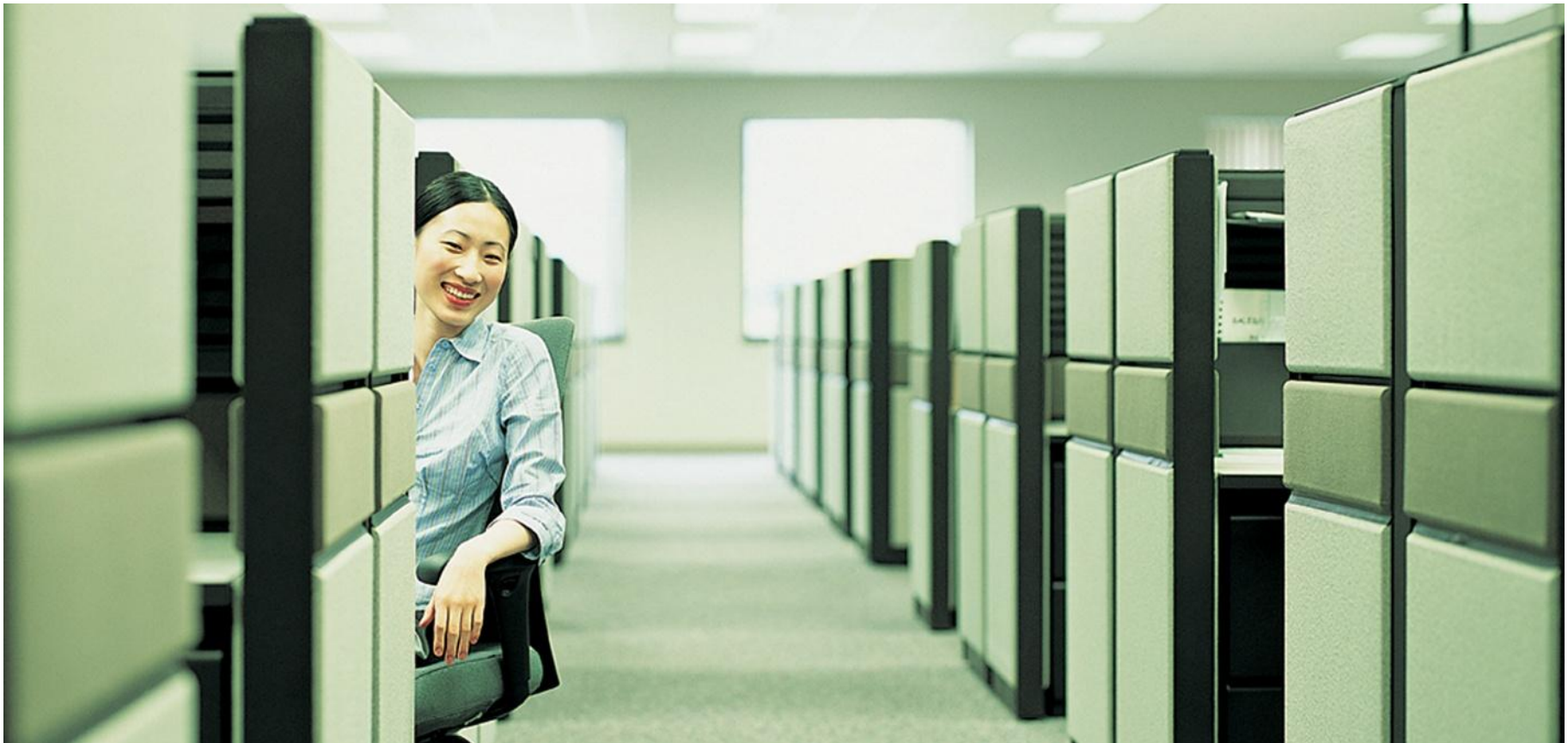


# Engage Your Workforce: 2013 Employee Effectiveness Trends

November 2013

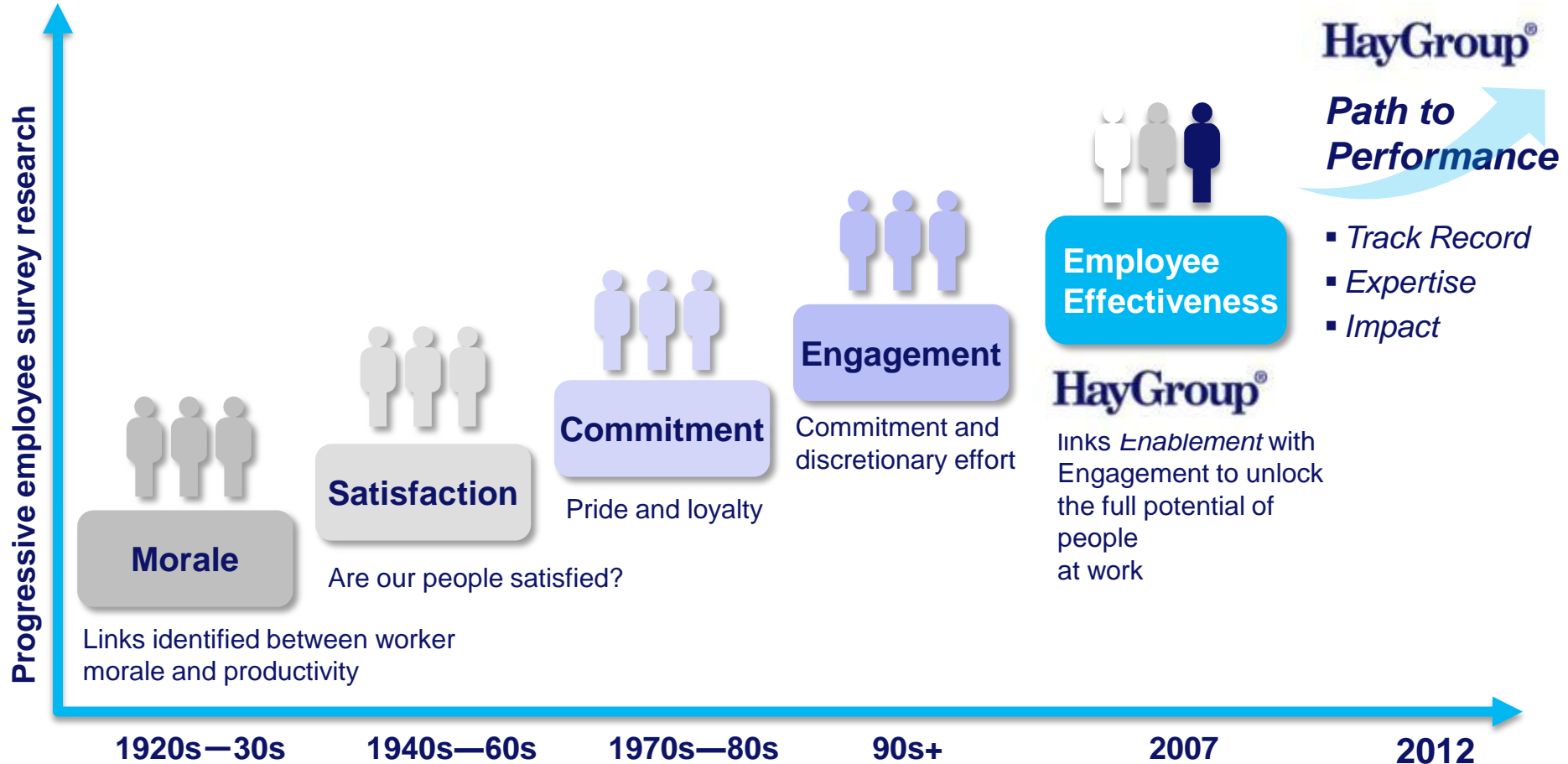
ARIEL BARACK, GIULIO D'ERME



High performing  
companies generate  
better results because  
their employees are more  
effective

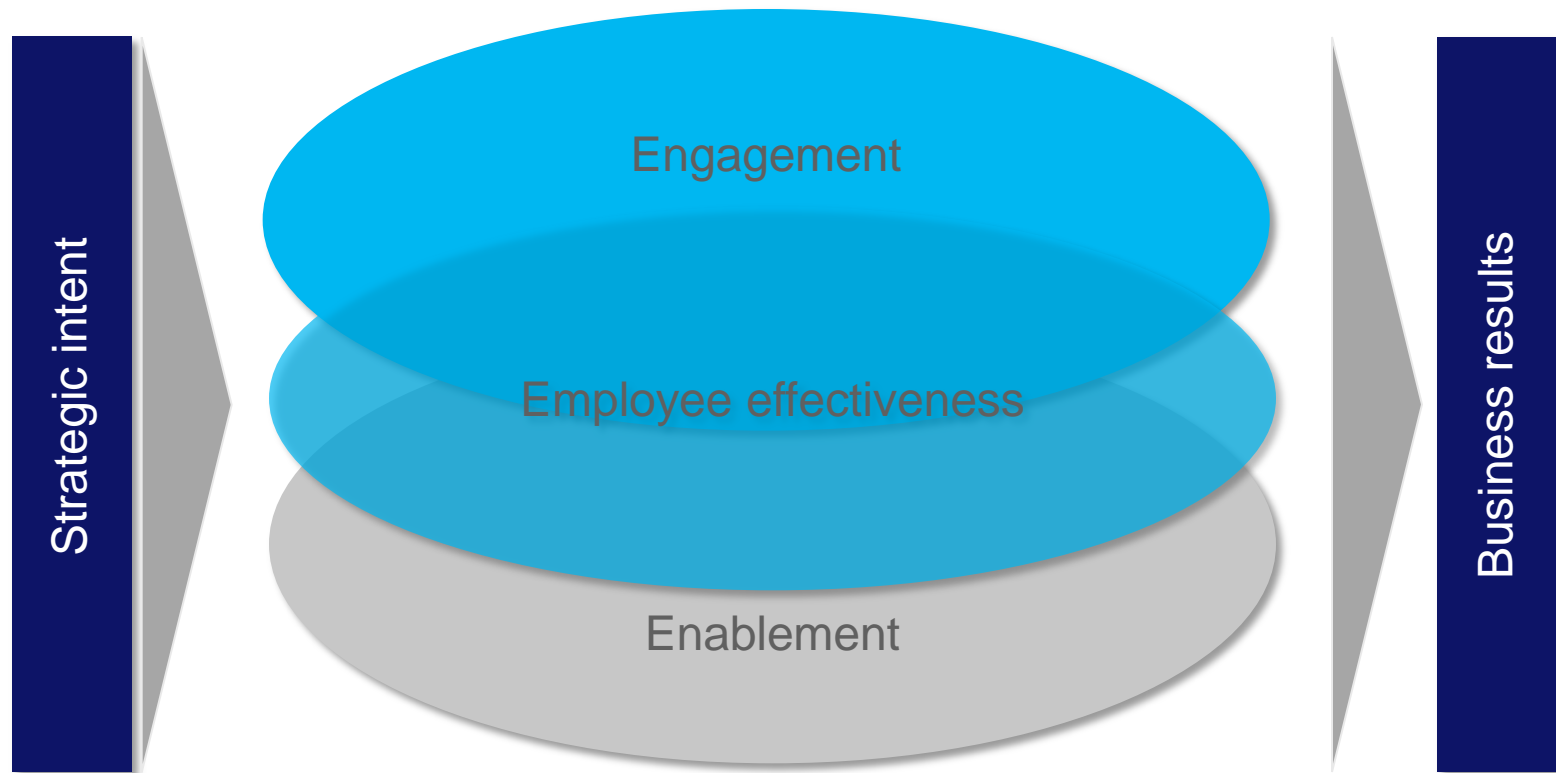
# The evolution of measuring employee performance

## Employee Effectiveness Framework



# Engaging and enabling employees to drive performance

*Work environments have to turn motivation into productivity*



A collage of various international brand logos, including:

- Vodafone
- Swiss Re
- Mundipharma
- PBG
- Serco
- Dell
- Panasonic
- Roche
- Amazon.com
- Rentokil Initial
- DNV
- Bacardi
- Acergy
- Toyota
- Hydro
- ADNOC
- Mobily
- Abbey
- Bristol-Myers Squibb
- Avery Dennison
- MIC
- The Cooperative Bank
- Wellpoint
- ESPN Zone
- Hyatt
- Orange
- Business Services
- Pfizer
- CIS Cooperative Insurance
- Takeda
- Compass Group
- New York Life
- Commercial Bank of Dubai
- Anglo American
- Walt Disney World
- BAA
- Q8
- The Linde Group
- Schering
- T-Mobile
- Boehringer Ingelheim
- Hess
- ARUP
- Allianz
- Heineken
- News Corporation
- Callaway Golf
- Royal Sun Alliance
- Honda
- Marriott
- The Gillette Company
- Somerfield
- Visa
- Nissan
- Dubal Dubai Aluminium
- Bombardier
- BP
- Sistema
- Lafarge
- CGGVeritas
- Corn Products International
- Elite Strauss
- Metihbect

# Hay Group Insight's High Performing Companies

- **Based on data from more than 35 companies around the world in a wide variety of industries.**
- **Includes data from over 1.4 million employees in these companies.**
- **These companies:**
  - **Display outstanding financial performance in their industries.**
  - **Roughly double the 5-year ROA, ROI and ROE of their counterparts.**
- **An illustrative list of companies appears beside. The membership list is updated annually.**

## *Sample Companies:*

Alcon	Honda
Archer Daniels Midland	Hugo Boss
Barclays Bank	Kimberly-Clark
BHP Billiton	Mattel
Blackrock	Nestlé
Cognizant	Pepsi Beverage Company
Compass Group	T. Rowe Price
Crown Castle	Telefónica
Darden Restaurants	Vodafone
Deutsche Bank	The Walt Disney Company

01

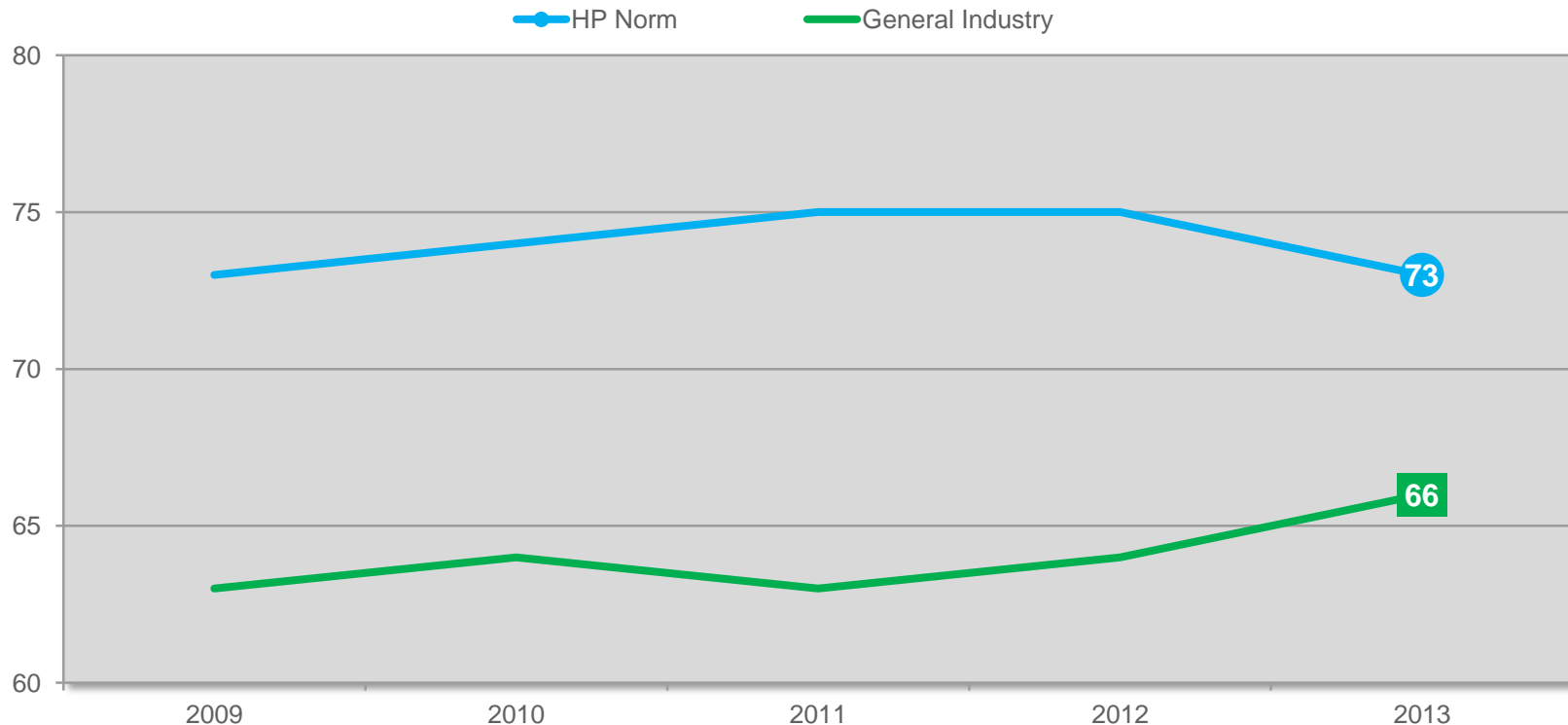
# Employee Engagement Trends

Trend information is drawn from Hay Group's global employee opinion database, featuring data from over six million employees worldwide.

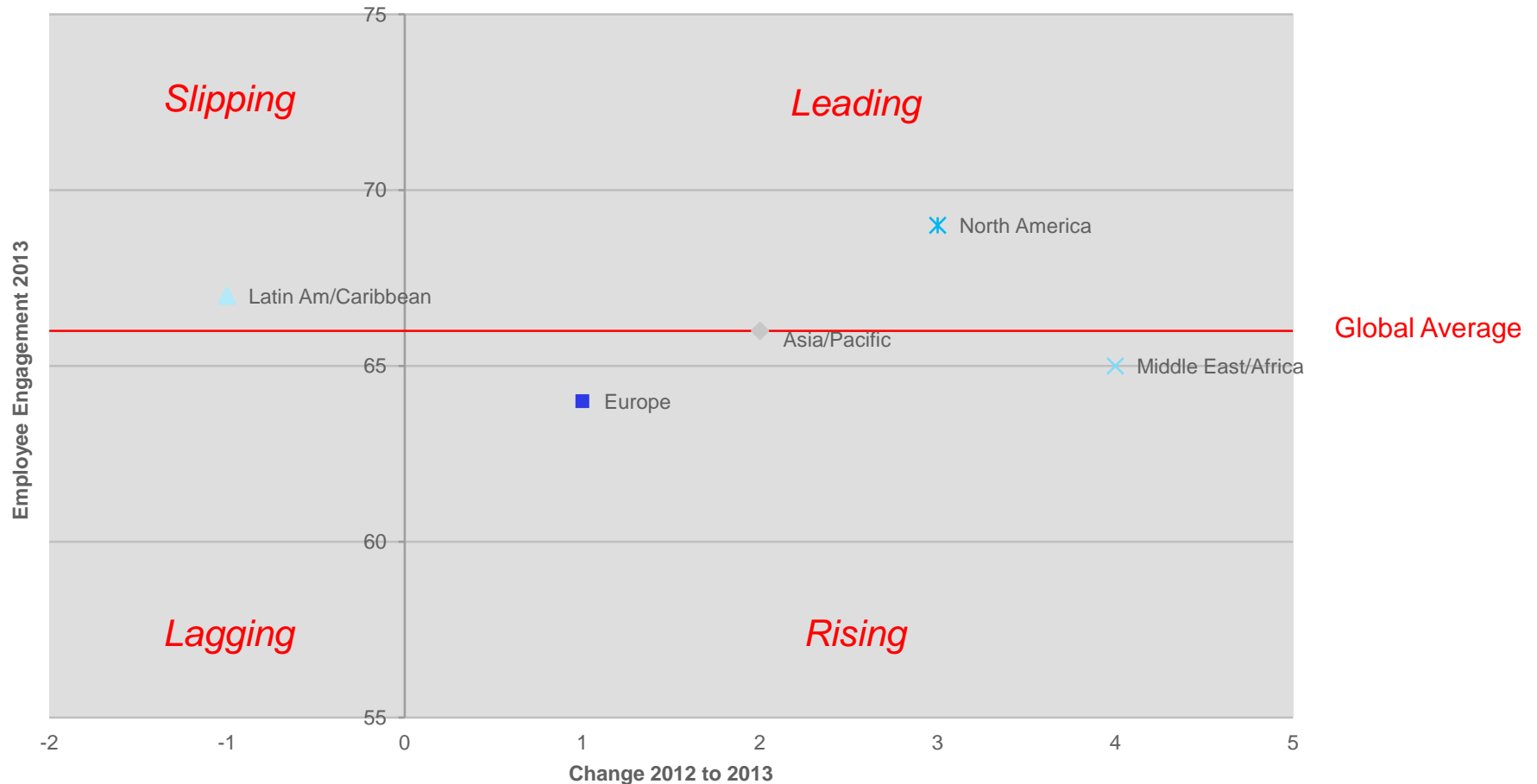


# Global engagement trends

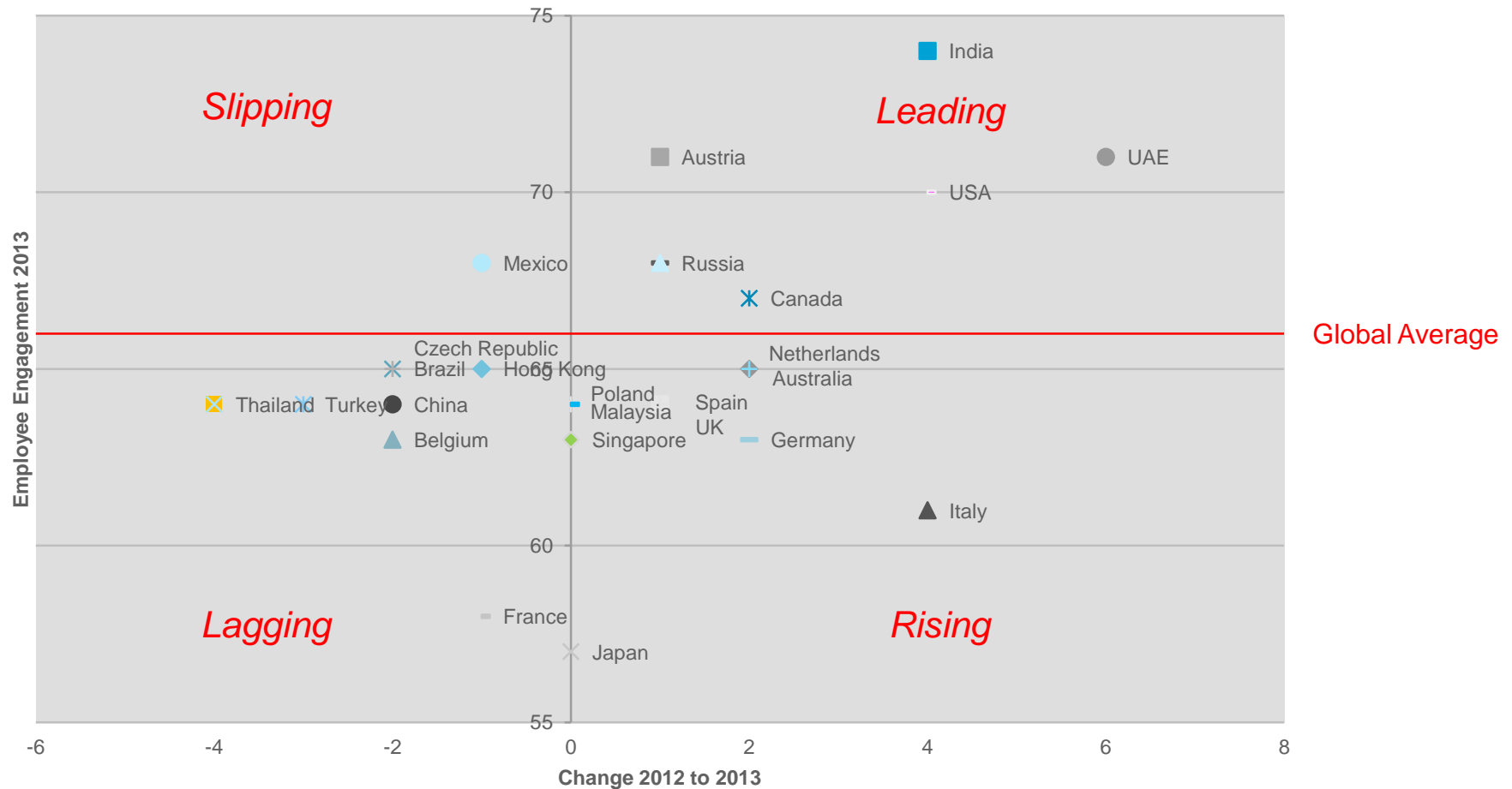
Global levels of employee engagement display a modest recovery in recent years, but still lag high performing company levels



# Employee engagement levels and trends: By region



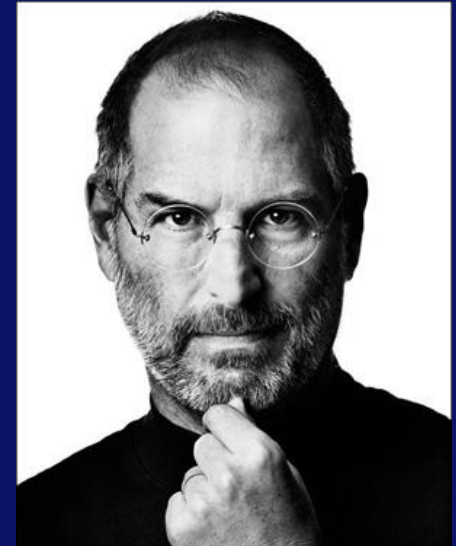
# Employee engagement levels and trends: By country



# 02

## Translating Engagement into Performance

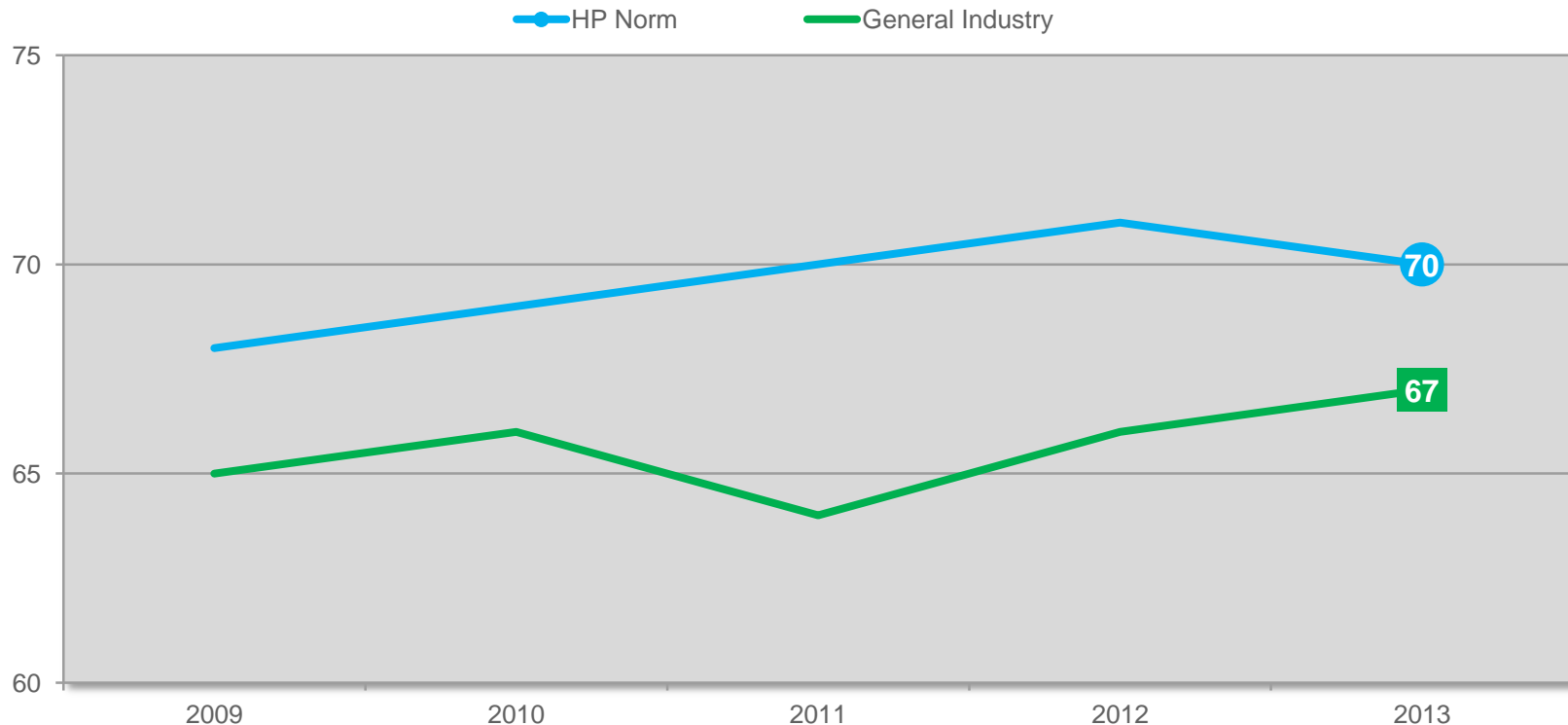
“The people who are doing the work are the **moving force**...my job is to **create a space** for them, to **clear out the rest** of the organisation and keep it at bay”.



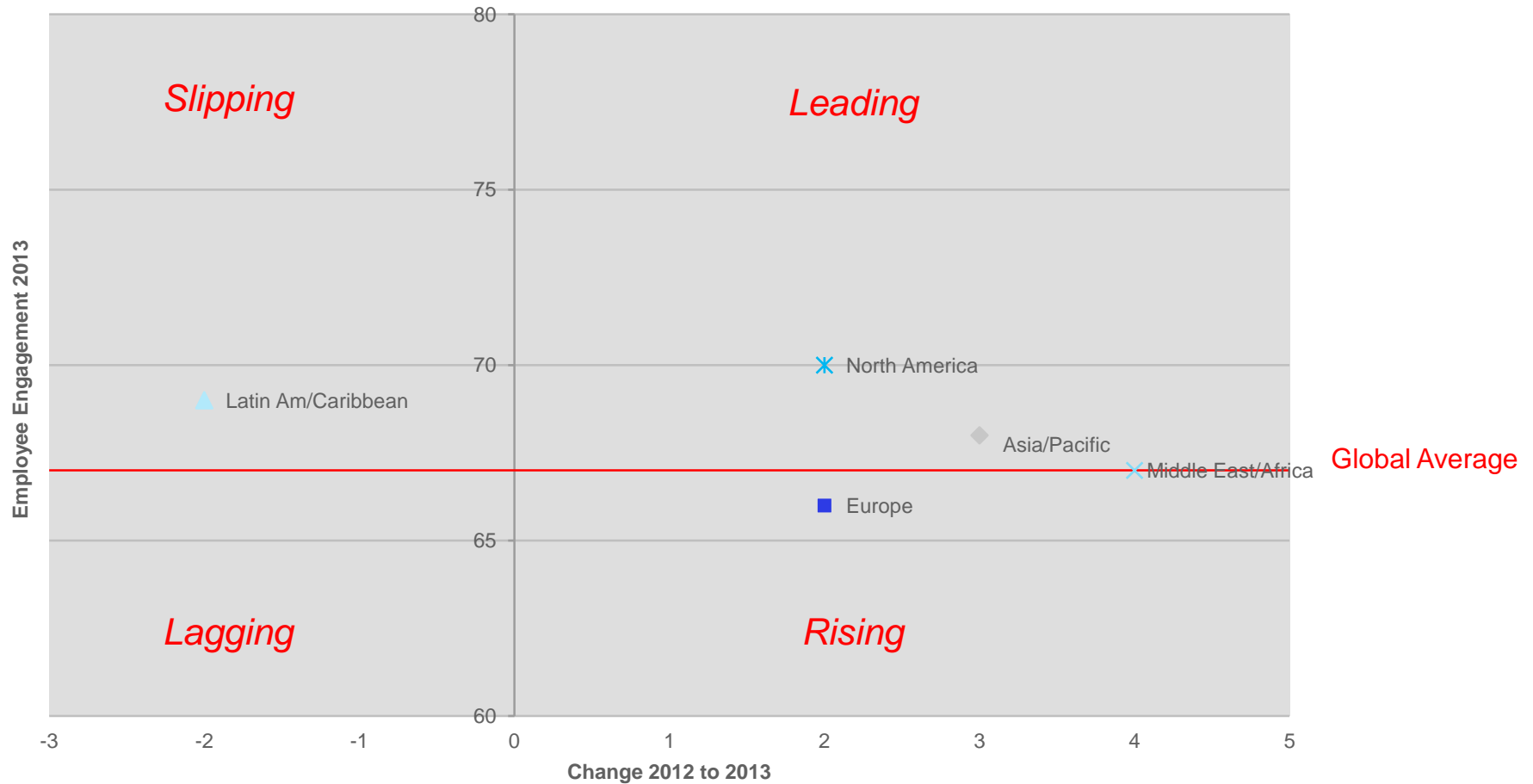
**FORTUNE**  
WORLD'S MOST  
**ADMIRED**  
COMPANIES®

# Global enablement trends

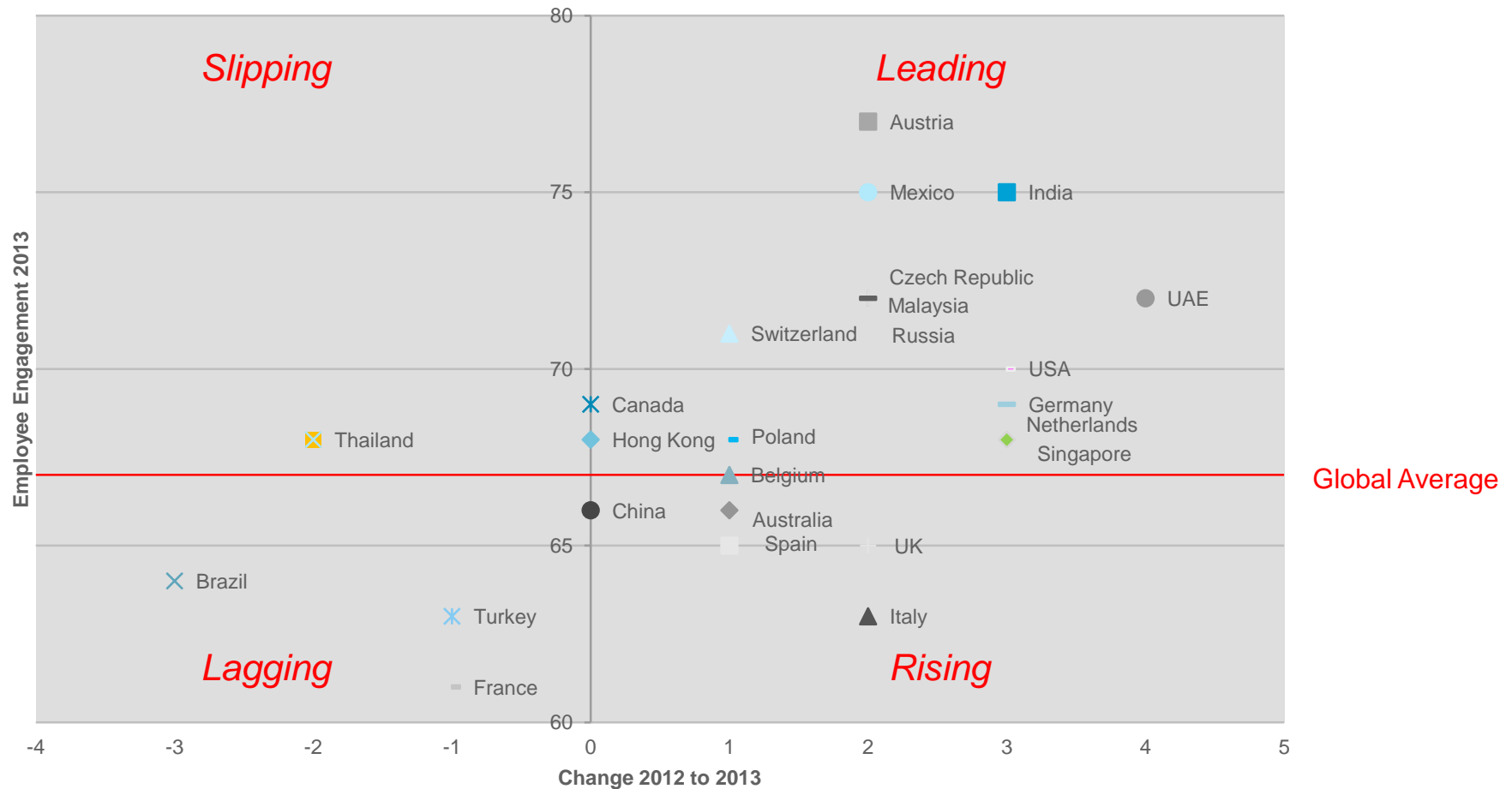
As with engagement, global levels of employee enablement have shown gains in recent years, but still lag high performing company levels



# Employee enablement levels and trends: By region

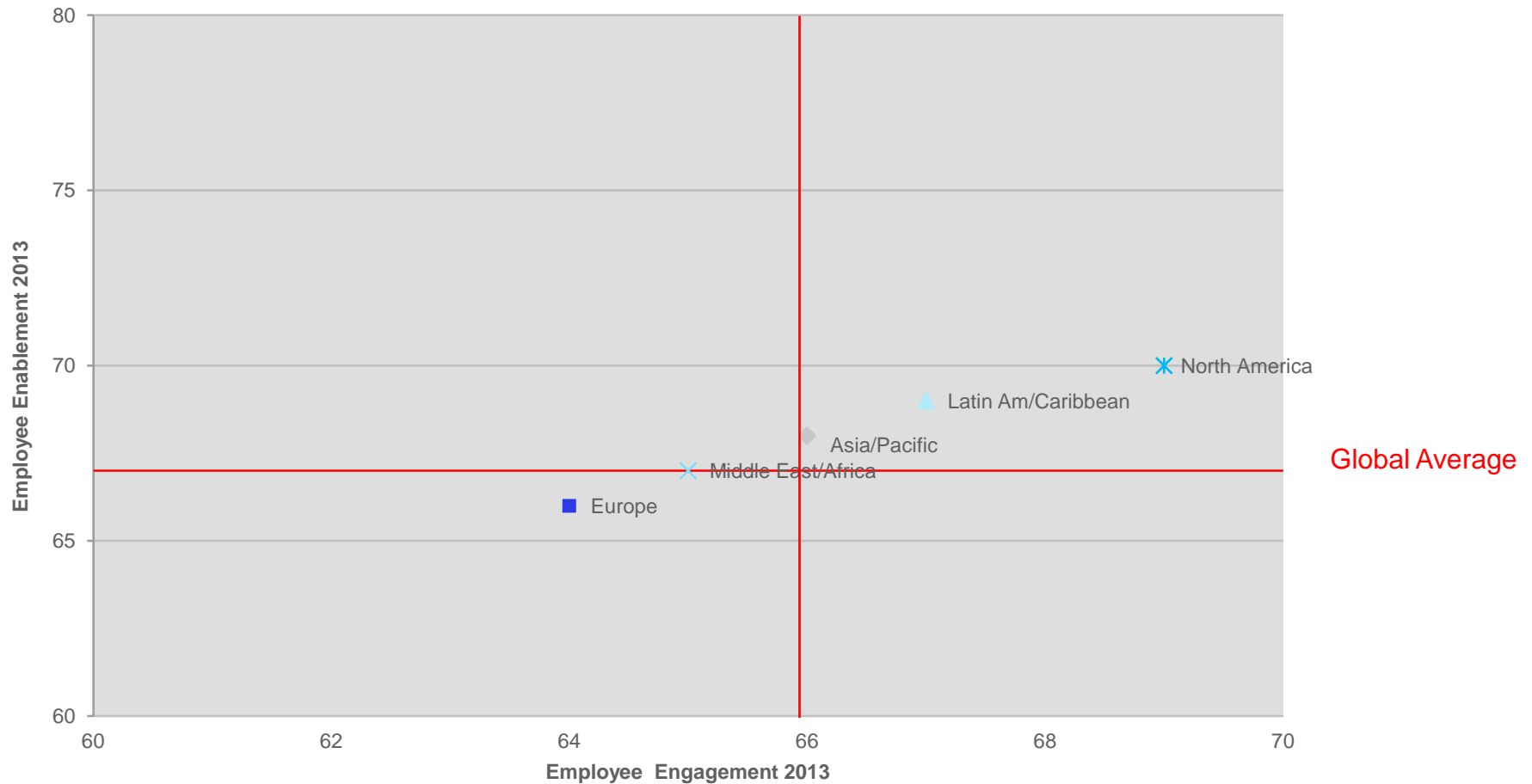


# Employee enablement levels and trends: By country

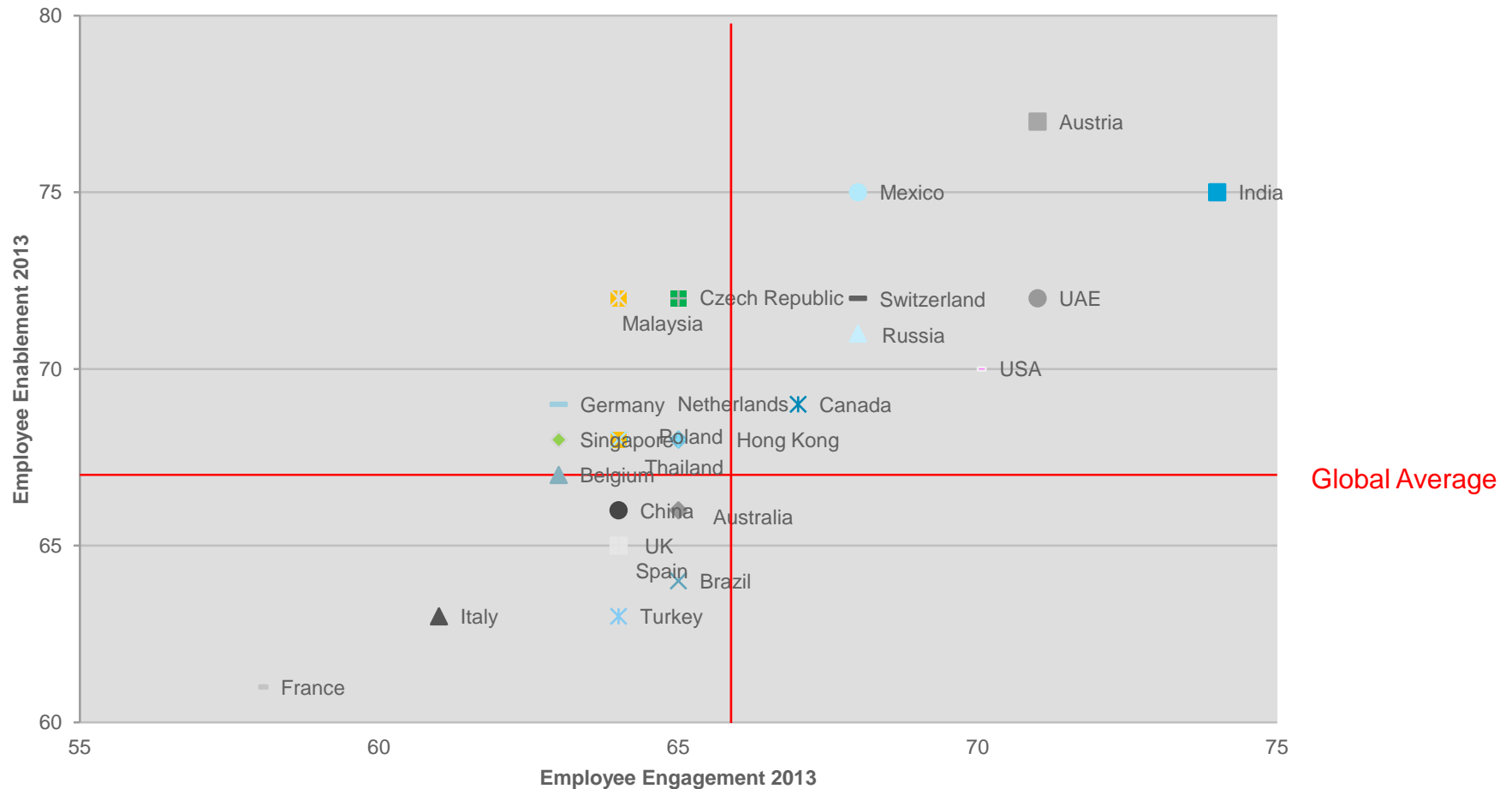




# Engagement and enablement: By region

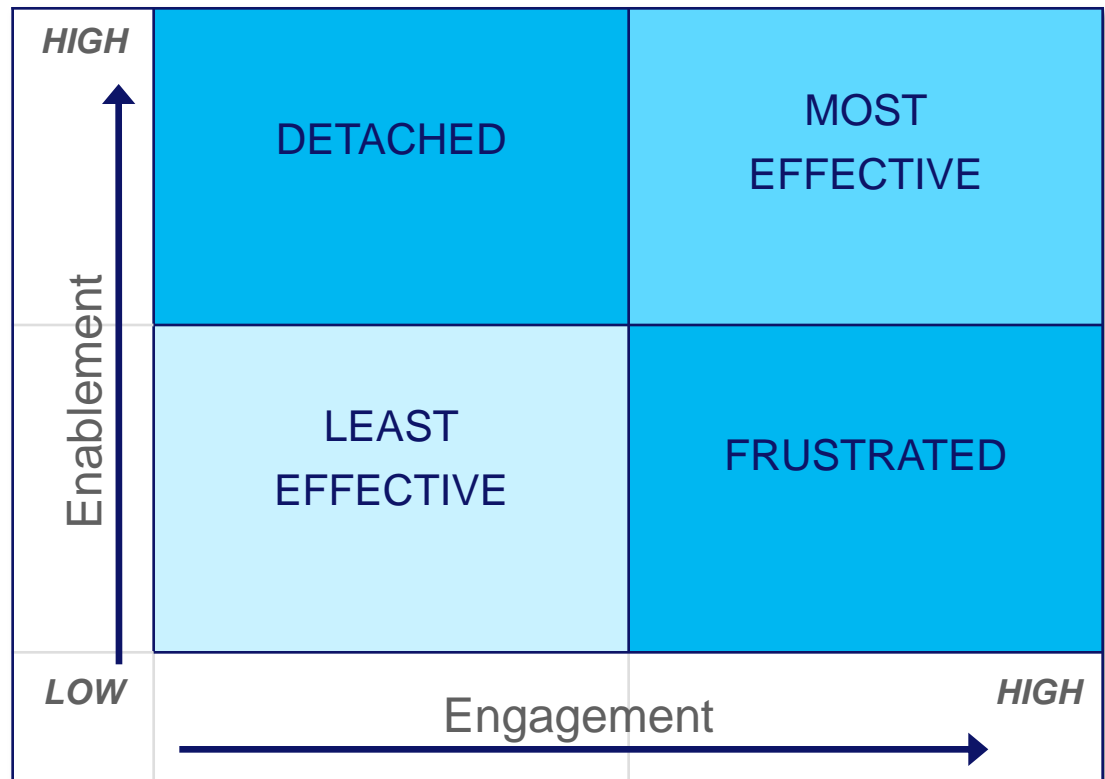


# Engagement and enablement: By country



# Companies must manage both engagement and enablement

- Engagement and enablement are equally important determinants of employee performance
- Organizations are unlikely to sustain one without the other

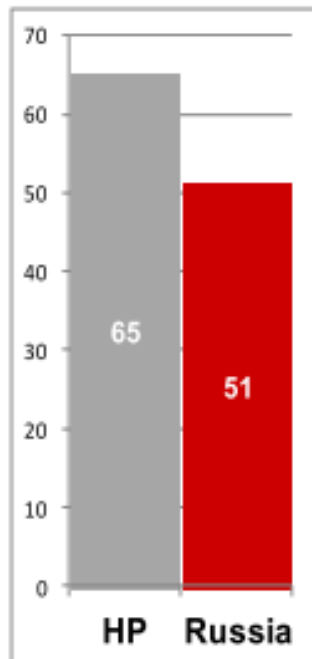


03

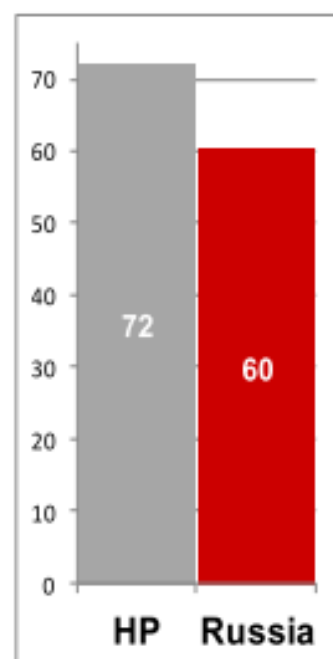
Local Perspectives

# What's happening in Russia ?

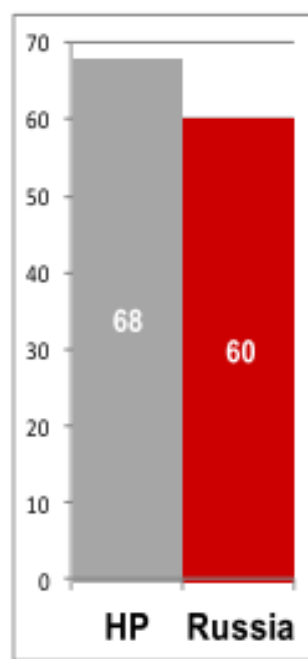
Company motivates me to go extra mile



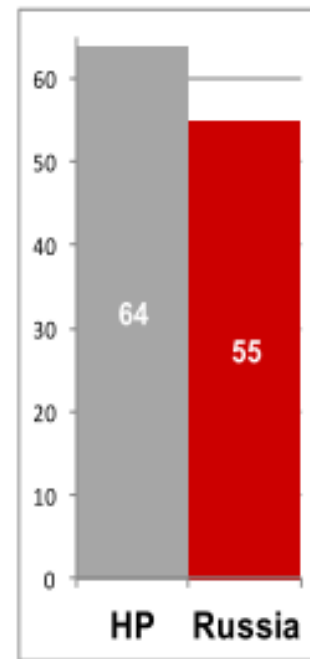
I feel motivated to go extra mile



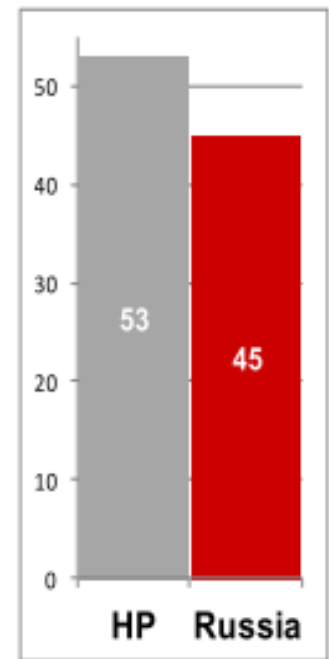
Company doing its work efficiently



Company is effectively organized and structured



Decisions are made without undue delay



# Operational Excellence

	RUS	HP	gap
I understand the results expected of me in my job	87	88	-1
I understand the relationship between my job and the strategy of the company	83	85	-2
I am encouraged to come up with new or better ways of doing things	63	72	-9
Company is innovative in how work gets done (new and creative approaches)	61	63	-2
Work group receives high quality support from other units	63	58	5
I have the resources I need to do my job effectively	72	69	3
Company provides training so that I can handle my present job well	64	64	0
The better my performance, the better my pay will be	42	48	-6

## Operational/cost excellence

- Goal clarity
- Continuous improvement
- Cross-team co-operation
- Support for productivity
- Encourage achievement

≥ HP norm	0-5 ≤ norm	6 ≤ norm

# TRIUMPH CASE STUDY

November 2013

GIULIO D'ERME



THE MAKER OF LINGERIE  
SINCE 1886

Let me tell you about my  
personal struggle to  
turn around a company  
made of highly engaged,  
extremely competent, yet  
ineffective individuals



# The personal and career challenge

20 years of  
Strategic Marketing  
Background

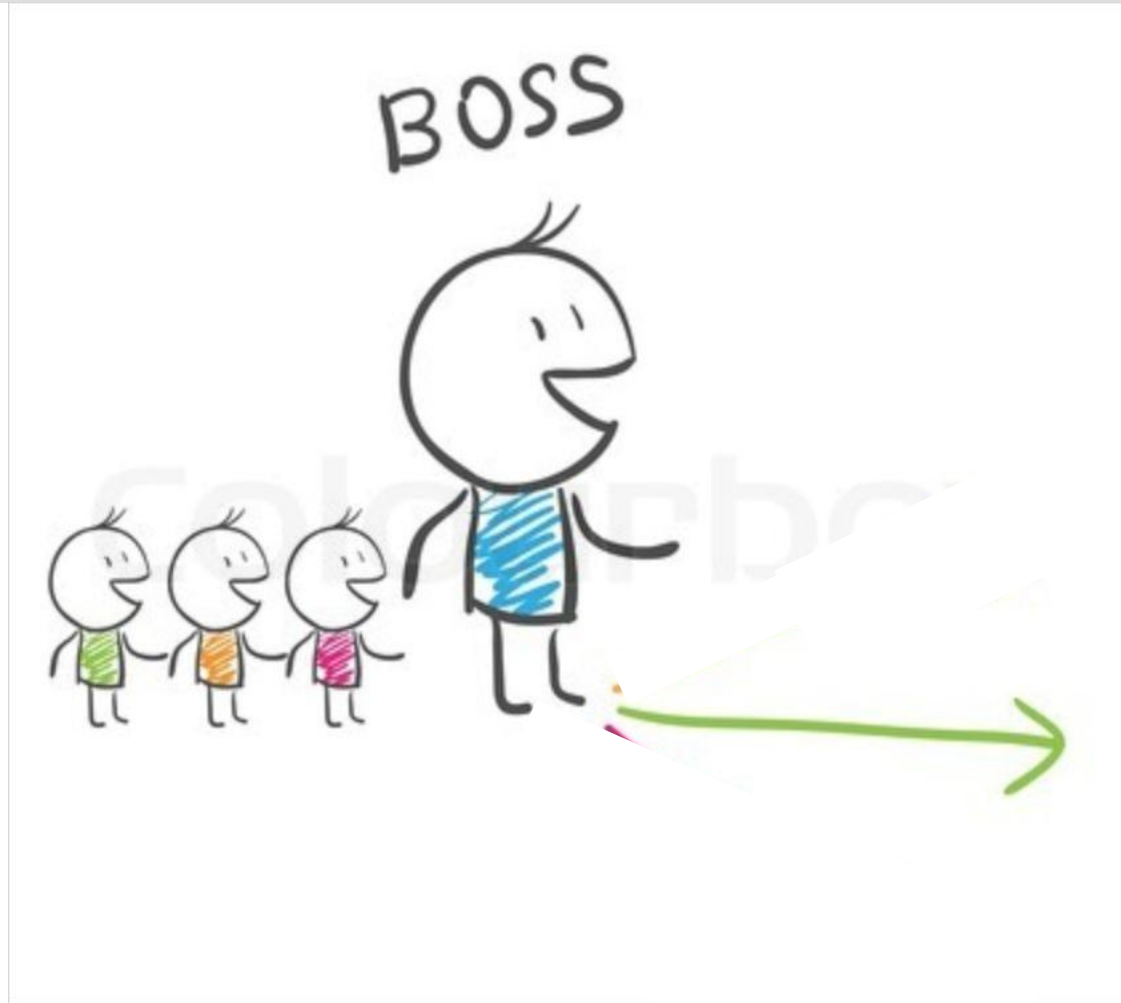
 **INDESIT**



In 2011 first time  
General Management  
CEO Russia

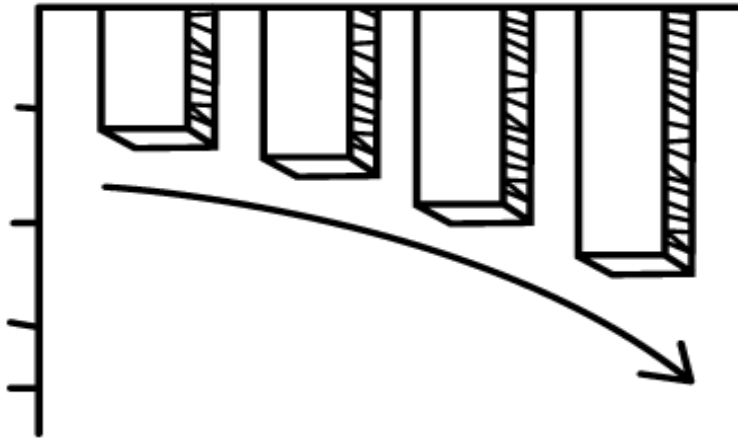


# What I expected : )



# What I found : (

**Not encouraging results**



**Low team morale**



# The personal and career challenge



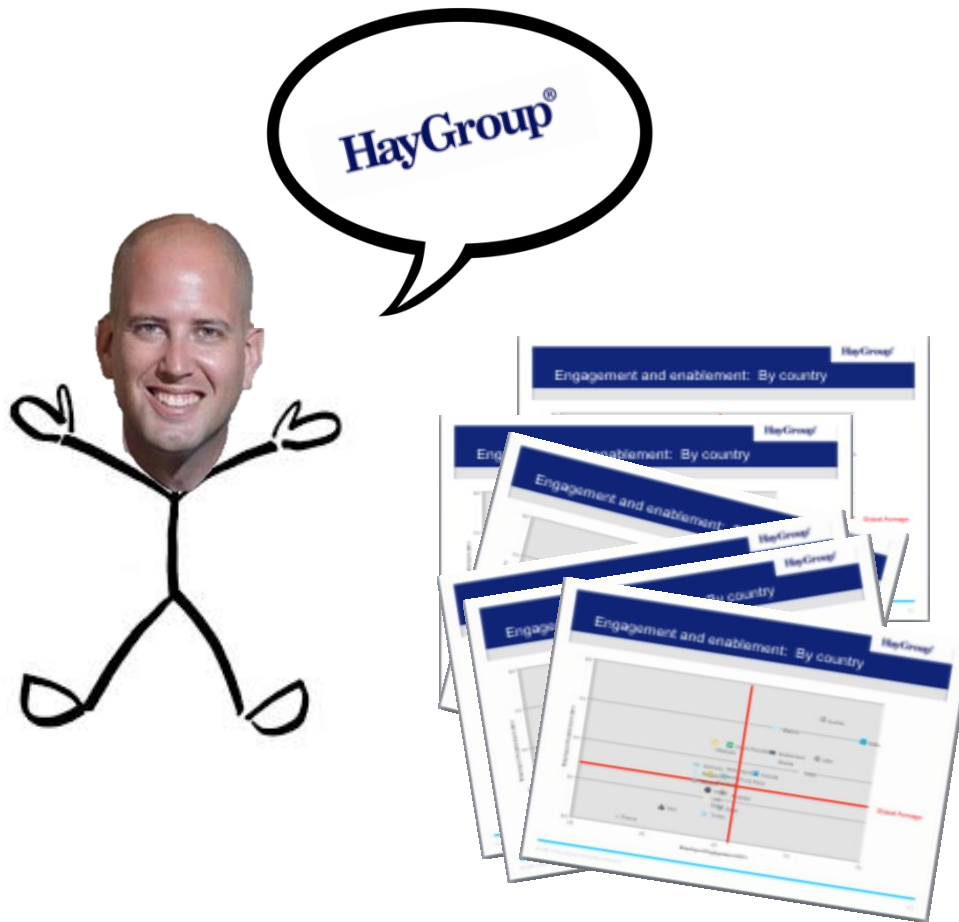
$$\frac{\sum_{i=1}^I \sum_{x=1}^X (Q_{ix}(1 - D_i) - C_{ix})}{\sum_{i=1}^I \sum_{x=1}^X (C_{ix})}$$



## Engagement

- Work environment
- People Leadership
- Rewards
- Quality of Life
- Company culture

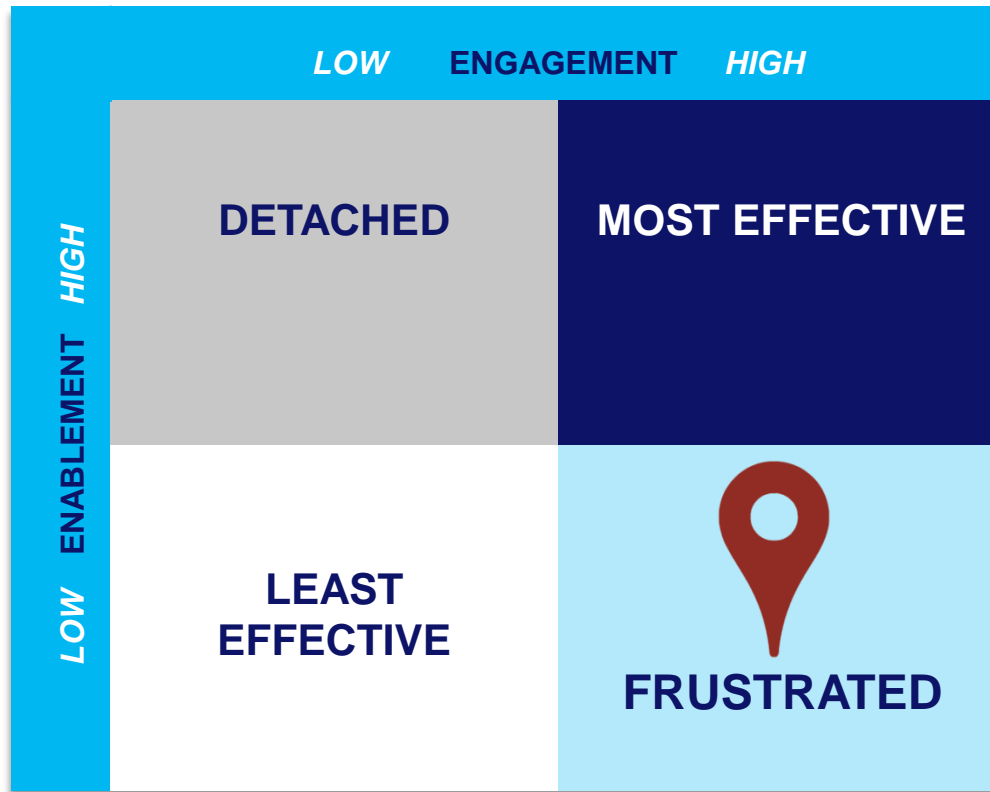
# Then came ARIEL ....



## What we agreed

- Standard Company Survey
- 15 days (survey + results)
- Electronic survey
- About 200 people

# The Results



# The Results

## Focus Groups



## Behavioral Examples

Focus on work, structure and processes to find out where the organization got in the way...

# Meet Tatiana...



**Tatiana... ☺**

Loves Brand and company

Long term employee

Shop Manager in Region

No Mobility

**Engaged but not  
ENABLED**



## What we changed

- Gave store managers higher responsibility on P&L
- Developed a decision making framework to enable local management
- Freedom to adapt the commercial policy within the framework at Store Level
- Allocated discretionary fund for marketing and promo
- Revised KPI system to allow transparency of above results
- Innovation bonus for employees

# Freedom within a Framework

