

Ontario General Contractors Association 6th Annual Construction Symposium

Building a Highly Engaged Workforce

- About the Queen's/Hewitt Best Employers in Canada Program
- Highlight Results: How 'The Best' Outperform 'The Rest'



Einar J. Westerlund
24 April, 2009

Hewitt Associates |

Today's Discussion

- ◆ Background & profile of the program
- ◆ The Engagement concept
- ◆ Best Employer Engagement results
- ◆ Engagement model
- ◆ Where "The Best" Exceed "The Rest"
- ◆ "The journey"
- ◆ Panel Guest Presentations from SME Best Employers
- ◆ Panel Discussion
- ◆ Wrapup and Adjourn

About the Program

- ◆ Evolved out of more than three decades of survey experience
- ◆ Larger organizations' study now in 10th year
- ◆ Best Small-Medium Employers (BSME) study now in 5th round
- ◆ Program is a joint effort partnering Queen's School of Business, Hewitt Associates, and Globe & Mail Report on Business
- ◆ Need at least three years of operations to qualify
- ◆ High standards for required participation rates
- ◆ Key ingredient: Rankings based on *employee* opinions
- ◆ Participation with complimentary report is *free*
- ◆ Numerous options for purchase of more detailed data

2

Why do organizations typically participate?

From their feedback, current and past SME participants tell us they participate for a variety of reasons. Most typically, they do so to:

- ◆ Cost effectively take the pulse of their workforce and how it is seen to be managed
- ◆ Identify their strengths and weaknesses as employers
- ◆ Compare themselves against related benchmarks ("Best," "Average," "Industry," etc)
- ◆ Spot opportunities for improving their management of human resources
- ◆ Spot opportunities for improving their operations
- ◆ Check out alignment of views up and down, and across the hierarchy
- ◆ Verify impact of recent/past organizational initiatives
- ◆ Ramp up their capacity to attract, develop, and retain key talent
- ◆ "Make the list of The Best"

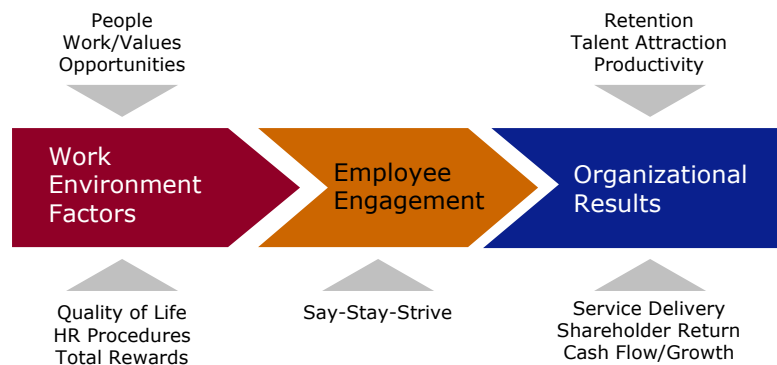
3

Participation

- ◆ Larger organizations = >400 employees; SME's = 50-400
- ◆ 250+ SME's registered to participate this past year
- ◆ 150+ went through the complete measurement process
- ◆ 100+ qualified for ranking in the Queen's/Hewitt/Globe study
- ◆ 150,000+ employees went on line to record their views (combined larger organizations and SME's)
- ◆ 10th year for organizations' study; 5th for SME's
- ◆ 3 year "rolling database" (largest in Canada) includes views representing about 900,000 Canadian workers
- ◆ 60+ industry/sector/demographic comparison benchmarks available

4

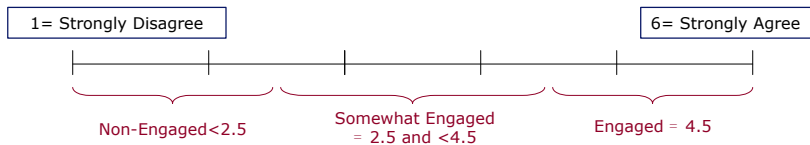
Organization Results Chain



5

What is “Engagement?”

- ◆ Concept researched and developed over many years of “hands-on” client work in Canada and around the world
- ◆ We define in very specific behavioural terms
- ◆ Not about “happiness,” “loyalty,” “satisfaction,” or “positive ratings” of workplace conditions alone
- ◆ **A measurable state of emotional and intellectual involvement or commitment of the workforce to organizational success**
- ◆ Central determinant of ranking in our Best Employers studies
- ◆ Each employee’s level of engagement depends on their average score on the six engagement questions



6

What is an Engaged Employee?

- ◆ An engaged employee is one who willingly *self-describes* him/herself as exhibiting *three key sets of behaviours*
- ◆ Best Employers—those with highly **engaged employees**—have people on board who, according to measurements taken:
 - **Speak positively about the organization to co-workers, potential employees, and customers**
(We call this the **Say** element)
 - **Have an intense desire to be part of the organization**
(We call this the **Stay** element)
 - **Exert extra effort and are dedicated to doing the very best job possible to contribute to the organization’s business success**
(We call this the **Strive** element)

7

The Top 25 for 2009

A diversified cross-section of S-M-E Employers from coast-to-coast

Protegra	Bioniche Life Sciences Inc.
Miele Ltd.	Birchwood Automotive Group
Gibraltar Solutions Inc.	Canada Foundation for Innovation
ISL Engineering and Land Services	DCFS Canada Corp.
Hood Group	Payworks Inc.
Solutions 2 Go	Globalive Communications Corp
DRN Commerce Inc.	Adfast Corp.
PDL Contact Centres Ltd.	Adera Development Corporation
Benefits by Design Inc.	Steward Weir Co. Ltd.
Healthtech Inc.	Wakefield Canada Inc.
The Personnel Department	I Love Rewards
National Leasing Group Inc.	Ozery's Pita Break
	Rare Method Interactive

8

Why being a Best Employer should be important to you

- ◆ Studies show that high engagement can lead to:

Financial Success

- Greater financial returns
- Greater growth
- Greater customer satisfaction

Attraction & Retention

- Lower turnover
- More unsolicited applications for employment

High Morale

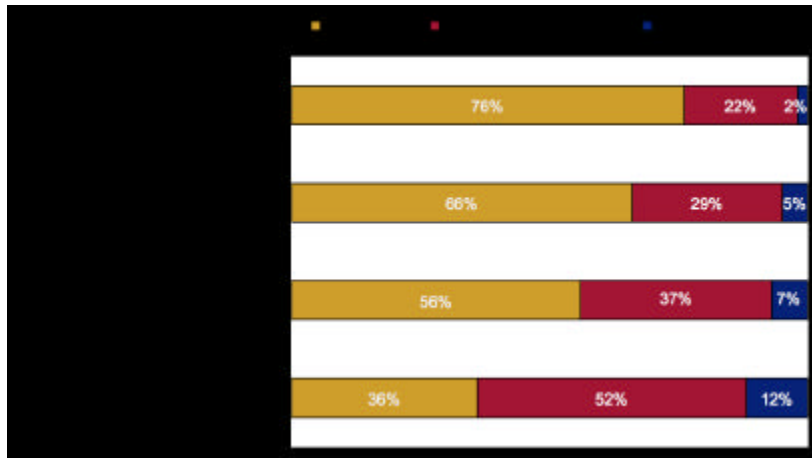
- Higher employee morale and sense of accomplishment
- Greater alignment among leaders and between leaders and employees
- Greater employee alignment with values and workplace culture

Productivity

- Less sick time
- Fewer lost days due to accidents
- **High performance culture**
- Employees more focused on future direction and strategies

9

Levels of Engagement



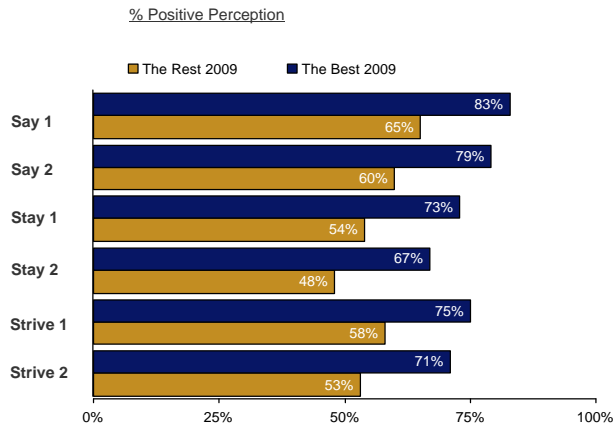
10

Six Key Engagement Questions

- ◆ **(Say 1)**
"I would, without hesitation, highly recommend this organization to a friend seeking employment"
- ◆ **(Say 2)**
"Given the opportunity, I tell others great things about working here"
- ◆ **(Stay 1)**
"It would take a lot to get me to leave this organization"
- ◆ **(Stay 2)**
"I hardly ever think about leaving this organization to work somewhere else"
- ◆ **(Strive 1)**
"This organization inspires me to do my best work every day"
- ◆ **(Strive 2)**
"This organization motivates me to do more than is normally required to complete my work"

11

Engagement Scores Breakdown



12

Comments on Engagement

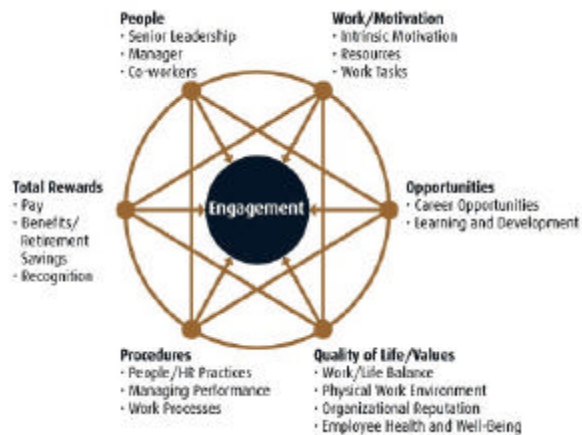
- ◆ Average levels required to rank as one of “The Best” relatively little changed over a decade
- ◆ No advantage to “size” one way or the other: Engagement average for “The Best” is identical in both larger entities and SME’s
- ◆ Highest Engagement typically seen is in the low 90% range
- ◆ Lowest Engagement typically seen is in the low 30% range
- ◆ >65% Engagement qualifies as being in “Best Employer Zone”
- ◆ 46-64% Engagement reflects those “Taking the Journey”
- ◆ <45% Engagement signifies need for major rethink of human resources management approaches
- ◆ “The Best” demonstrate greatest relative strength in the “Stay” category of behaviours

13

*Looking at the SME survey results through the traditional Hewitt Best Employers framework:
The Engagement Model*

The Engagement Model

Showing the 18 Engagement Driver areas and 6 work environment categories identified as having the highest impact on engagement



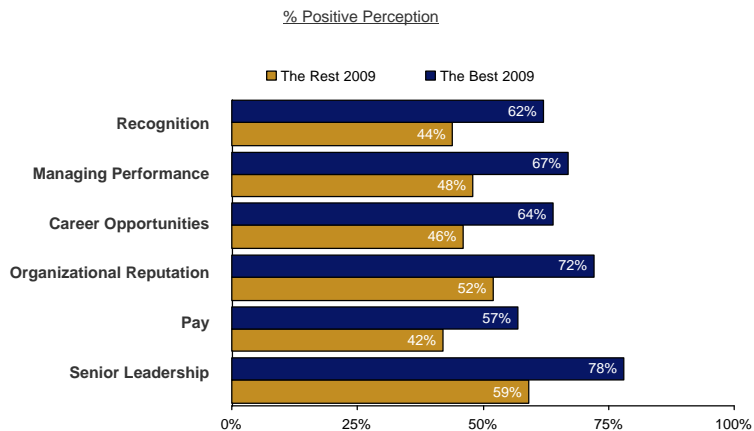
Engagement Drivers Comparison—The Best vs. The Rest

Where The Best show their greatest relative strength

- ◆ **Recognition**
I receive adequate recognition (beyond pay and benefits) for my contributions and/or accomplishments
- ◆ **Managing Performance**
The way we manage performance here keeps me focused on achieving this organization's goals
- ◆ **Career Opportunities**
My future career opportunities here look good
- ◆ **Organizational Reputation**
This organization is considered one of the best places to work for someone with my skills and experience
- ◆ **Pay**
My pay is appropriate for the role I have in this organization
- ◆ **Senior Leadership**
I see strong evidence of effective leadership from senior leaders

16

Where The Best show their greatest relative strength



17

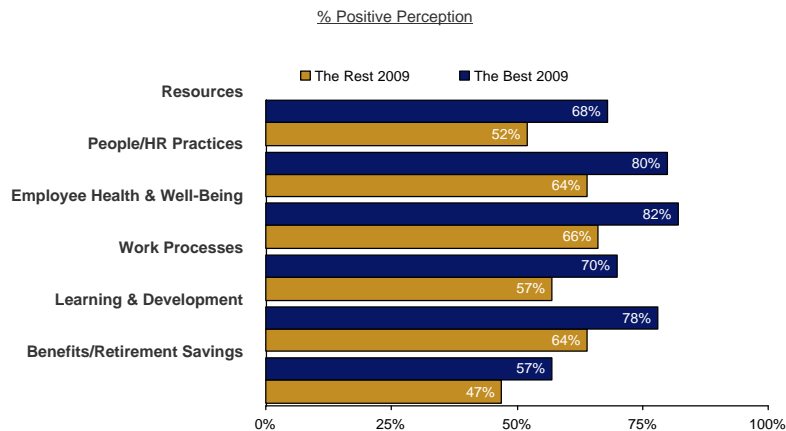
Engagement Drivers Comparison—The Best vs. The Rest

Where The Best show considerable strength

- ◆ **Resources**
The tools and resources I have allow me to be as productive as possible
- ◆ **People/HR Practices**
Our people/HR practices create a positive work environment for me
- ◆ **Employee Health & Well-Being**
This organization strongly supports employee health and well-being
- ◆ **Work Processes**
The work processes we have in place allow me to be as productive as possible
- ◆ **Learning & Development**
This organization strongly supports the learning and development of its employees
- ◆ **Benefits/Retirement Savings**
Overall my benefit and retirement savings plans meet my (and my family's) needs well

18

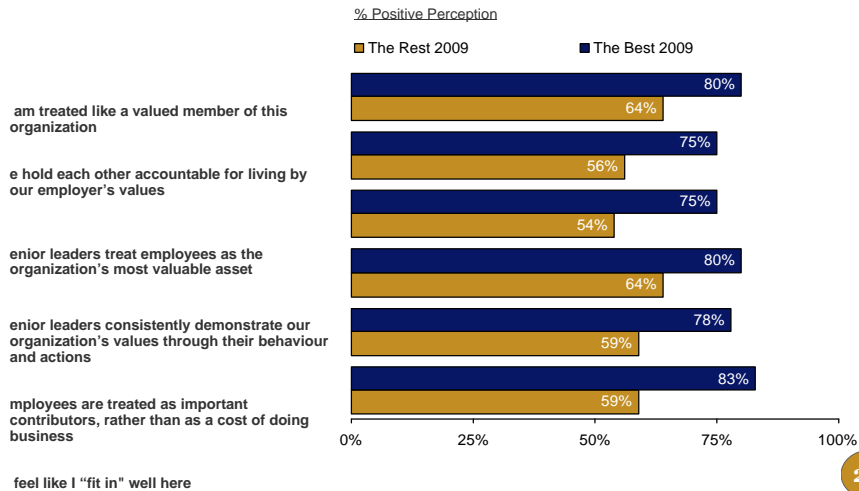
Where The Best Show Considerable Strength



19

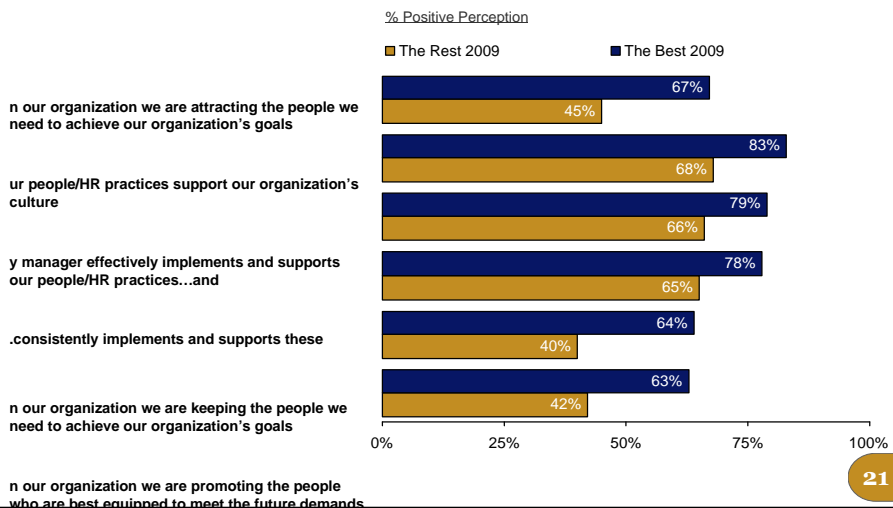
What else, overall, do Best Employers do better than The Rest?

Employees see them as value-driven and valuing their people



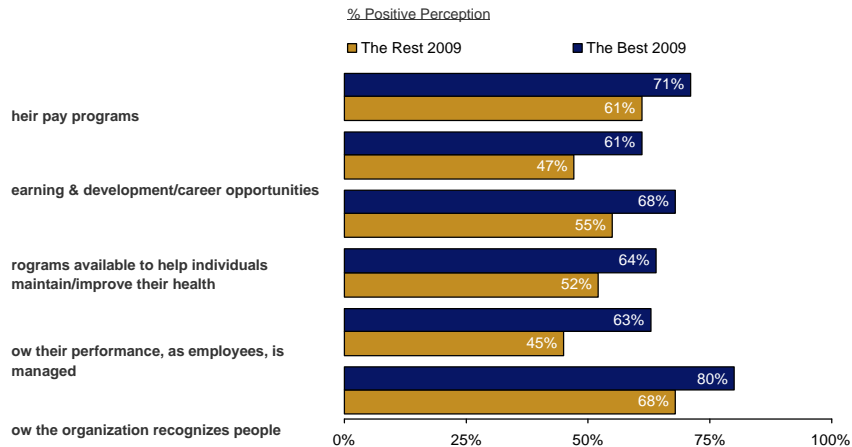
What else, overall, do Best Employers do better than The Rest?

Employees see them as handling "workforce management" basics well



What else, overall, do Best Employers do better than The Rest?

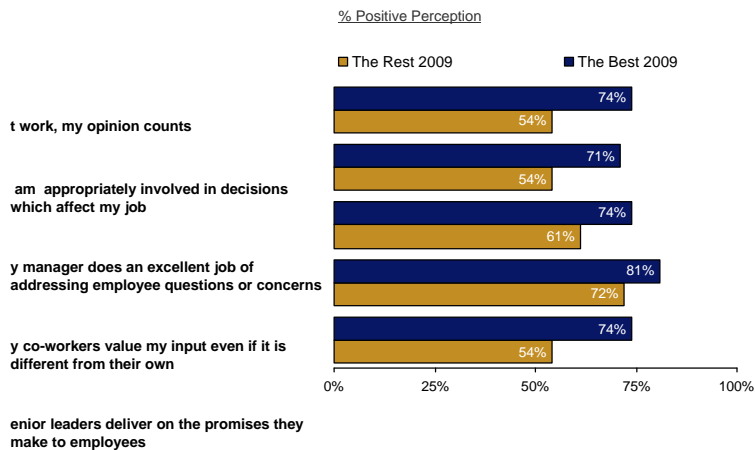
They communicate to build employee understanding in key areas, such as:



22

What else, overall, do Best Employers do better than The Rest?

Employees see them as going a good job of listening & responding



23

Our Overall Counsel To This Audience

- ◆ Secure commitment from key decision-makers in your organization to participate in this year's Queen's/Hewitt "Best Employers in Canada" study
- ◆ Let's get moving on establishing a "libraries benchmark" set of data focusing on your particular service segment!
- ◆ Register any time!
- ◆ Examine and choose from among numerous options about which sub-groups/units you'd like to track within your organization
- ◆ Organize your staff members early to prepare them for their participation when the survey goes "live," on-line, in June, 2009
- ◆ Later, select the reports you'd like to receive
- ◆ Take advantage of the free training offered in how to build, in-house, your own customized feedback reports from your (optional) personalized web-site
- ◆ Your complete feedback data will be available beginning early in September, 2009

24

Contacts and Coordinates

business.queensu.ca/qcbv/sme

<i>Einar Westerlund</i>	877 955 1800 – Queen's toll free
<i>Sandra Olszowka</i>	613 533 3119 – Sandra direct line
<i>Queen's School of Business</i>	416 461 3258 – Einar direct line
<i>Centre for Business</i>	EWesterlund@business.queensu.ca
<i>Venturing</i>	SOlszowka@business.queensu.ca



Hewitt Associates |

25