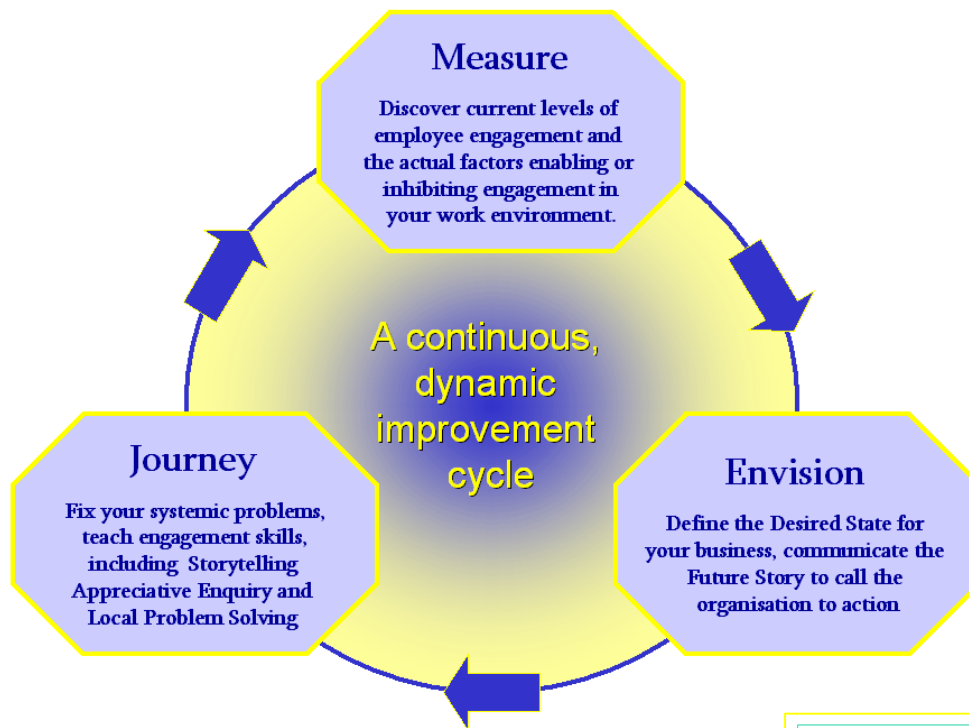


How Navisys measures and increases employee engagement

Step Four – Continuous improvement

The first full measurement of the current state of employee engagement in your company will provide the base line against which to measure your progress.

The Pathfinder process is then used periodically to measure improvements and the effects of additional action taken in the continuous improvement process illustrated here.



3M Employee Needs – movement in satisfaction

Statement	Current Performance	Target
1 Our IT infrastructure (PCs, network, printers) should be efficient and well supported	34.55%	40.00%
2 3M should provide me with a safe and healthy working environment	38.18%	40.00%
3 The buildings in which I work should have the facilities I need to do my best work	42.54%	40.00%
4 It should be easy to communicate with 3M management and with the people I work with	14.96%	20.00%
5 3M management should provide clear leadership and support me in doing my job	21.21%	20.00%
6 3M buildings car parks and grounds should both be well safe and secure	85.16%	80.00%
7 I should be able to conduct confidential conversations I need to in privacy and without being overheard	24.76%	20.00%
8 3M should provide me with a comfortable and pleasant working environment	51.54%	50.00%
9 I should present a professional image to our business	21.09%	20.00%
10 I should be quick and easy for me to get to and from 3M	42.59%	40.00%
11 I should be able to organise my life so that I can make an effective contribution to 3M	35.00%	40.00%
12 3M should provide high quality, good value products that meet my needs	60.00%	60.00%
13 3M vending machines should provide high quality, good value products that meet my needs	29.17%	30.00%
14 I should be able to achieve a good homework balance	66.67%	60.00%
15 I should be able to involve my family in my relationship with 3M	66.67%	60.00%

Performance Barometer
Use score these statements by how important they are to you and by how you are working with this supplier

Desired State Ranking
Bar chart showing current and desired state rankings for various metrics.

Navisys Aligner
Thanks for your help!



engaging people in change....

....changing through engagement

Our client list

3M	Leisure Link
Abbey	Lloyds TSB
Airmiles	Martins Retail Group
Alusuisse LONZA	Microsoft
Apple Computer	Monsanto
AXA Insurance	Nationwide
Barclays	New England Shutter Company
BBC	NIG Skandia
Bluehat	Nokia Mobile Phones
British Waterways	NTL
Bruel & Kjaer	Nycomed Amersham
BT	OTIS
Cambridge University Press	Parexel
Carrier	PC World Business
CIP	Pointon York
Cisco System Capital	Reed Publishing
Cisco Systems	Roche
Citibank	Royal & Sunalliance
Computer Centre	SCA Molnlycke
Coors	Shell
DSG-I	St Paul Travellers
EDS Credit Services	Sun Microsystems
Finnforest	Swiss Re Life & Health
Fisher Scientific	Tektronix
Fujitsu ICL	TNT
Groupe Schneider	Travel & Personal Underwriters
GSK	Trinity Mirror Group
Halifax	West Surrey Health Authority
IBM	Whitbread
Interlink Express	Xerox
Laporte	Zurich Financial Services

