

What creates employee engagement?

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Aon Seminar
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How is engagement defined?

- A pledge
- A promise
- An agreement

But also:

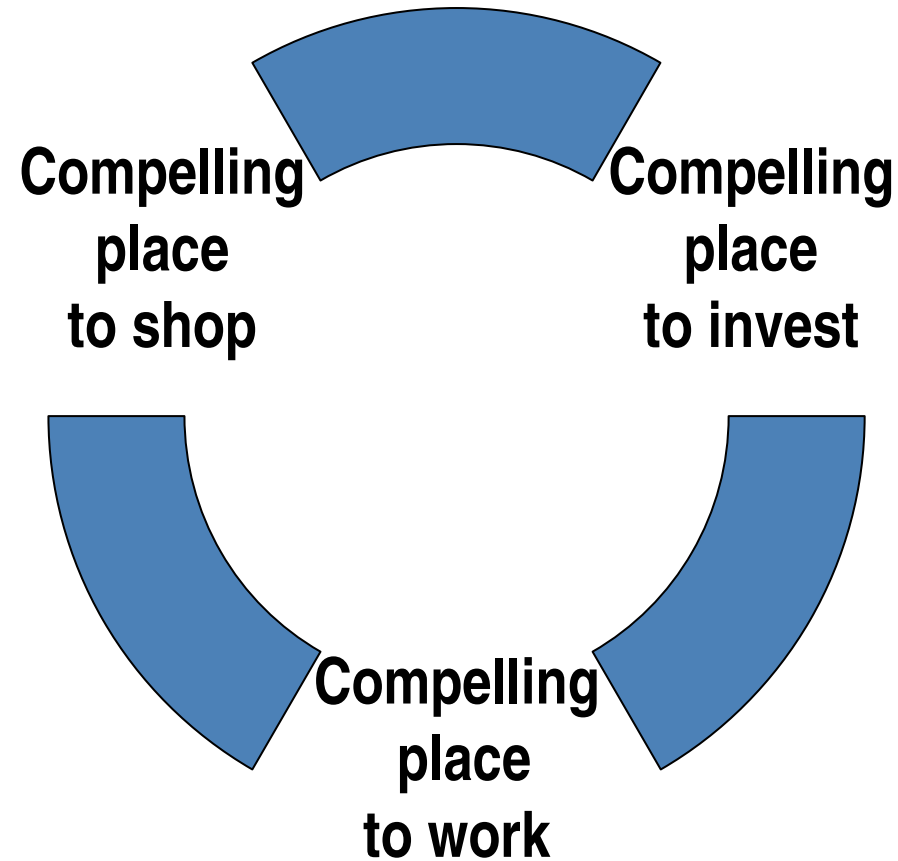
- A hostile encounter or battle!
- How can we get the first and avoid the latter?

Clear business outcomes

- **Engagement is increasingly recognised as a key driver for business success:**
- Higher productivity
- Better retention
- Less absenteeism
- Increased customer satisfaction

Engagement links to profitability

The key link: Sears employee-customer-profit



Engagement and business performance

Shareholder return:

- Best Company to Work For is also a sound investment – over the past 3 years the 50 best returned 3.6% compared with a 15% decline in the FTSE

Source: Sunday Times

- 12% of the variation between companies in their profitability is down to differing job satisfaction

Source: Institute of Work Psychology

Engagement and retention

Recruitment and retention:

- Management's ability to create a "sense of pride and spirit" is the most effective way to recruit and retain a high-performance workforce. The cost of replacing an employee in today's market is roughly one half of that person's annual salary – without intellectual capital

Source: Fourth annual US@work study Aon Consulting

Engagement and brand

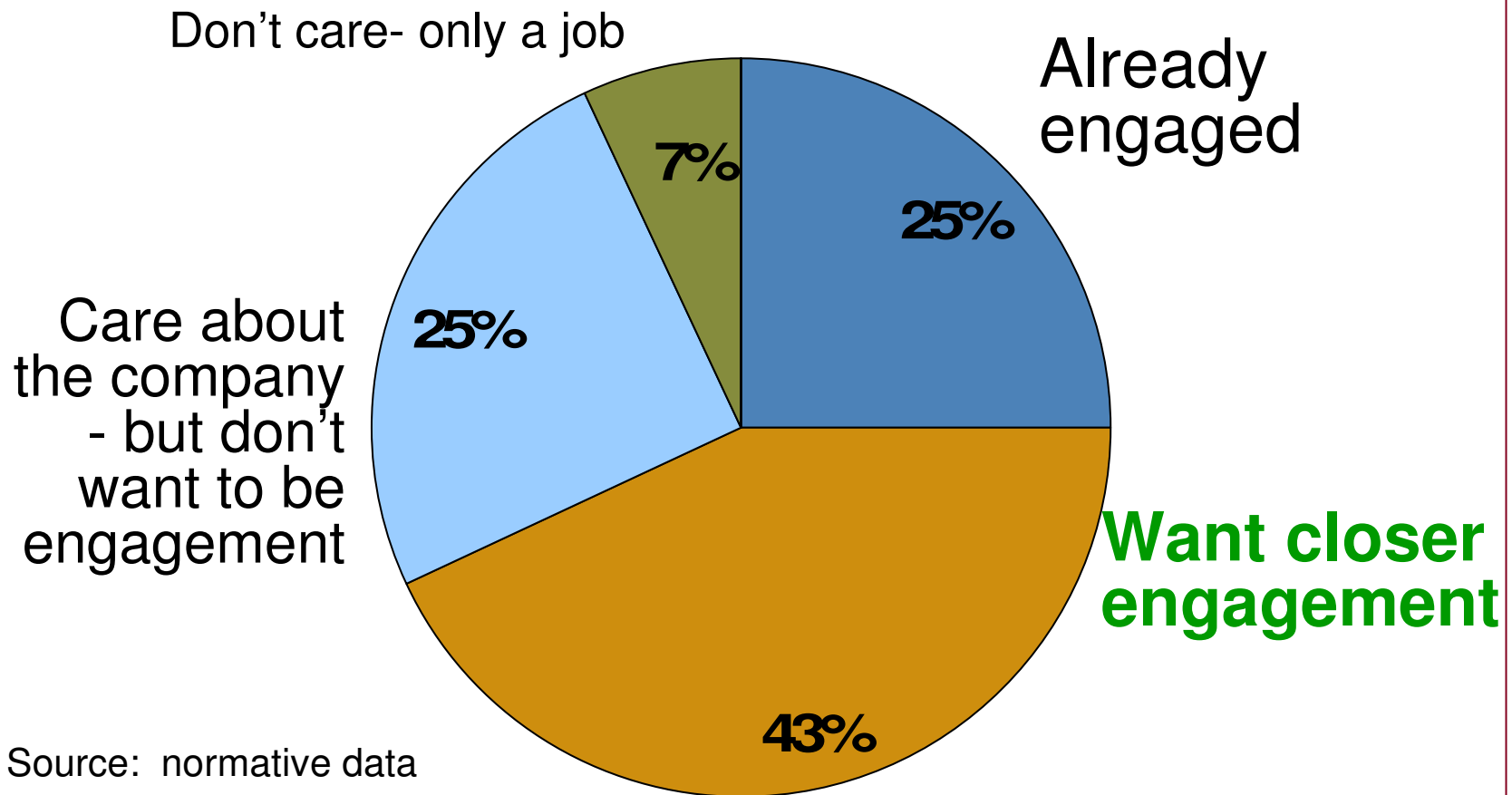
Impact on brand:

- Over the past 5 years, companies with high brand ratings from consumers AND staff outperformed the S&P index by 320% - double that of leading brand companies with high brand ratings from consumers alone

Source: Vivaldi Brand Leadership Study

How many want engagement?

Untapped potential:

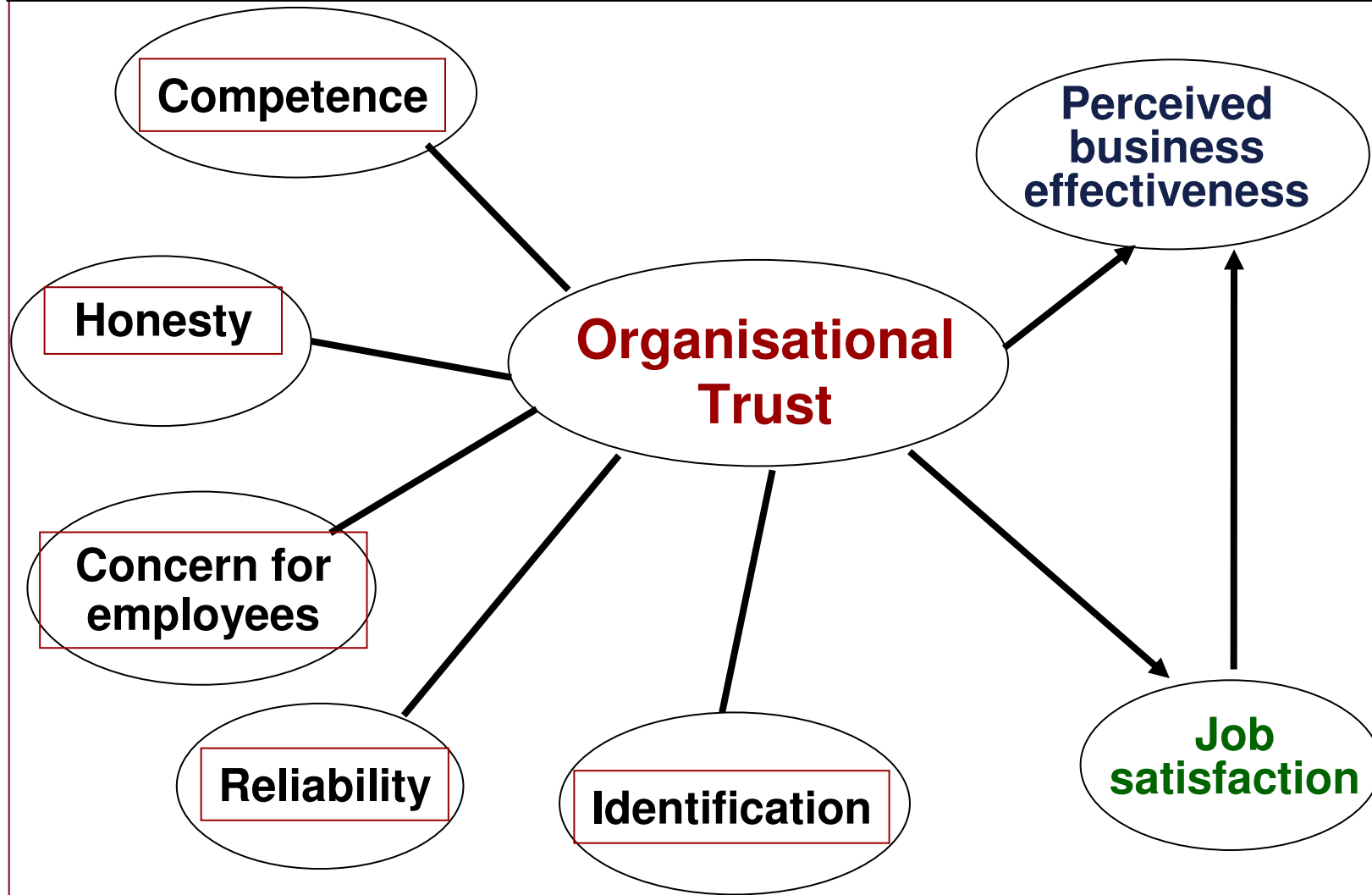


What creates organisational trust?

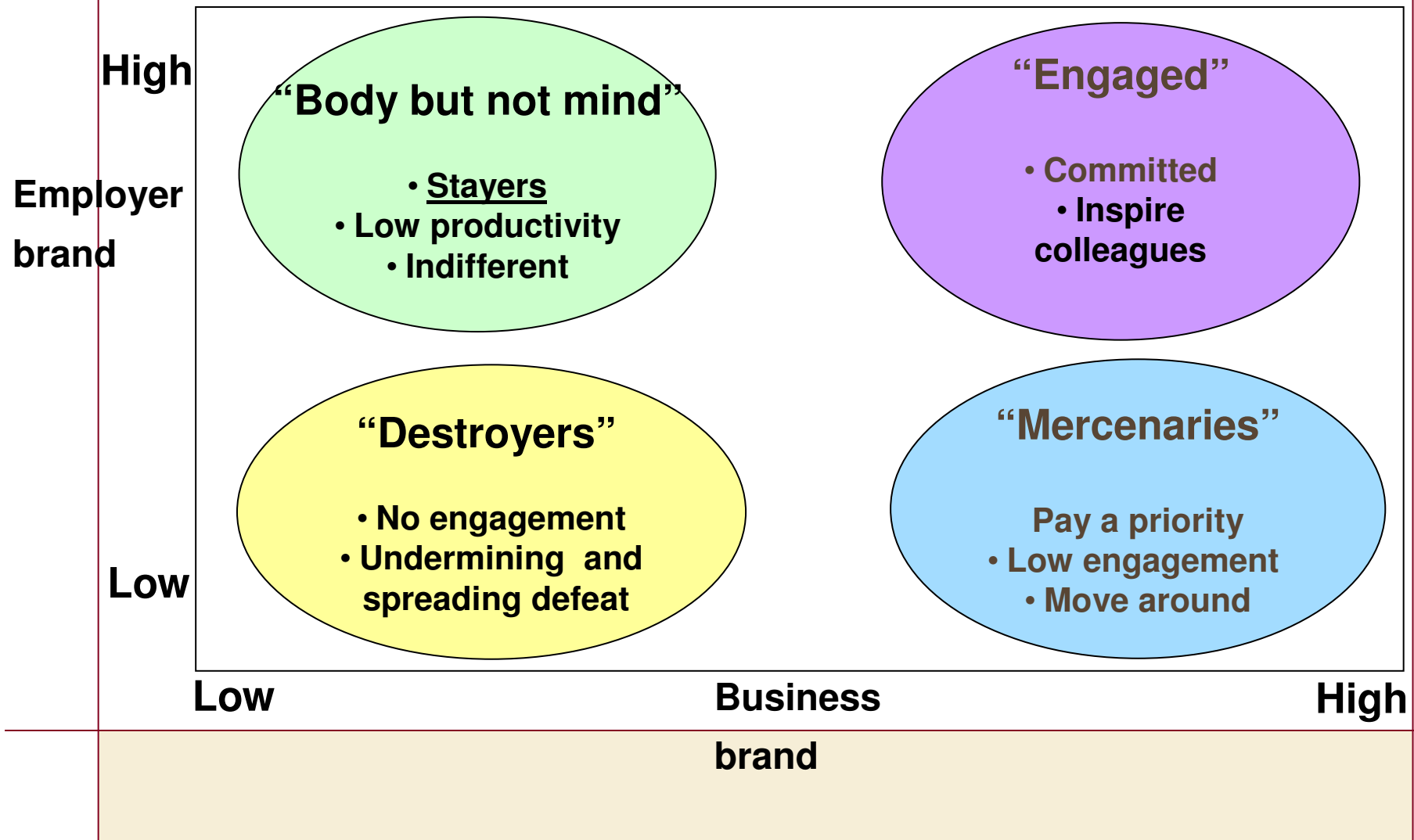
- **Literature reviews by the IABC Research Foundation find that organisations with high level of trust benefit:**
 - adaptive organisational structures
 - strategic alliances
 - responsive virtual teams
 - effective crisis management
 - reduced transaction and litigation costs

Source: IABC Research Foundation

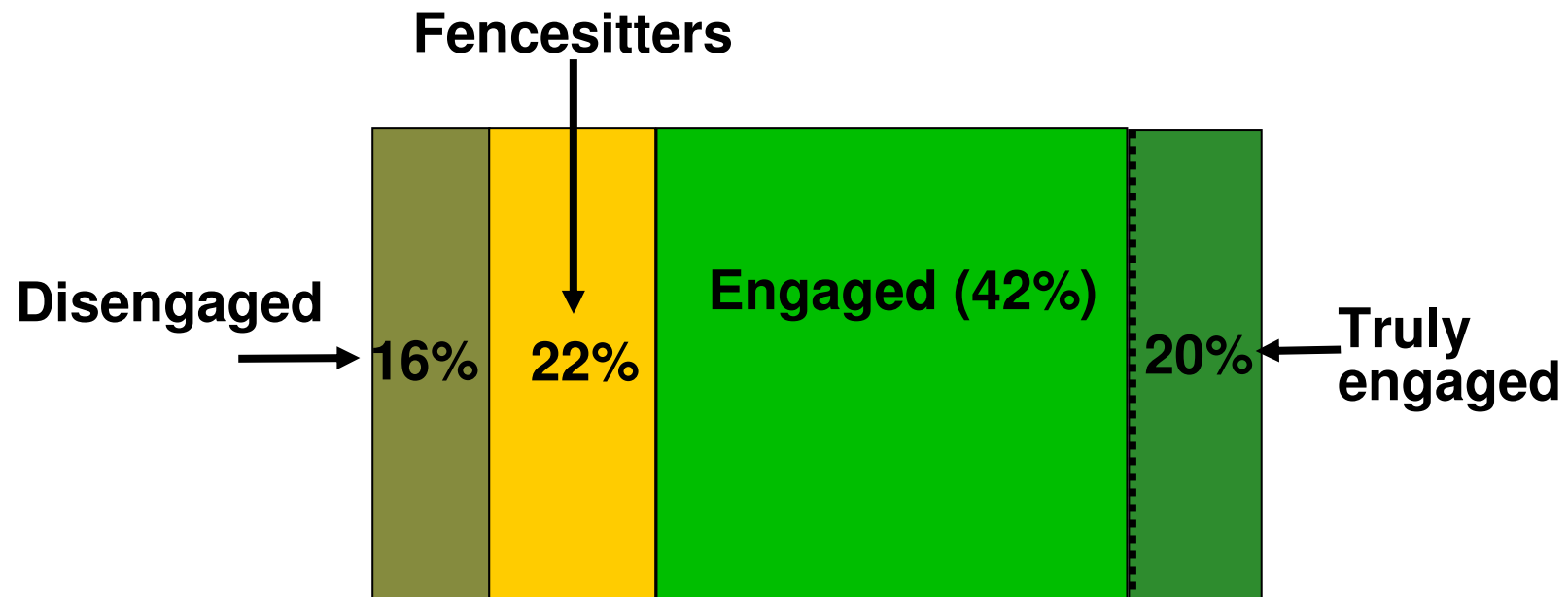
Key ingredients of trust



How many staff in these categories...



The engagement journey



(Based on transition model, by William Bridges)

Case study example

Focus

- Your people's engagement matters to business performance
- The concept needs to be defined for your own working environment
- Engagement can be measured, encouraged and guided