



## Engagement and EVP

November 2015

TOWERS WATSON 

# A leader in employee opinion surveys

**400** Consultants globally dedicated to employee surveys

**97** Consultants in EMEA

**500** Clients per year

This what our clients say about us:

**96%** “ Towers Watson understands our business very well. ”

**96%** “ Our Senior Management trusts Towers Watson. ”

**97%** “ We would recommend Towers Watson! ”

**400** Norms: country, sector, function, high performance

**10** million Employees surveyed, in 100 languages



**Largest survey firm in Africa, with over 74 client companies in SA alone**

# Question — Which picture doesn't fit?





**In the world of EVP, employees are *investors* NOT assets**

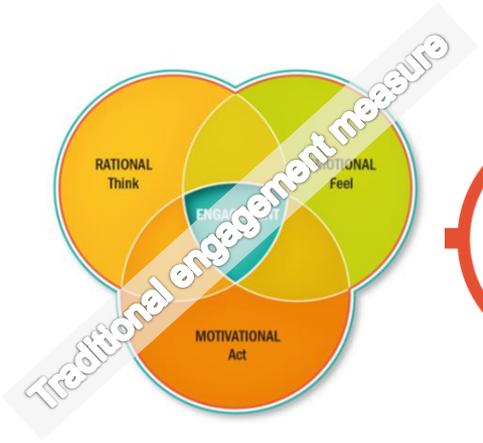
***An effective EVP persuades employees to invest their “human capital” with you, and for that, they expect a return on that “investment” and one of these returns is an Engaging place to work.***

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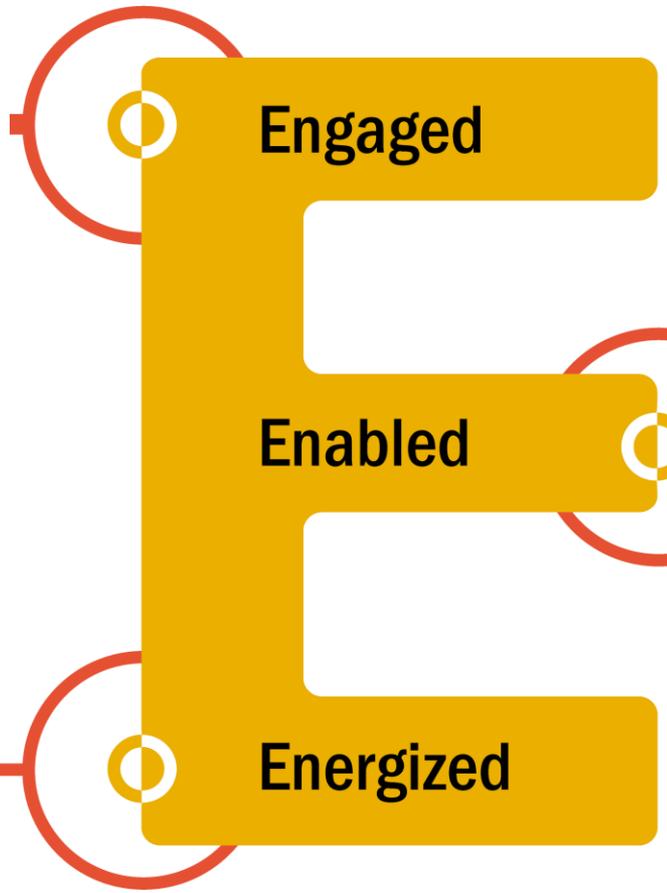
4 quick points before we hear some case studies

1. What is Engagement?
2. Survey Design
3. Benchmarks
4. Business performance

# Satisfaction → Engagement → Sustainable Engagement

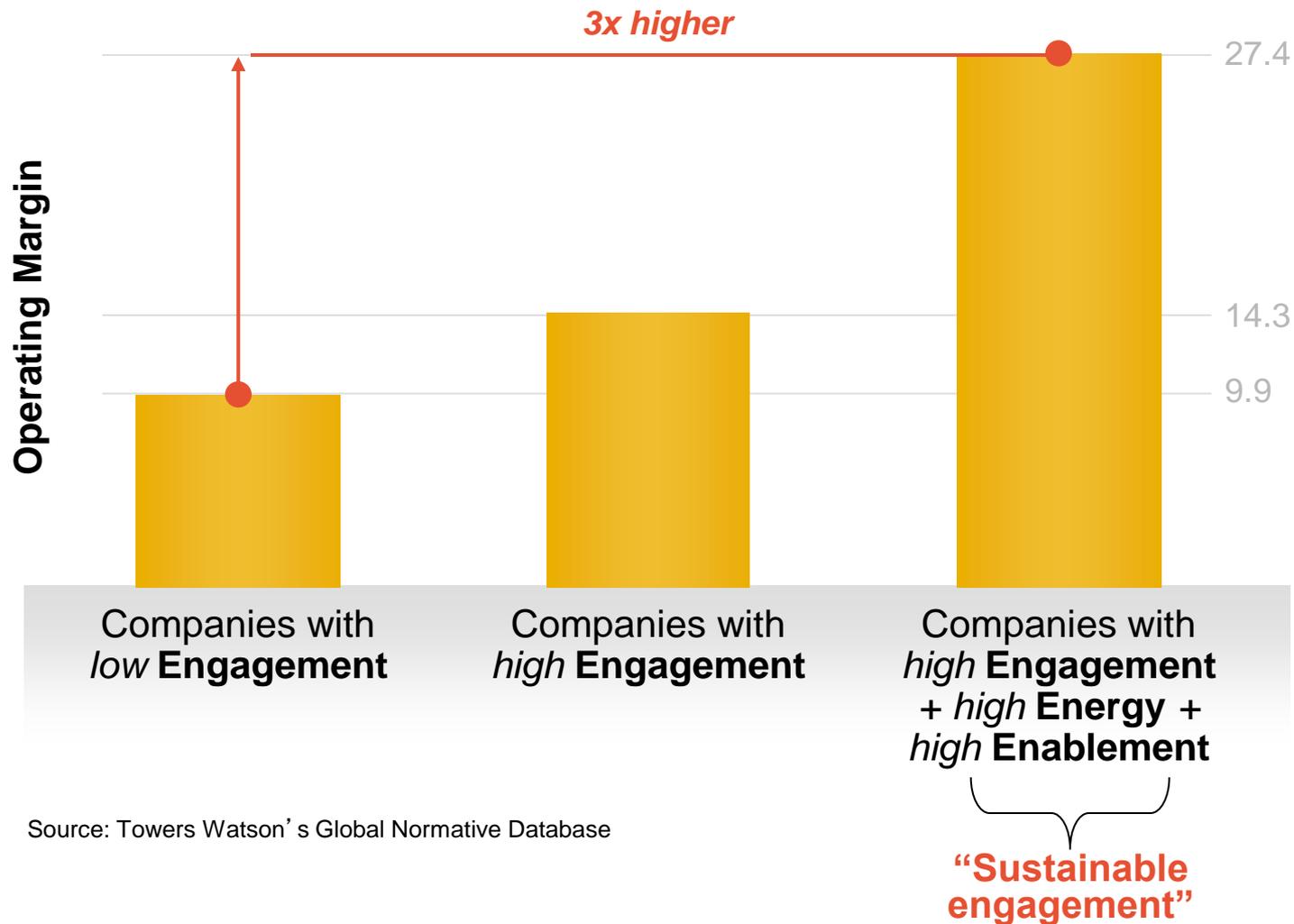


Individual physical, interpersonal and emotional well-being at work



A local work environment that supports productivity and performance

# Sustainable engagement is a stronger predictor of performance



Source: Towers Watson's Global Normative Database

# Our design starts from your strategic priorities...

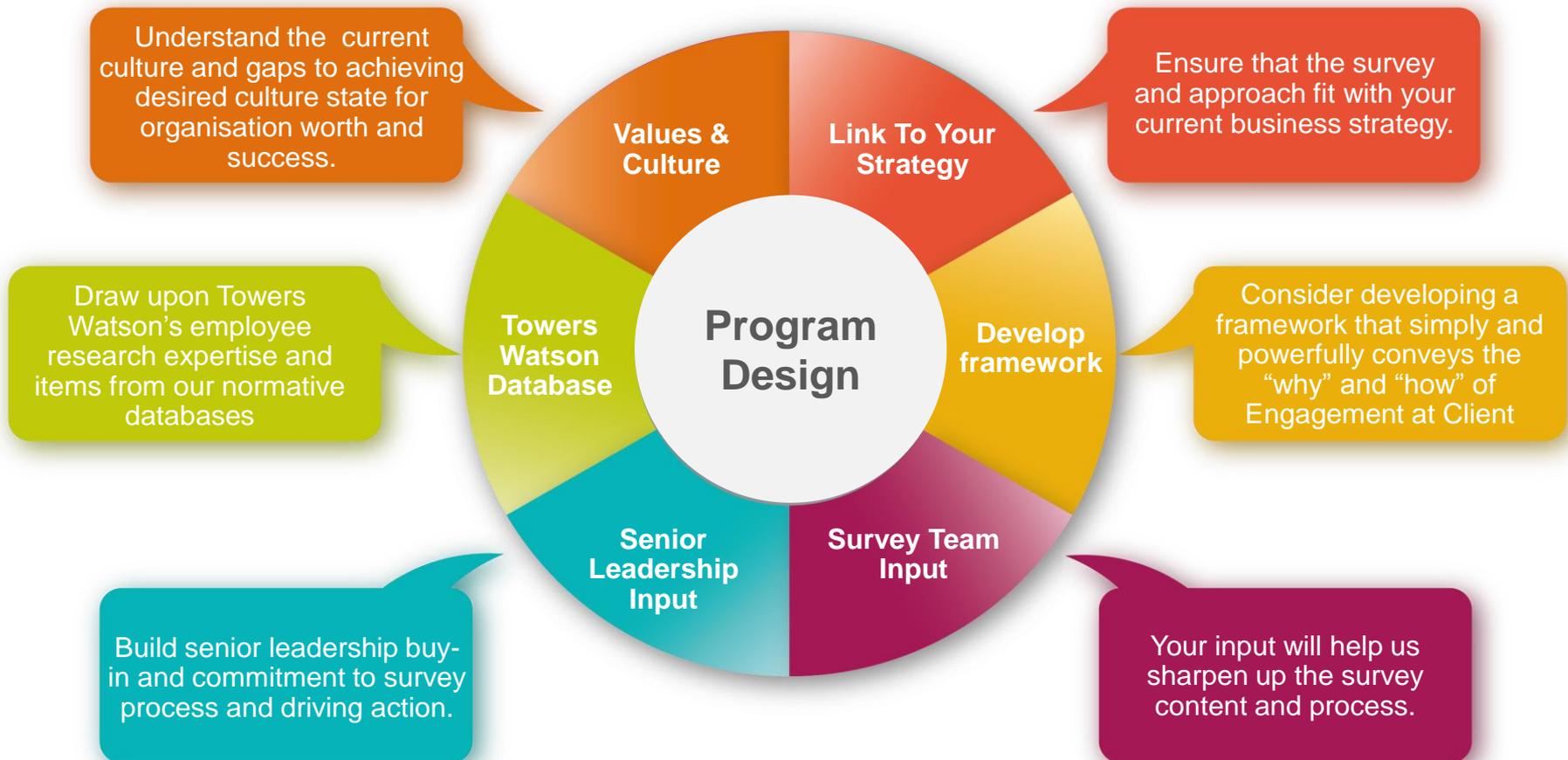
In high-performing organisations, cultural differentiators are reinforced *and* driven by elements of the talent management strategy

## Strategic Business Priorities



# Building a world class survey programme

This is why we pay very close attention to the design of the programme, including of course the survey instrument itself, because trying to address weaknesses once the program is underway wastes energy and scarce resources, breaks the momentum and ultimately compromises post-survey, business improvement activities.



**A score of 60% favourable may be a “good” score for a question in one country but a “bad” score on the same question in another country. .... Without norms data can be meaningless, or worse misleading.**

Theme						
I receive sufficient training to improve my skills	71%	70%	43%	69%	74%	71%
I have a good idea of my career path	65%	69%	41%	61%	66%	70%
I understand how my work impacts company	98%	95%	91%	91%	98%	NA
My benefits meet my needs	62%	51%	48%	54%	NA	56%
My pay is competitive	45%	38%	34%	35%	52%	31%
I have confidence in senior leadership	85%	80%	68%	69%	81%	80%
My manager communicates effectively	82%	80%	70%	75%	76%	85%
My team gets on well together	94%	93%	NA	83%	94	94%
We collaborate with other departments	81%	80%	74	80%	70%	82%

Source: Towers Watson Norm database 2015.

Without benchmarks accurate interpretation and use of survey data is hard.....

## Countries / Regions



### Global Performance Norms

Transitioning Companies  
High Performing Companies

### Job Level Norms

Senior Management  
Management  
Hourly (Union & Non Union)

### Personal / Demographics

Race / Ethnicity  
Gender  
Age

### Global Industry Norms

<b>FMCG Manufacturing</b>	FMCG
<b>Global Packaging Firms</b>	Logistics
Engineering	Pharmaceutical
Financial Services	Professional Services
High Technology	Retail & Leisure

### Job / Function Norms

Research and Development	Sales
Manufacturing Departments	Marketing
Human Resources	
Information Technology	
Finance	

**Africa Norms** –  
East Africa Region, North Africa Region, Southern Africa Region, Western & Central Africa Region. Angola, Botswana, Cameroon, DRC, Algeria, Egypt, Ghana, Ivory Coast, Liberia, Kenya, Morocco, Mozambique, Namibia, Nigeria, South Africa, Senegal, Swaziland, Tanzania, Tunisia, Uganda, Zambia, Zimbabwe.

More than 400 norms. Updated yearly. Over 4 million employee opinions per year

# Simple statistical analyses bring focus to future actions

## Key Driver Items

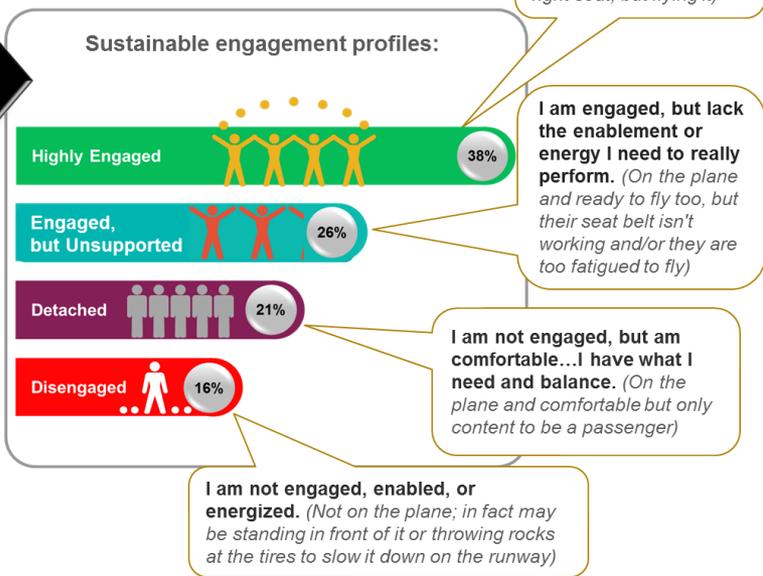
- Have confidence in decisions made by senior leaders
  - Leaders have sincere interest in employee well-being
  - Leaders act with integrity in internal dealings with employees
- 
- Understand how my job contributes to achieving company objectives
  - Have clear understanding of goals and objectives of company as a whole
- 
- Believe strongly in the products/services organization provides
  - Organization is socially responsible in the community

## Key Driver Categories



Key Driver Analysis to understand the drivers for engagement and help prioritise for actions

Cluster analysis to understand the various engagement profiles within Client and help focus on locations for actions



# Case study: putting a \$\$\$\$ value on Engagement

In a recent linkage study for a retailer with 1000s of stores, the 10% of stores with best engagement scores were compared to the 10% of stores with worst engagement scores. The performance of these two groups of stores on operational, customer and financial KPIs was compared:

**“When employees are more engaged, the store tends to perform better”**

	Our most engaged stores	Gap	Our least engaged stores
Engagement	93.43%	38.43%	55.00%
Stockloss (var to target)	-0.05%	0.09%	-0.14%
Cleanliness	8.69	0.16	8.54
Politeness	8.91	0.14	8.77
Helpfulness	8.77	0.09	8.68
Sales YOY Growth	4.98%	3.22%	1.76%



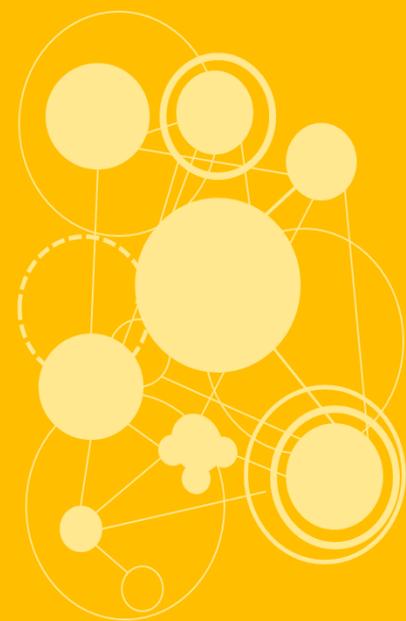
- We apply a regression formula comparing change in engagement with change in revenue by store. **In this case we determined that a 1% increase in engagement explains 1.03% of this year's total sales growth.**
- We monitor the proportion of stores that have improved on their key drivers AND we measure the proportion of these that also observe an improvement in engagement. In this case, the ratio is around 75%.
- These insights enable the client to take focussed action in areas that need improvement and maintain strengths with confidence that taking action in these areas drives their KPIs in turn.

**From among 10 KPIs assessed, only statistically significant relationships are displayed.**

**The store engagement x sales growth regression model controlled for store investment, store manager tenure and size of store.**

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# CASE STUDY ONE MTN



# Engagement and EVP

20 November 2015



# Agenda

- Survey features
- Sustainable Engagement
- MTN's Employee Value Proposition (EVP) Deal



# Survey features

- Started survey journey in 2000
- Group surveys are centrally run across 25 countries
- Originally, use of in-house software which became economically unfeasible, shifted externally
- Governed by a survey policy
- Distinction between opinion survey and factual verification
- High importance of confidentiality and anonymity:
  - Minimum of ten responses
  - Statistically-valid sampling process followed
- Research projects undertaken include:
  - Culture and Morale survey format
  - Customer Satisfaction survey format
  - Suggestion survey format
  - Psychometric assessments format
  - Multi-rater assessments

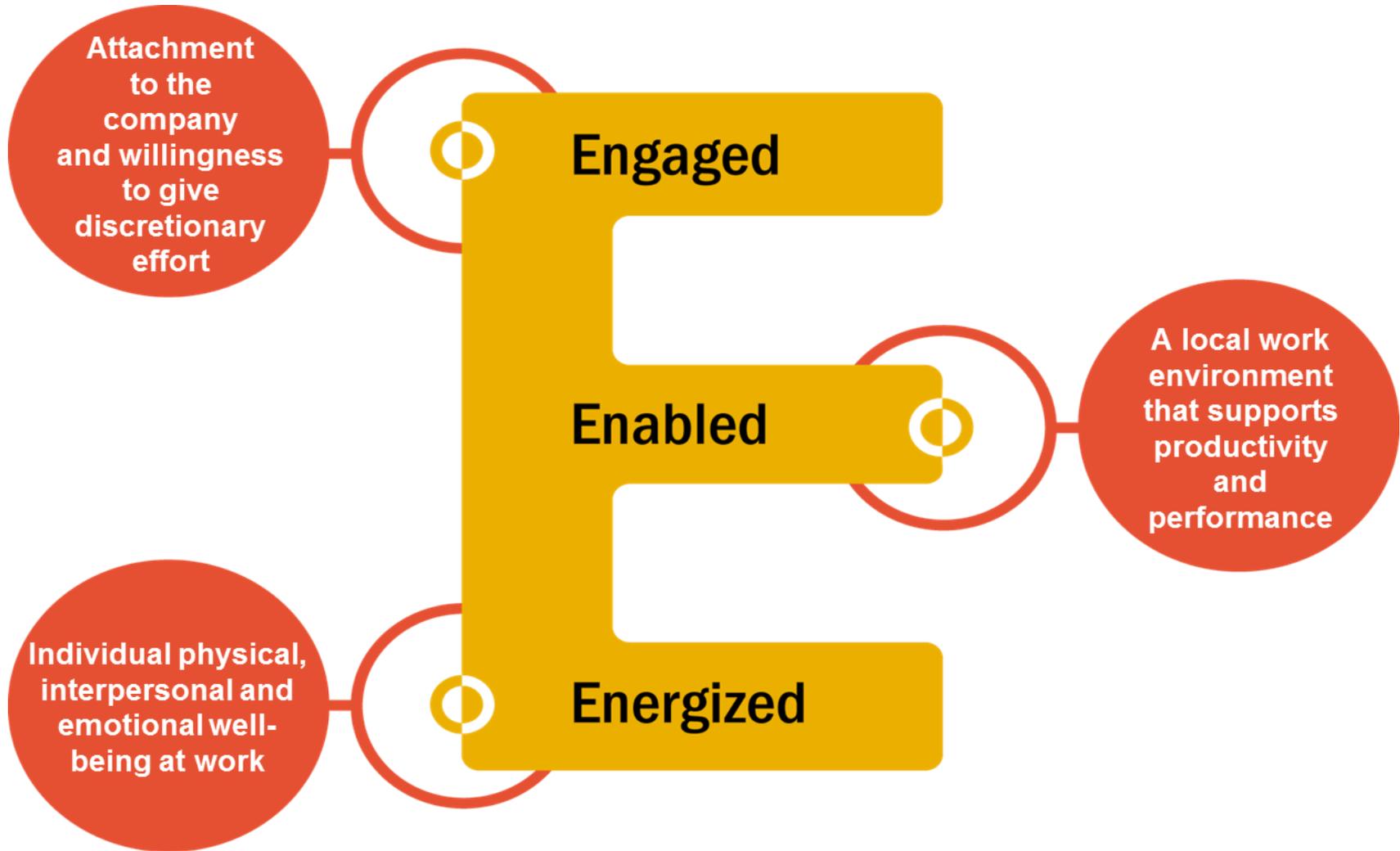
## Survey features (cont.)

- “A survey is the solution to all problems”
- Annual survey calendar to manage Group surveys – “survey fatigue”
- Complexity of multiple sources:
  - 360 degree feedback – bias created in being identifiable
  - Not measuring the same thing
- Surveys used as scoring mechanism in bonus agreements

# Sustainable Engagement

- Organisational culture is measured through the Group Culture Audit (GCA)
- Towers Watson Engagement model followed
- Engagement is a complex topic
- Quantifiably proved that a link exists between Engagement and financial results:
  - Variable over the years
  - Link currently weak
  - Future trend?
- Current focus is on the drivers of Engagement
- Move towards predictive analytics which provides a different view

# Towers Watson's Sustainable Engagement Model



# MTN's Employee Value Proposition (EVP) Deal



Brand Strength



Leadership Brand



Investing in our Talent

- Indicator - how current and future employees view (will view) MTN
- Primary measure of **EVP** is out of the GCA
- The Employer of Choice results will assist in incorporating external measures



Globally Diverse Culture



Total Reward and Recognition

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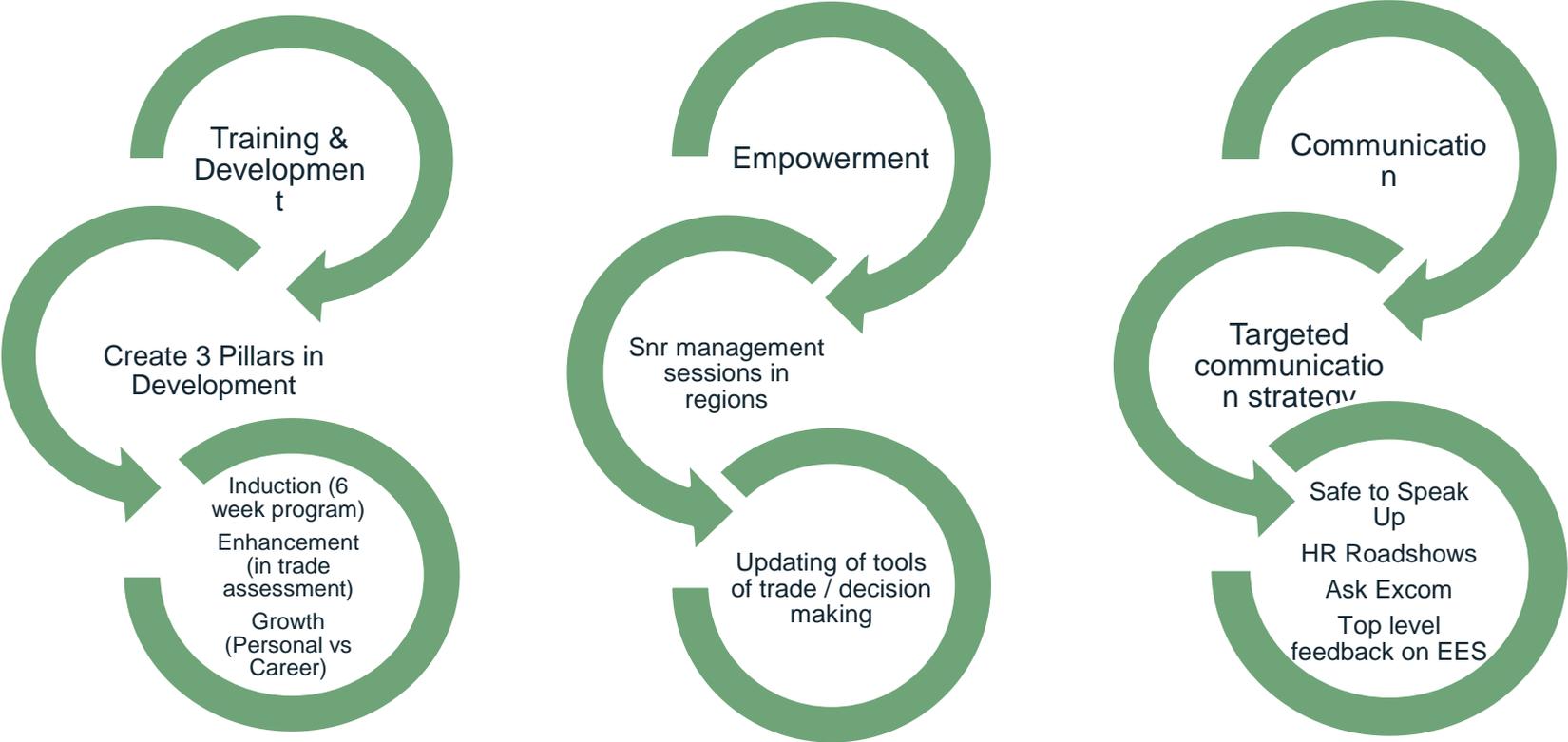
# CASE STUDY TWO JTI

# Employee Engagement & EVP

*November 2015*

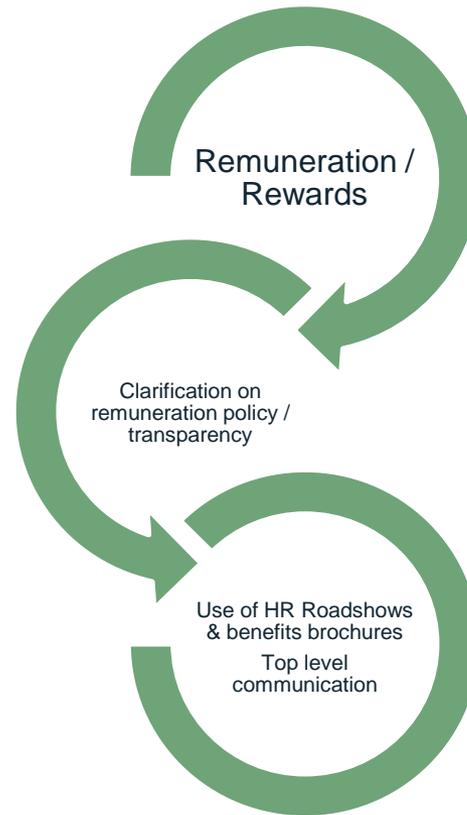
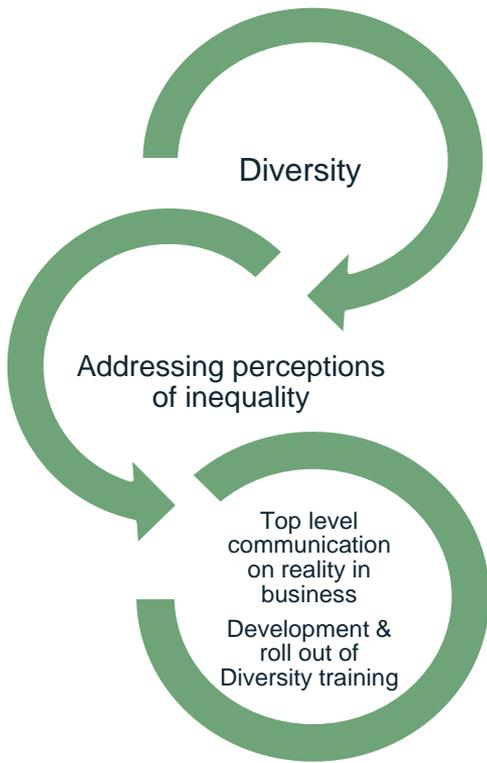
# EES 2010 - 2015 Action Planning

Driving Employee Engagement



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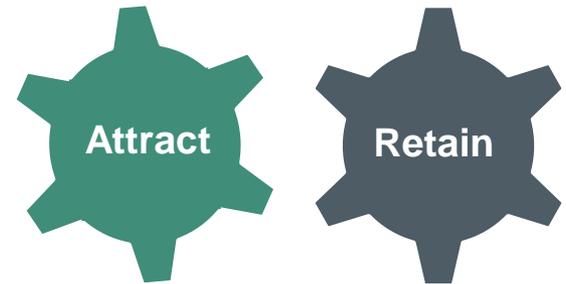
Driving Employee Engagement



# Employer Branding

# Human Resources

## *Employer of Choice*



- Develop a 'global employer brand' locally – introduced in 2012 with Global goal and values
- JTI Employer Brand localized
- Engage our employees to:
  - Live the JTI brand
  - Share our values

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# Appendix

## About Towers Watson:

# Towers Watson – Global footprint, local culture

Towers Watson is a leading global professional services company that helps organisations improve performance through effective people, risk and financial management

## Risk and Financial Services

Risk Consulting and Software  
Investment Services  
Reinsurance Brokerage

## Talent and Rewards

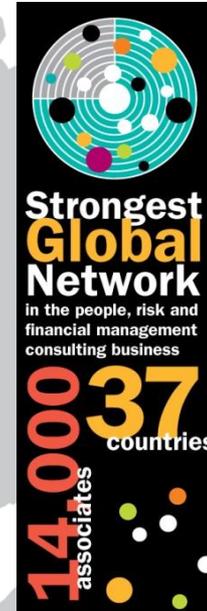
Executive Compensation  
Rewards, Talent and Communication  
Data, Surveys and Technology

## Benefits

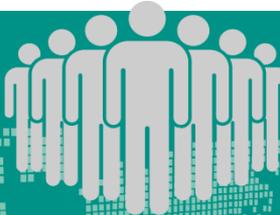
Health & Group Benefits  
Retirement  
Technology and Administration Solutions

14,000 associates in 34 countries

Over 400 employee survey specialists in all major markets



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**Example new clients in last 2 years**

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