



**INVESTORS  
IN PEOPLE**

**IMPROVING BUSINESS PERFORMANCE**



**IMPROVING  
EMPLOYEE  
ENGAGEMENT**

# INTRODUCTION

**For nearly 20 years, Investors in People has been helping employers of all types and sizes achieve their goals by harnessing the talents of their people. We deliver practical, flexible and personal business improvement support for organisations at all stages of their development to drive their business forward.**

Employee engagement lies at the heart of Investors in People. A strong relationship between an organisation and its people involves inspiring, challenging and supporting employees at all levels so they can deliver what the business needs now and in the future. It is a fundamental part of putting people at the heart of a business. And its importance has been given added weight recently with the publication of the independent report to government, 'Engaging for Success'<sup>1</sup>, which highlighted the extensive benefits that more effective engagement could deliver for employers, employees and the UK as a whole.

This short guide will show you how Investors in People can give you practical and powerful guidance on employee engagement, as part of our comprehensive and tailored business improvement support.



<sup>1</sup> Engaging for Success: enhancing performance through employee engagement. Published 15 June 2009 by the Department for Business, Innovation and Skills.

# THE ESSENCE OF EMPLOYEE ENGAGEMENT

Employee engagement is about unlocking people's potential at work in order to benefit the individual, the organisation and ultimately the UK as a whole. 'Engaging for Success' identified the following definition from Professor David Guest as the most compelling:



A workplace approach designed to ensure that employees are committed to their organisation's goals and values, motivated to contribute to organisational success and are able at the same time to enhance their own sense of well-being



The report – which followed extensive research with business leaders, employers and practitioners – makes a compelling case for the impact of employee engagement on business success. It highlights benefits in terms of improved performance, productivity, innovation and competitiveness, plus lower rates of absence and voluntary turnover. The report also highlights that an engaged workplace benefits employees by increasing their sense of involvement and 'well-being' at work, which in turn inspires them to extra effort, commitment and productivity.

# THE ESSENCE OF EMPLOYEE ENGAGEMENT

'Engaging for Success' identifies four 'enablers' of engagement in highly-engaged workplaces:

- 1** Leadership through a **strategic narrative** that explains where the organisation is going and why, and which helps employees understand how their role contributes to this.
- 2** **Engaging managers** who motivate, challenge and support employees, treating them as individuals and seeking and responding to their views.
- 3** An effective **employee voice**, which ensures employees in all areas are involved in decision-making within the organisation.
- 4** **Integrity**, so that there is clear alignment between the values of the business and actual behaviours. In other words, there is no gap between what people in the organisation say and what they do.



# HOW INVESTORS IN PEOPLE CAN HELP

Investors in People offers a practical, flexible and easy to use framework to help you transform business performance through your people. Working with Investors in People gives you access to leading-edge advice and practical guidance, tailored to your needs, so you can continuously improve your organisation, and the people who work for it, in line with business goals.

**The Investors in People framework has a series of drivers that link directly to the four enablers identified in the 'Engaging for Success' report.**

It contains a wealth of good practice to help you engage your employees and build an inspiring, challenging and supportive culture to drive your business forward. Specific areas that the framework covers include:

- **Developing business strategy:** working with your people to build a clear and compelling vision, strategy and business plan
- **Strengthening leadership:** through a clear plan for building and continuously improving the leadership skills you need now and in the future
- **Developing managers:** by ensuring managers are clear about the capabilities they need to lead, manage and develop their people (and that the organisation helps them build and continuously improve those skills)
- **Building dialogue:** so that information flows around the organisation, eradicating silos, and that all communication is two-way (giving people at all levels the chance to give feedback, raise concerns and submit ideas)
- **Creating a culture of openness and trust:** in which employees are trusted and supported to make the contribution expected of them, without being 'micro-managed'
- **Involving employees in decision making:** from high level decisions to routine day-to-day decisions about their own job (leading to creation of more meaningful roles)
- **Ensuring equality of opportunity:** so that people at all levels have access to the same opportunities and support, and that everyone has the chance to achieve their potential





## HOW INVESTORS IN PEOPLE CAN HELP

Guidance on these areas, and many others relevant to good practice in employee engagement, can be found within the Investors in People framework.

And working with Investors in People couldn't be simpler: you will have a dedicated assessor who will help you understand and work with the areas of the framework most relevant to your business goals. And once you have been assessed, you will receive tailored feedback on the issues that matter most to you.

## What our customers say about working with Investors in People to increase employee engagement.



**Sainsbury's** has a long-standing relationship with Investors in People, and have drawn extensively on their unrivalled expertise and reputation in the area of people development. Working together, they undertook a major review of best practice across the Sainsbury's organisation, with a view to increasing employee engagement in delivering outstanding customer service. The consequence of this has been the fine-tuning of a number of internal processes, and a 10% uplift in employee engagement – all focused on providing even greater levels of customer service.

By working with Investors in People **Aerzen** believe they have benefited in a number of valuable ways. Employees are now much more engaged in the business with everyone sharing a common understanding of its mission, goals and objectives. All team members also now appreciate that customer satisfaction is fundamental to profitability and, therefore, the long-term survival of the business.

Employee engagement and commitment to the business at **JC Stewart** has grown significantly and according to Vanessa Tyler, HR Manager, **"Thanks to Investors in People, employees now understand their roles much more and buy into where the business is going. As a result, employees are more committed and are giving more to the organisation"**.



# THE BOTTOM LINE IMPACT

There is extensive evidence of the benefits that Investors in People can deliver for employers of all types and sizes. For example, research by Cranfield School of Management<sup>2</sup> has shown that working with Investors in People encourages the development of two important factors which have an impact on organisational performance:

## Investors in People –

- **creates a positive Organisational Social Climate** – higher levels of trust, cooperation and people engagement
- **increases Human Capital Flexibility** – the skills and behaviours needed for organisations to change

The research uses Investors in People as an exemplar of 'commitment-based HR', where an organisation works with its people to set shared goals, giving employees a stake in their organisation's success. This puts Investors in People at the heart of an engaged workplace: the very opposite of what the Cranfield report calls 'transaction-based HR' – in which an organisation sets goals and an employee is simply being paid to achieve them.

The study also found that organisations with Investors in People recognition are more likely to achieve organisational goals and meet their strategic objectives. Linking business goals to employee objectives, a key requirement for achieving Investors in People status, is noted as key to improving business performance.



<sup>2</sup> The Impact of Investors in People. Published by Cranfield University School of Management in November 2008. [www.investorsinpeople.co.uk/cranfieldresearch2008](http://www.investorsinpeople.co.uk/cranfieldresearch2008)



# THE NEXT STEP

Employee engagement could be a major source of competitive advantage for you as the UK moves out of recession, and Investors in People is a powerful tool that can help you unlock the potential of your people.

To find out more, get in touch with your nearest Investors in People centre:



# INVESTORS IN PEOPLE CENTRE CONTACT INFORMATION

## England

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### East Midlands

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### West Midlands

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