



ENGAGING FOR SUCCESS: enhancing performance through employee engagement.

This paper provides a brief summary to the 150 page-report produced by David Macleod and Nita Clarke in 2009. It was commissioned by the former UK Secretary of State for Business to take a detailed look at employee engagement. In writing the report the authors gained evidence from a wide range of private and public sector organisations to use as examples and evidence.

The study is described as '*a Report to Government.*' (However '*the views expressed in this report are the authors' and do not necessarily reflect those of the Department or the Government.*' p. ii.)

This summary aims to set out the key points, using arguments, quotes and case-studies from the report. Page numbers are included throughout for easy reference.

INTRODUCTION (pp.3-7)

*"This timely report sets out for the first time the evidence that underpins what we all know intuitively, which is that **only organisations that truly engage and inspire their employees produce world class levels of innovation, productivity and performance.**" (p.1)*

A recession is the perfect time for such reflection, as Britain's economic recovery will be built on strong, innovative companies and confident employees, *"there has never been a more important time to think about employee engagement in Britain."* (p.1)

Aim of the report – to set out what the government can do to help promote an understanding of just how much employee engagement can help improve innovation, performance and productivity across the economy.

- 1) Macleod and Clarke were asked by Lord Mandelson in 2008 to examine whether a wider take up of engagement approaches could impact positively on UK competitiveness and performance, take maximum advantage of the upturn when it comes, and meet the challenges of increase global competition. Their answer: *"unequivocally yes."*
- 2) There are many examples of companies and organisations where performance and profitability have been transformed by employee engagement. There exists a clear correlation between engagement and

For the full report see: <http://www.bis.gov.uk/policies/employment-matters/strategies/employee-engagement>



performance, and - more importantly - between improving engagement and improving performance.

- 3) If it is how the workforce performs that determines whether companies or organisations succeed, then whether or not the workforce is positively encouraged to perform at its best should be a prime consideration for every leader and manager, and should be placed at the heart of business strategy.
- 4) Where this happens, in places like John Lewis Partnership, Tesco, the London Ambulance Service, Sainsbury's, Standard Chartered Bank, BAE Systems, Toyota, Babcock Marine Clyde, Google, O2 UK and many more, the results can be transformational. This is because employee engagement enables an adult, two-way relationship between leaders, managers and employees. *"Employee engagement **is** the difference that **makes** the difference."* (p.4)
- 5) According to Sir Alan Jones, Chairman Emeritus of Toyota UK:

"Wherever you work, your job as a manager is to make your people be the best they can be – and usually they don't know just how good they could be. It's individuals that make the difference." (p.4)

This approach is predicated on the firm belief that the most valuable asset the company has is its people, and that enabling them to have an intellectual and emotional relationship with their work, as well as a financial stake in the success of the company, is the key to continuous product and productivity improvement from the shop floor to the boardroom.

- 6) The best engagement models are those that have been custom-developed for the institution (i.e. – John Lewis.)
- 7) The research shows company leaders talking about the 'light bulb moment' - when an understanding of the full potential significance of employee engagement dawned.

Will Hutton, Executive Vice Chair of the Work Foundation said: *"We think of organisations as a network of transactions. They are, of course, a **social network**. Ignoring the people dimension, treating people as simply cogs in the machine, results in the full contribution they can make being lost."* (p.5)

ENDS

For the full report see: <http://www.bis.gov.uk/policies/employment-matters/strategies/employee-engagement>