

# The Transformational Company Guide

## Quality #8 - Employee Engagement

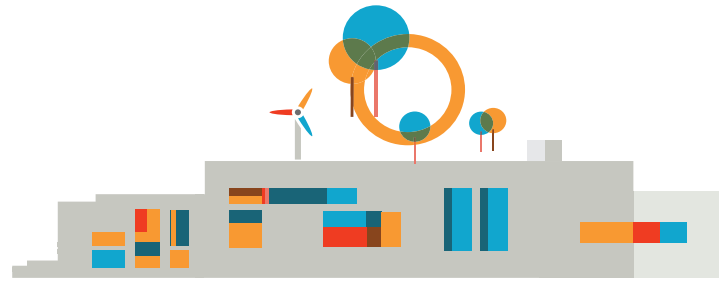


For more information on the new business leadership standard visit  
[www.cbsr.ca/transformationalcompany](http://www.cbsr.ca/transformationalcompany)



Transformational Company Quality

## # 8: EMPLOYEE ENGAGEMENT



*Transformational companies have diverse, equitable, thriving, participatory workforces where employees are champions of sustainability at work, at home and in the broader community.*

### WHAT IS IT?

Employee engagement is a top driver of company performance. Companies that invest in healthy and purposeful workplaces generate benefits for employees, their families, society more generally – and their bottom lines. Leading companies understand this connection and seek to truly inspire their employees to contribute to the firm’s economic, social and environmental success.

They build diverse and inclusive workforces, which represent their host communities and the markets they serve, at all levels. They foster equitable and participatory workplaces where employees feel valued and have a say, and co-operation based on interdependence prevails. Leading companies have a management style and an organizational culture that promotes mutual trust and respect, and support whole life balance and healthy lifestyles.

Transformational companies, managing for the long-term, invest in the sustainability competencies of their staff, boosting their skills and knowledge in systems thinking, external collaboration, sustainability literacy, and active values. Sustainability is integrated in the employee life cycle from the employer brand, hiring process and onboarding, to professional development and retiree engagement. Employees are supported to contribute to sustainability at work, at home and in the broader community through green and healthy working and living initiatives.

Progressive companies encourage social innovation and experimentation: employees readily collaborate across the organization and organizational boundaries to identify, test and scale social impact projects and innovations. Employee engagement and well-being is included in the corporate strategy and managed as a boardroom issue; sustainability outcomes are reinforced by reward-and-recognition systems.

#### Defining employee engagement and wellness

**Employee engagement:** A workplace approach designed to ensure that employees are committed to their organization’s goals and values, motivated to contribute to organizational success, and are able at the same time to enhance their own sense of well-being.

**Employee wellbeing:** A state of wellbeing in which every individual realizes his or her own potential, can cope with the normal stresses of life, can work productively and fruitfully, and is able to make a contribution to her or his community.

**Source**



## Five Sustainability Competencies



<http://corostrandberg.com/publication/sustainability-talent-management-the-new-business-imperative/>

## WHY IS IT IMPORTANT?

There is a growing global talent shortage which will increase “the war for talent.” Firms which foster engaged and social purpose workplaces are most able to attract the best and brightest (particularly millennials), providing a competitive advantage in the marketplace. Once engaged, employees perform their tasks to a higher level fostering significant productivity improvements.

These are the many business benefits to be gained from investing in healthy workplaces:

- Improve recruitment; be seen as an employer of choice
- Reduce absenteeism, turnover and associated costs
  - Replacing employees who leave can cost up to 150% of the departing employee’s salary
  - Disengaged employees are four times more likely to leave the organization than the average employee
- Improve productivity and employee performance; improve employee engagement with business priorities
- Reduce accidents and workplace injuries
- Increase customer satisfaction from higher value customer service
- Improve brand and reputation; reduce brand risk from employees indulging in behaviours that might damage the organization
- Increase innovation

Companies with strong sustainability commitments find that sustainability is one of the top drivers of productivity and one of the top threats to employee departures while healthy, secure and stress-free employees are more likely to come up with game-changing creative ideas. Further, a more agile and resilient workforce is better able to undergo organizational changes and disruption – expected in the turbulent times ahead. Given the pressures and opportunities generated by the growing global sustainability mega-forces, investing in an engaged, values-aligned and sustainability competent and enabled workforce is an essential foundation to future firm and societal success.

#### Source

#### Hewitt Associates reaps benefits of health investments

In 2008, HR management consultancy Hewitt Associates (now Aon Hewitt), took steps to strategically align the range of health related services they offered their 2,000 employees and to develop a better understanding of the drivers of ill health across their workforce. The aim was to develop an effective health management strategy to reduce absence, promote employee health and wellbeing and deliver a return on investment for the company. Hewitt Associates undertook a full health audit to identify the main health risks faced by employees. They then implemented a ‘total health management’ strategy to improve the efficiency and effectiveness of the health services offered to employees. Within 18 months, the total cost of employee ill health to the company had been reduced from £2,850 to £2,500 per employee per year, a total saving to the company of £700,000. In addition to this, the company took steps to ensure that the health of their employees was made a board level agenda item.

#### Source

#### Marks & Spencer pursues sustainability training, working flexibly and wellness measures: five aims

Aim: By 2015, we will provide better information and a revised Plan A (sustainability) Champion job specification allowing our colleagues to improve their environmental and community skills. We’ll then ensure that we have the right number of Champions in place to help improve the environmental and community skills of all colleagues.

Aim: Our top 100 business leaders will receive training on Responsible Leadership by 2015. We’ve developed a one and a half day Responsible Leadership training module as part of our ‘Lead to Succeed’ program with The Future Laboratory. This year, 58 of our top 100 business leaders completed it. We’re also developing other formats of training designed to improve skills and knowledge on Responsible Leadership.

Aim: We will report on our employees uptake of working flexibly in the UK by 2015, then take action and set a target to make a significant increase in the levels of working flexibly (e.g. non-maximum hours working, job shares, flextime, remote working) by 2020. We’re currently developing a new flexible working policy and from next year intend to report data for part-time working, job sharing, term-time working, home-working, time off for training and flexible retirements.

Aim: We will establish measurements and report on wellness for M&S employees by 2015 to supplement the more traditional measures of employee engagement, considering external best practice. Using data from our Your Say employee survey we’ve established a Wellness benchmarking measurement of 81%. This will act as a baseline for future years. We’re also working with Business in the Community’s Workwell Index to improve the way we measure and report about wellbeing related matters.

Aim: By 2015 we will provide additional health services and policies to employees including; encouraging healthy eating, promoting exercise and mental health awareness. We will also provide support and advice tailored to the needs of an ageing workforce.

#### Source



## HOW TO DO IT?

There is no one set roadmap for fostering a diverse, equitable, thriving, participatory and sustainability engaged workforce. However, the following steps are some general actions you can pursue to build your plan.

1. Determine the business rationale for your efforts; these objectives will inform your priorities
2. Conduct best practices research (see resources section below)
3. Baseline current practices and results
4. Identify gaps and opportunities
5. Set goals, targets and metrics
6. Secure senior management buy in and involve employees in determining objectives and implementation measures
7. Implement, evaluate and improve

To engage employees specifically on sustainability practices, many companies implement green team strategies, focused initially on incremental measures, such as educating employees on environmental footprint reduction opportunities. Transformational companies go beyond these early measures to foster a sustainable culture at work, which ripples into employee homes and communities and results in business model innovation with external partners. The following chart can be used in an envisioning exercise, to set the course for becoming a transformational social purpose company in which the workforce actively contributes to generating both business and social value.

### Transformational Green Team Continuum, Strandberg Consulting

Stage	1.0 Incremental	2.0 Strategic	3.0 Cultural	4.0 Transformational
Goal	Education & cost savings	Internal operating efficiency	Sustainable competencies, behaviours & mindsets Product differentiation; revenue generation	Business model transformation focused on sustainable purpose & shared value
Activities	Ad hoc	Corporate environmental goals integrated into operations & business lines	Behaviours at work, at home & in the community Product redesign	Business-community innovation Business-industry innovation Product innovation
Structure	Loosely managed	Centrally managed by sustainability department; business leader collaboration	Partnerships with HR, R&D, design, marketing, finance, executive	Business-community clusters Business-industry clusters
Participation	Volunteer	Incorporated into job roles of green team members & select business functions	Integrated into mainstream job & business functions	Integrated work activities with communities focused on sustainable purpose & shared value outcomes Industry association collaboration

This Conference Board of Canada webinar provides an overview of the transformational green team model and implementation strategies ([link](#)) (Contact [publications@conferenceboard.ca](mailto:publications@conferenceboard.ca) and quote CBSR to see if you qualify for free or discounted access.)

## WHO IS DOING IT?

**BC Housing** is a B.C. crown agency responsible for delivering social housing. Leadership in sustainability is a key corporate strategic priority. For BC Housing this means effective delivery on its social mandate from ensuring durability of the housing stock, to reduction of negative environmental impacts, to building healthier communities. Its sustainability plan includes three strategic priorities, two of which explicitly involve engaging employees in sustainability decisions and behaviours:

- **Integrated Decisions** – integration of financial, social and environmental considerations in decision-making
- **Change Agent** – guiding and supporting others in taking actions towards sustainability

Within its Change Agent priority is a commitment to empower employees to make good sustainability choices in the workplace, at home and in the community. The company has set a long-term (2020/2021) target to ensure that 75% of employees feel supported by the organization to make good sustainability choices at work and at home. It invests resources and effort in employee engagement to advance the organizational culture towards a sustainability mind-set, the efforts of which contribute to the organization's high employee engagement ranking – BC Housing has been recognized as one of the province's Top 55 Employers (since 2009) and has also been named one of Canada's 50 Most Engaged Workplaces for the last three years. The company's annual employee engagement survey of its 657 employees reveals high overall engagement (74%) and strong ratings (78%) of organizational support in enabling employees to make good sustainability choices in the workplace and at home – exceeding the long-term target in this area.

The livegreen Employee Council – BC Housing's 'green team' – is one of the key success factors in achieving such high levels of engagement. The Council focuses its efforts in four areas: travel (business and commuting), home, workplace and food. Each year the Council creates a strategic plan for the year ahead and tracks the impact of its initiatives through the annual Employee Sustainability Survey. The 2013 survey revealed the organization made significant progress over the past four years in influencing behaviour in many areas including: sustainable modes of commuting and work-related travel, composting, gardening, reusing and recycling, sustainable food choices, using green cleaning products, consuming less meat and reducing paper and energy use.

The organization has begun including Council activities as part of performance objectives and annual performance plans and appraisals for members signalling a shift to considering sustainability engagement as a learning and development opportunity for staff.

More details [here](#).

## WHERE CAN I GO FOR MORE INFORMATION?

- New Ways of Working, The B Team  
[http://issuu.com/the-bteam/docs/150114\\_newwaysofworking\\_v12?e=15214291/11024330](http://issuu.com/the-bteam/docs/150114_newwaysofworking_v12?e=15214291/11024330)
- Sustainability Talent Management: The New Business Imperative - Five Sustainability Leadership Competencies for Your Competency Model, Strandberg Consulting  
<http://corostrandberg.com/publication/sustainability-talent-management-the-new-business-imperative/>



- CSR Governance and Management Tool – checklist for self-assessing sustainability embedment practices, Strandberg Consulting  
<http://corostrandberg.com/publication/csr-sustainability-governance-and-management-assessment/>
- CSR-HR Checklist Tool – checklist to embed sustainability and CSR in the employee life cycle, Strandberg Consulting  
<http://corostrandberg.com/publication/csr-hr-checklist/>
- CSR and HR Management – An Issue Brief and Roadmap, Strandberg Consulting  
<http://corostrandberg.com/publication/csr-and-human-resource-management-an-issue-brief-and-roadmap/>
- Diversity Management Practices Best Practices Scan, Strandberg Consulting  
<http://corostrandberg.com/publication/diversity-management-leading-practice-scan/>
- BITC Workwell: A coalition of businesses committed to improving levels of understanding of the role of workplace wellness  
<http://www.bitc.org.uk/programmes/workwell/public-reporting>
- Employee Voice Fact Sheet, The Chartered Institute of Personnel and Development, UK professional association for human resource managers  
<http://www.cipd.co.uk/hr-resources/factsheets/employee-voice.aspx>
- Healthy Work: Evidence into Action (provides a comprehensive list of the business benefits of employee engagement), Helen Vaughan-Jones and Leela Barham  
<http://www.theworkfoundation.com/Assets/Docs/healthy-work-evidence-into-action-report.pdf>
- Healthy Workplace, Healthy Society  
[http://www.csreurope.org/sites/default/files/Health%20Literacy%20Blueprint\\_0.pdf](http://www.csreurope.org/sites/default/files/Health%20Literacy%20Blueprint_0.pdf)
- Healthy Workplaces Website  
<http://www.projecthealth.ca/understanding-workplace-health>
- Canadian Institute of Diversity and Inclusion  
<http://www.cidi-icdi.ca/>
- Toolkit for Developing a Diversity and Inclusion Strategy, Canadian Institute of Diversity and Inclusion  
<http://www.cidi-icdi.ca/reports/20140910-CIDI-Report-D&I-Strategy-Toolkit.pdf>

Conference Board of Canada webinar on the CSR-HR connection profiling the approach taken by The Co-operators ([link](#)). Contact [publications@conferenceboard.ca](mailto:publications@conferenceboard.ca) and quote CBSR to see if you qualify for free or discounted access.

