

BITC Public Reporting Guidelines

Employee Engagement and Wellbeing



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Key Recommendations

- Employees are a critical organisational asset as they are the means by which organisations function. How organisations manage their staff can determine business performance, and its ability to succeed long term. There is clear evidence that good workplaces with strong employee engagement and wellbeing have increased productivity.
- Investors are placing greater emphasis on understanding how companies are managing their workforces. Good, long-term relationships with employees will help companies deliver long-term value to their shareholders. Given that employee matters may affect a company's operations and its performance, investors are seeking greater transparency and metrics that illustrate how companies manage employee wellbeing, labour rights and engagement.
- Other stakeholders are also interested in how organisations manage employee issues. Potential employees are increasingly attracted to organisations with progressive employee practices where wellbeing and engagement are key priorities. The global war on talent is an increasing challenge as organisations seek to recruit and retain the best staff. It is increasingly important for organisations to demonstrate how their employees are treated as their organisation's "greatest asset", and not merely saying it.
- Public reporting is a means by which investors, potential employees and other stakeholders can gain insights into how organisations manage their staff. Such organisations should be more transparent in their reporting on engagement and wellbeing and do so in a frank, accurate and consistent manner.
- The BITC's Workwell Model provides an ideal framework for public reporting on employee wellbeing and engagement as it represents a strategic, integrated and holistic approach.
- BITC's Workwell Public Reporting Steering group has devised a company public reporting framework which is aligned to the four quadrants, and central segment of the BITC Workwell Model. It outlines corporate input and output characteristics, and associated metrics which some organisations are reporting. The Public Reporting Guidelines are just that – guidelines – they are not meant to be prescriptive but to create a greater awareness in organisations of the range of quantitative data they can collect and the power of qualitative narrative in contextualising the data in order to make the interpretation of the data more meaningful and compelling.
- Organisations should ensure that their reporting begins with a description about their 'employee footprint' as this provides the very important starting context for assessing employee challenges and resulting management practices and performance.
- Organisations are encouraged to take into account and adopt BITC Public Reporting Guidelines in their reporting on employee engagement and wellbeing efforts.
- Public reporting on employee engagement and wellbeing is an evolving work in progress which will mature as time passes and practice becomes embedded. The intention is for the Public Reporting Guidelines to be updated periodically in an iterative process to reflect changing best practice thinking. BITC would welcome feedback and interest from organisations and other stakeholders on their experiences of using the Public Reporting Guidelines and on how to improve the template framework going forward.



About Business in the Community

Business in the Community stands for responsible business. We are a unique business movement of 850 member companies – the largest business-led charity of its kind – committed to building resilient communities, diverse workplaces and a more sustainable future. We work locally, nationally and internationally with members to transform businesses and transform communities. We believe that responsible leadership is the ability to balance doing both.

We ask our members to work with us on specific campaigns that make a difference in the workplace, marketplace and community. And we offer a range of services that challenge, support and inspire members and help transform their businesses.

Business in the Community is one of The Prince's Charities, a group of not-for-profit organisations of which The Prince of Wales is President.

www.bitc.org.uk



BITC Workwell Campaign

BITC Workwell has been developed by international business leaders with the core purpose of creating happier and healthier workforces.

As well as benefiting individuals, improved employee engagement and wellbeing builds business resilience, performance and productivity.

This is critical because, despite clear evidence that good workplaces have higher productivity, greater employee retention and improved customer satisfaction, only a third of UK employees are actively engaged in their work and levels of employee stress and anxiety are rising.

As well as impacting personal wellbeing, businesses are putting their long-term success at risk. At least 20 million UK workers are not delivering their full capability, employee absence costs the economy more than £17 billion a year and employee trust is falling with only 40% of people believing their bosses act with integrity.

BITC Workwell has been developed by international business leaders to address these issues and build individual and company resilience.

Alliance Boots, Anglo American, American Express, BaxterStorey, Bupa, Friends Life, Lancaster University, Marks & Spencer, Mars, Mother, Nestlé, Procter & Gamble, Right Management, Santander, Serco, RBS and Zurich are members of Workwell's Leadership Team that provide overall direction for Workwell.

Workwell is the first global model to support the creation of good workplaces and to successfully integrate all aspects of people management alongside business objectives.

BITC Workwell is changing the way employee engagement and wellbeing is measured, reported and tracked as an indicator of business success.

There is clear evidence that good workplaces with strong employee engagement and wellbeing lead to increased productivity

- FTSE 100 companies with robust arrangements for reporting on employee health and wellbeing outperform the rest of the FTSE 100 by 10% (BITC/Ipsos MORI, 2010)
- Even in turbulent economic times, organisations with high engagement levels outperformed the total stock market index and posted total shareholder returns that were higher than average in 2010 (Aon Hewitt, Trends in Global Employee Engagement, 2011)
- A three year study across 41 global companies showed that operating margins improved by 4% in organisations with high employee engagement and declined by 2% in those with low employee engagement (Towers Watson, 2010)
- The Good Work Commission reiterated the business case for employers to invest in good work because it can be demonstrated to improve productivity, employee retention and customer satisfaction (Work Foundation, July 2011)

Businesses which do not build employee engagement and wellbeing are putting their long-term success at risk

- UK productivity was 20 percentage points lower than the rest of the G7 in 2011 (ONS, 2012)
- Only a third of UK employees say they are actively engaged at work, representing 20 million workers who are not delivering their full capability (Kenexa, 2009)
- Absence costs the UK economy more than £17 billion a year, with the average employee taking 6.5 days off work through illness in 2010 (CBI, May 2011)
- Cost of stress is estimated at £3.8billion per year to UK businesses (Employee Wellbeing 2011/CIPD 2010)
- 37% of employees are under excessive pressure at work and only 55% of men say they achieve the right work-life balance (CIPD, Employee Outlook, 2012)
- Trust in UK businesses is falling, from 44% of informed people trusting businesses in 2011 to only 38% of people in 2012 (Edelman Trust Barometer 2012)
- Only four in ten British employees believe that their bosses act with integrity (Good Work Commission, YouGov 2011)

Employee engagement and wellbeing are both critical as engagement without wellbeing is unsustainable

- Employee engagement is only sustainable when wellbeing is also high (Robertson and Cooper 2010)
- Provision for employee wellbeing is likely to lead to higher levels of engagement (Robertson and Cooper 2010)
- Employee engagement and psychological well-being interact with one another in predicting outcomes:
 - Highly engaged individuals with high levels of wellbeing are the most productive and happiest employees
 - Highly engaged employees with low levels of wellbeing are more likely to leave their organisations or experience high levels of burnout
 - Employees with low levels of engagement but high levels of well-being pose problems for organisations as they are more likely to stay but less committed to the organisation's goals
 - Employees who are both disengaged and have low levels of wellbeing contribute the least to the organisation but due to the current weak employment market may be reluctant to move (Towers Watson 2010)

BITC's Workwell Model successfully integrates all aspects of employee engagement and wellbeing alongside business objectives

- BITC Workwell has been created by business for business and builds on BITC's success in the measurement of responsible business behaviour
- Workwell is fully integrated and aligned with business objectives and the reporting guidelines provide guidance on narrative reporting that ensures information is set in context, supports risk assessment and contributes to assessment of future performance
- Workwell's guidance on narrative supporting aligns with the views of the Department of Business, Innovation and Skills and key stakeholders who are calling for business reports to become more user friendly, contain helpful information and be concise

BITC Workwell is changing the way employee performance is measured, reported and tracked as an indicator of business success

- Workwell is grounded in year on year research from 2007 in FTSE 100 public reporting trends and responds to demands for investors for a consistent way of measuring human capital management
- All FTSE 100 companies currently include engagement and wellbeing themes in public reporting but it is not consistently reported and very few consider the financial impact of their activities (BITC/Ipsos MORI, March 2011)
- Three consultation processes with members of UK Sustainable Investment & Finance Association have highlighted the desire for improved measurement of human capital management in order to better understand organisational risk



About the Model

Developed by business for business, BITC's Workwell Model reflects the realities of the workplace and the complexity and interrelatedness of the factors that influence employee wellness and engagement. The Model is evidence based, widely endorsed and positions employee engagement and wellbeing as a strategic boardroom issue linked to securing business objectives.

It provides a proactive, integrated and strategic framework for promoting employee engagement and wellbeing and articulates the inextricable link between engagement and wellbeing to driving sustainable performance.

The Model outlines actions that employers can take to provide a context for their people to flourish. It also promotes five ways to wellness that employees can take to improve their own emotional and physical resilience.

Engaged employees work with passion, commitment and trust to drive and sustain their flourishing organisation

BITC

Wellbeing is comprised of the mutually supportive relationship between the physical, psychological and social health of the individual

Towers Watson

Engagement combined with wellbeing enables sustained employee performance.

The Model focuses on five principles that contribute to engagement and wellbeing. These are: better work; better relationships; better specialist support; better physical and psychological health; and working well.

It demonstrates the top line business benefits of investing in employee wellbeing as better health, better engagement, better recruitment and retention, better brand image and higher productivity.

-  Business benefits
-  Employee actions recommended by Foresight Mental Capital Report
-  Employer actions recommended by BITC

* Using 'good work' criteria defined by Coats and Lehki (September 2008)

BITC's workwell Benchmark

BITC's Workwell benchmark was developed in response to research showing a positive link between strong people management and organisational performance, with FTSE 100 companies that have robust arrangements for reporting on employee engagement and wellbeing outperforming the rest of the FTSE 100 by 10 per cent. The benchmark also responded to investor demands for a standardised measurement of employee management that could inform their investment decisions.

Over the last 10 years, organisations have built their confidence in reporting key environmental and societal benefits through sustainability reports. Business in the Community is now encouraging more organisations to address the effective use of data to demonstrate responsible people practices.

FTSE 100 organisations were scored by Towers Watson against BITC's Workwell criteria, with 25 indicators used across the five areas of BITC's Workwell Model: Better Work; Better Relationships; Better Specialist Support; Better Physical and Psychological Health; and Working Well.

The 2013 Research Report can be downloaded from [here](#).

BITC Public Reporting Benchmark Support Programme

BITC's refined benchmark questionnaire will be launched on 26 September 2013 and is open to all organisations. The deadline for completion is end November 2013.

BITC's Workwell benchmark represents a new chapter for CSR reporting. We introduced our Corporate Responsibility Index 10 years ago and have seen how organisations have built their confidence in reporting key environmental and societal benefits through sustainability reports. Now we are encouraging organisations to use data effectively to demonstrate responsible people management and drive business performance improvements.

**Stephen Howard, Chief Executive,
Business in the Community**

Organisations that self completed the Workwell Benchmarking submission 2013 scored on average twice as highly as those who had their surveys completed by Towers Watson on their behalf.

Business in the Community is encouraging more companies to self complete the benchmark survey and to do this we have developed a comprehensive benchmarking support programme.

Why should my business complete the benchmark?

Investors would like companies to demonstrate how they are managing their employees effectively as they believe robust employee practices can contribute to strong long-term success.

By taking part in the Workwell benchmarking, companies will be able to receive feedback on strengths and gaps where future progress can be made on public reporting. It will also give organisations an opportunity to see how they compare with their peers and competitors.

Through taking part in the benchmarking organisations will be able to track progress, reinforcing good practice and driving continuous improvement.

What are the contents of the benchmarking support Programme?

Participation in the Benchmark 2013/14

Your entry to the benchmarking online questionnaire.

Benchmarking Score Analysis Report

A bespoke report highlighting gap analysis, sector comparisons and detailing future recommendations to drive continuous improvement.

A 'Dry Run' of the benchmark

An opportunity to complete a preliminary draft of the questionnaire ahead of the final version, and have it marked in advance identifying any areas which need further development.

A face to face consultation

An opportunity to meet with a senior advisor to discuss your dry run score and advise on areas for improvement to maximise your final score.

Invitation to 2013 Benchmarking launch at the BT Tower, September 26th

Join us at an exclusive breakfast launch event with guest speakers and the chance to network with other past and present benchmarking participants.

Three Workshops

Entry to three benchmarking workshops hosted by major companies recognised as leading in the field of public reporting.

Webinars

As many delegates from your company as you wish can join two webinars from leading FTSE 100 companies who will be presenting their case studies.

Profile opportunities

There are potential media opportunities for leading companies.

Costs

The costings for this annual subscription are as follows:

- Workwell Leadership Team member £1,000
- BITC Members £2,000
- Non Member £2,500

How to sign up

To sign up to this comprehensive programme of support and information please contact:

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A strategic boardroom issue

BITC Public Reporting Guidelines are about moving the agenda on from basic health and safety compliance, to elevating engagement and wellbeing to become a boardroom issue.

Improved reporting on employee engagement and wellbeing will become an essential part of responsible business practice as it is the hallmark of a sustainable business that is managing for the long term.

BITC Public Reporting Guidelines – an investor perspective

The Principles for Responsible Investment

The United Nations-supported Principles for Responsible Investment (PRI) initiative brings together international investors to put into practice six investment principles on the integration of environmental, social and governance matters. These voluntary and aspirational principles aim to help investors incorporate sustainability issues into their investment decision-making and ownership practices. At April 2013, there were over 1,000 signatories to these principles, representing nearly US\$35trillion worth of investments. The PRI supports signatories with their engagement activities, bringing together like-minded investors to focus on an area of mutual concern. One of the initiatives the PRI is currently coordinating is one on employee relations.

Investor Steering Group on Employee Relations

The PRI-coordinated investor steering group on employee relations comprises of thirteen global investors who will be engaging, jointly, with companies to encourage better disclosure and management of key performance indicators relating to employee wellness, employee relations and human capital management practices.

This group of investors believes that the way in which companies manage environmental, social and governance (ESG) matters has a direct bearing on how companies perform. Companies managing all aspects of their business, including environmental impacts, employees, human rights, business ethics and governance, are more likely to gain competitive advantage and produce better returns over the longer term for their shareholders.

Specifically, many investors believe that there is a direct link between good employee practices and strong business performance. Companies with happy and healthy workforces should ensure productivity, minimise the risk of employee action, motivate their staff, improve margins, protect their intellectual property, innovate and protect their reputations. Given that investing in successful businesses is essential to long-term outperformance, understanding how companies manage their staff is key to this performance.

Aside from exploring specific labour and employment issues, such as gender equality, workplace stress, pay, labour relations and freedoms of association, investors are seeking greater public disclosure by companies. Despite companies often proclaiming in their public disclosures that employees are their most valuable asset, most companies are failing to provide effective reporting on how employee relations are addressed. Setting targets and reporting against relevant key performance indicators is still in its infancy. Investors are provided with little in the way of quantifiable and useful information to help them assess how employee matters are addressed at operational level.

The PRI investor steering group on employee relations has included in its work the formation and building of a relationship with BITC's Workwell Campaign. The aim is to contribute towards the development of a toolkit for companies on how to address health and safety, wellbeing management, labour relations and other employment wellbeing matters. In addition, clear and concise reporting is essential to demonstrate progress in these areas.

Investor guidelines and international standards

There are a number of internationally recognised standards and guidelines that form the basis of company analysis on ESG matters. Many investors encourage companies to become members of the UN Global Compact, for example. The Global Compact asked companies to commit to ten universal principles set by the United Nations in the areas of environment, labour, human rights and anti-corruption.

Specifically relating to labour issues, under the UN Global Compact, businesses should:

- uphold the freedom of association and the effective recognition of the right to collective bargaining
- strive to eliminate all forms of forced and compulsory labour
- work to abolish child labour
- avoid discrimination in respect of employment and occupation.

These basic principles on labour should be used as a minimum for all multi-national companies. However, adopting and adhering to principles is not enough. Investors are seeking evidence

of these commitments. Companies wishing to demonstrate good management of employees and workforces should set key performance indicators, targets and produce evidenced based reporting on how this is done.

As such, this group of investors welcomes BITC's public reporting guidelines. Having a formulated set of guidelines will stimulate debate and innovation and contribute towards improvements in employee management and relations. Guidelines are a useful tool to helping in the development of effective reporting by companies. As a consequence, better reporting should lead to better management of these issues and towards better business performance. Ultimately, this is all in shareholders' interests.

The PRI Steering Group on Employee Relations is a strategic partner of BITC's Workwell campaign, and member of the Steering Group for the Public Reporting Guidelines.

Investment consultation

The BITC Workwell Campaign met with investors on a number of occasions. It held a seminar in conjunction with UKSIF (UK Sustainable Investment and Finance Association) where the guidelines and Workwell programme were discussed.

In addition, BITC's Public Reporting Guidelines, developed by BITC Workwell Campaign Steering Group, were considered by the PRI Steering Group on Employee Relations. The investor group provided comments and feedback.

While recognising that companies need flexibility to take into account the type of business, industry and geography they are exposed to, the investor group made a number of suggestions to the Workwell programme.

These included:

- verification of reporting by external independent agencies
- including employee validation in reporting
- ensuring honesty of reporting to avoid situations where evidence of company practice contradicts reporting
- reporting on union relations, collective bargaining and freedom of association
- reporting on the integration of disabled employees into the workplace as part of corporate diversity programmes
- raising the voice of the employee and reporting on employee engagement
- employee incentivisation
- introducing indicators around grievance and whistleblowing mechanisms
- training linked to costs and benefits

Through delivering greater transparency, the development of focused key performance metrics and clear narrative around their employee management practices, companies will provide investors with assurance as to how this issue is being managed.

Finally, a member of the PRI Employee Relations Steering Group was invited to be the appointed liaison on BITC Workwell Campaign Steering Group.

BITC Workwell Public Reporting Steering Group



Dr Paul Litchfield,
Chief Medical Officer and
Director, Health, Safety &
Wellbeing, BT Group (Chair)



Dr Frank Fox,
Head of Occupational
Health, Anglo American



Amanda Owen,
Group Director of Health
and Safety, Employee
Health and Diversity, Bupa



Dr Margaret Samuel,
Chief Medical Officer,
EDF Energy

About the Steering Group

The Steering Group was convened by BITC. All of the companies represented are members of BITC and have provided thought leadership and overall direction for the Public Reporting Guidelines and BITC's Workwell benchmark.



Andrew Mitchell,
Employee Wellbeing
Manager, Marks & Spencer



Andy Buxton,
Health & Wellbeing
Manager, National Grid



Duncan Young,
Deputy Head of
Sustainability, RBS Group



Julia Warren,
HR Director, UK
& Europe, Serco

Strategic Partners



Ben Willmott,
Head of Public Policy,
Chartered Institute
of Personnel and
Development (CIPD)



Amanda Young,
SRI Officer, Newton
Investment Management,
investor representative on
behalf of the PRI-coordinated
Engagement on Employee
Relations Steering Committee



Charles Fair,
Senior Consultant,
Towers Watson



Justin Crossland,
Senior Consultant,
Towers Watson

Purpose of Partnerships

Chartered Institute of Personnel and Development (CIPD)

CIPD research consistently highlights the importance of high quality leadership and people management skills to sustainable organisation performance. This has been supplemented by the government-commissioned MacLeod review, which highlighted the link between enhanced employee engagement and improved business performance.

However evidence suggests UK people management capability lies behind that of our main competitors and that we as a nation invest less in management development.

Effective Human Capital Management reporting can highlight the link between effective people management, employee engagement and wellbeing and improvements to business performance and consequently encourage organisations to invest in the management and development of their people. CIPD is working with its members to encourage and support HR practitioners to generate high quality people management information to help build the business case for investing in people management and development.

However it is equally important to raise this key agenda within the wider business community if there is to be a step change in the quality of HCM reporting across UK plc.

BITC's Guidelines provide an excellent springboard for achieving much greater understanding and profile at boardroom level of this key issue. We believe that the CIPD, together with BITC, Towers Watson and the PRI-coordinated Engagement on Employee Relations Steering Committee, are ideal partners in this aim. Together we represent the HR, business and investor communities, all of which need to be engaged if there is to be substantive progress on this agenda.

PRI-coordinated Investor Steering Group on Employee Relations

The PRI-coordinated investor steering group on employee relations comprises of thirteen global investors who will be engaging with companies to encourage the reporting of key indicators and better disclosure on the management of employee relation risks and opportunities. This steering group was keen to support BITC and its Workwell programme in developing key performance indicators to improve reporting from companies. Historically, many companies have failed to report strategically in this area, which has been a concern for shareholders. Establishing clear reporting guidelines, against which companies can disclose how they manage their employee issues, is an essential part of this engagement programme.

www.unpri.org/areas-of-work/clearinghouse/coordinated-collaborative-engagements

Towers Watson

Towers Watson (NYSE, NASDAQ: TW) is a leading global professional services company that helps organisations improve performance through effective people, risk and financial management. The company offers solutions in the areas of benefits, talent management, rewards, and risk and capital management. Towers Watson has 14,000 associates around the world and is located on the web at www.towerswatson.com.

Towers Watson has been a strategic partner to BITC's Workwell Campaign since 2008 and has been able to bring its expertise in a number of areas to the Campaign, starting with the development of the Healthy Workplace Action Pack. Towers Watson is one of the world's leading providers of employee surveys and the results of our research consistently highlight the relationship between highly engaged workforces and improved business results.

Furthermore, our data shows that employers not only need highly engaged workforces, but that this engagement needs to be sustained over time. 'Sustainable engagement' is achieved by those employers that both support employee wellbeing as well as provide an environment that enables employees to give their best performance.

Towers Watson understands the critical linkages between health outcomes and business drivers such as engagement and productivity together with the complexity of Global Health and Wellbeing programmes. A global strategy that offers guidance for local decisions gives multinational organisations flexibility to operate most efficiently in each country – it is important to recognise the challenges faced by organisations, including:

- Navigating the significant variety in the health care systems, market practices and culture across different countries
- Identifying appropriate vendors who understand the local challenges
- Managing the limitations in information and services that can be obtained in some countries

Towers Watson believes its experience is valuable in assisting BITC with furthering the success of its Workwell Campaign.

Introduction to the Company Public Reporting Framework

Introduction

In developing a company reporting framework, the Steering Group looked at what companies are currently reporting on engagement and wellbeing based on their own practice, the FTSE 100 reporting trend research conducted by Ipsos MORI (March 2011), as well as considering the latest thinking on best practice. Common threads emerged such as staff survey results, staff turnover, sickness absence trends and talent and skills development.

A clear and early conclusion was that one size doesn't fit all when it comes to employee engagement and wellbeing reporting. As such there was no easy way of benchmarking this data. Frequency of reporting varied as did the amount and detail of management information reported on publicly. Companies were at different stages of implementing employee wellness and engagement policies. Different companies in different sectors will use different interventions that support the demographics of their business. The Steering Group recognised that aligning company reporting to BITC's Workwell Model is a means of adding value. This leads to greater consistency of reporting and creates a platform for benchmarking company performance on wellness and engagement.

The Steering Group set out to construct a template for reporting on wellness and engagement linked to the BITC Workwell Model. The aim was to map for each of the four quadrants, and central segment of the Model, the corresponding:

- **Input or management characteristics** – e.g. the company approaches, policies and initiatives.
- **Output or outcomes characteristics** – e.g. the resulting actions demonstrated in the workforce and/or organisation as a whole, and their corresponding.
- **Metrics** – e.g. the quantitative measure report that provides hard evidence that management (and investors) need to see to determine whether the interventions were working.

The metrics selected were kept as generic as possible (rather than by sector, although companies are encouraged to consider and explain why some metrics are more relevant to their business than others). Previously these were graded according to different levels of practice, however, in practice, metrics reported tend to be determined by specific factors within any given organisation and therefore what may be complex for one organisation is not for another.

The framework contains simple descriptors which a range of disciplines from HR, health and safety, talent management or employee engagement can interpret silo metrics to gain a picture of how sets of measures add up to a holistic and integrated policy that will impact on business performance.

Why the narrative is as important as the numbers

CIPD research shows that investors are interested in human capital management (HCM) information if it is rooted in a business context and provides insight into what drives sustainable organisation performance.

Context is critical in terms of explaining the company's current operating environment as well as the challenges it faces and the drivers of performance – past, current, and future.

Context provides a perspective in which to interpret the data and evaluate management effectiveness. It also impacts on the appropriateness of different approaches at different times. This means that the narrative accompanying any published HCM measures or metrics is arguably as important as the numbers themselves.

Human capital management is interested in data which provides useful benchmarking with organisations within the same sector and of comparable size, as well as trend data which tracks changes within an organisation over time.

How this data is interpreted depends on many factors. The state of the labour market, wage settlements, inflation, the extent to which people feel secure in their jobs and the state of the jobs market will all have an impact on employee relations, absence levels, turnover and numbers of disciplinary and grievance cases.

For example, CIPD research into employee absence levels showed that average employee absence levels across the UK dipped significantly following the recession of 2008 and subsequent economic downturn, as heightened employee concern over job security had the effect of improving attendance. Any business reporting on absence levels would need to reference this wider trend in relation to what had happened within the organisation in order to provide context and meaning for its reported employee absence rates.

This is why narrative reporting is as important as numbers. Telling a story is a way companies can share their interpretation of the data with their investors. A clear narrative sets the scene in terms of where the company has been and where it is heading.

Some metrics will be more important at different times in specific instances e.g. within some financial services organisation issues such as values, culture, leadership and staff engagement have come more into focus following the financial crisis. Narrative reporting should reflect that.

Companies can shed light on how they are addressing key issues, by disaggregating the raw data by business units or sub groups of employees. For example, figures on tenure rates among high potential staff can be used to construct a narrative that shows the organisation is focusing on talent management as a priority.

Narrative reporting can put HCM metrics in the context of:

- Trend data
- Benchmarking data with organisations of same size/sector
- National/local statistics on:
 - Employee absence/causes of absence
 - Wage settlement data
 - Employment relations – increase or decrease in working days lost to strike action
 - Employment tribunal numbers

Employee Narrative Reporting

Where organisations operate internationally, it will be useful if they can provide national comparisons on key data in the different countries they operate in order to provide insight into the performance of very diverse business units.

It will also be important to provide information on the political and regulatory landscape within different countries as this will have a significant impact. The variety in different employee relations landscapes and legal frameworks across the different countries a business might operate in means that the narrative is critical in making sense of the numbers. Legal requirements can also interfere with consistent reporting: for example, reporting on age profile is difficult in the US because of discrimination laws.

Ben Willmott

Head of Public Policy, Chartered Institute of Personnel and Development (CIPD)

CIPD is a Strategic Partner of the BITC Workwell campaign, and member of the Steering Group for the Public Reporting Guidelines.

Effective narrative reporting is critical to enable investors, potential employees and other stakeholders to understand the context of the metrics. The most successful narrative reporting is shown by those organisations that have a clearly structured CSR or sustainability report with a section on employees and their engagement and well-being. Good narrative reporting is not merely a description of the organisation's policies; it should describe each metric in relation to historic and benchmark performance so that readers can understand 'why they are where they are'. It should ideally be looking into the future with a target for the metrics and a timescale for achievement, whether 12 months or longer.

A good narrative should clearly articulate the 'journey of improvement' that the organisation is undertaking. It should describe actions that the organisation has taken and plans to take in order to improve performance in that area and to achieve its objectives. In addition, it should also point out particular risks, challenges or potential barriers (such as legal obstacles) that can have an impact on the metrics. The narrative should also clearly link back to those particularly critical "people metrics" that feature in the organisation's balanced scorecard.

Justin Crossland

Senior Consultant, Towers Watson

Towers Watson is a Strategic Partner of the BITC Workwell campaign, and member of the Steering Group for the Public Reporting Guidelines.

Investors are seeking strong key performance metrics against which companies can disclose. This will provide an ability to analyse company performance over time and identify those companies that are laggards and leaders. In addition, these key performance metrics need to be supported by quality narrative reporting in order to contextualise these metrics and provide clarity as to a company's approach.

Amanda Young

SRI Officer, Newton Investment Management

Investor representative on behalf of the PRI-coordinated Engagement on Employee Relations Steering Committee.

Company Public Reporting Framework

‘Employee footprint’

Accompanying the reporting suggested in the template framework below, companies are recommended to provide some narrative reporting on the past, and existing, employee composition and dynamics, or the ‘employee footprint’, to draw the parallel with carbon footprinting, where companies map out their carbon impacts along the value chain. Such employee audit information is useful for the audience as it provides the context on which they can judge the effectiveness of future management practices and associated targets.

Narrative commentary complementing the metrics reporting

Companies should not rely solely on reporting quantitative metrics. Narrative reporting should accompany the statistic, given the context for interpreting the data. The commentary should be open and frank, highlighting the ongoing challenges as well as the successes.

Metrics

Such metrics may be in an aggregated or disaggregated form, and may include a combination of management (process) metrics and performance (impact) metrics. There should be time series data associated with the metrics so the audience gets a sense for the performance trend and trajectory of travel. Performance metrics should also include a balance of leading and lagging indicators. The audience is looking for evidence which demonstrates the costs/risks avoided as well as the benefits realised. In some instances, qualitative narrative, in the form of case studies, can be helpful in demonstrating the impact of company efforts.

The proposed metrics are intentionally generic although there is a recognition that a ‘one size fits all’ to metrics development is not possible. However these metrics do represent a useful basis on which to considering reporting. As such, companies are encouraged to ‘comply or explain’ why, in their specific instances, such a proposed metric is not appropriate, and propose alternatives.

Reporting format

From the investor and analyst perspective, public reporting aids corporate transparency and accountability. Therefore in order to successfully convey the messages outlined in the guidance, such reporting needs to be easily accessible and communicated in a structured and considered format.

The more successful format for public reporting is typically through the Annual Report documents published by organisations, in particular through Corporate Social Responsibility (CSR) reports. It is recommended that either the use of this medium, or some other dedicated section of an organisation’s website, is used to consolidate as much as possible. Clearly this is not appropriate for all reporting, however, consideration should be given to how accessible publicly reported metrics and narrative are.



Principles

Employee engagement and wellbeing management best practice is defined according to the following principles:

1. Demonstrating a robust employee engagement and wellbeing strategy linked to securing business objectives.
2. Ensuring a strategic approach to skills and talent that meets current and future business needs.
3. Ensuring employee communication and voice supports engagement.
4. Taking a proactive approach to building physical and psychological resilience to support sustainable performance.
5. Providing a safe and pleasant environment that supports wellbeing and productivity.

 Business benefits

 Employee actions recommended by Foresight Mental Capital Report

 Employer actions recommended by BITC

* Using 'good work' criteria defined by Coats and Lehki (September 2008)

Metrics Framework Definitions

The metrics framework definition tables on the following pages give some examples of how the metrics included in the template matrix might be calculated by large companies. These are not intended to be definitive, rather they are suggestions which some companies may wish to adopt. There may be equally valid metrics relevant to specific companies and specific industry sectors, and equally valid methods for expressing the metrics included in the template matrix. Some data may not be relevant in certain geographies and, indeed, it may not be lawful for employers to collect it in certain jurisdictions. Of course, it is important for companies to explain the basis of their calculations so that investors can accurately interpret the data included in public reporting.

Creating a happy, engaging environment of 'good work' which, according to a Work Foundation report by Coats and Lehki (September 2008) is characterised by:

- A management style and an organisational culture that promotes mutual trust and respect
- Employment security
- Talent management
- Job design: task and variety challenge
- Autonomy, control and task discretion
- Non monotonous and repetitive work
- Employee voice

Input characteristics The company demonstrates:	Output characteristics The workforce / organisation demonstrates:	Metrics (Mix of management, impact KPIs)
Clear values and principles for employee behaviour.	A culture of respect and ethical behaviour.	
Skills development policies and training programmes.	A learning culture of continual development.	Company funded training time per person.
Attention to job design.	A sense of empowerment.	Results of annual job satisfaction or engagement survey.
Formal mechanisms for consultation with employees.	A collaborative team working ethos.	Length of tenure of staff.
Board director with direct responsibility for employee wellness and engagement.	Collaborative behaviour with evidence of taking personal responsibility for health and wellbeing.	
Leadership and people management training.	Understanding of and alignment with business priorities.	Proportion of senior positions filled by internal applicants.
		Trend results of annual engagement survey and intermediate pulse surveys.
Management scorecards that include performance on employee wellness and engagement.	Joint initiatives between the company and employee representatives to promote health and wellbeing.	Trend for engagement aligned to the strategic goals of the company as measured through multiple channels at least quarterly.

Better Work – Metrics Framework Definition

Results of annual job satisfaction or engagement survey	Calculation
Employee opinion survey conducted annually and gauging the proportion of People in Post (PiP) satisfied with the company, their job and wanting to stay.	$\frac{\text{Number of PiP responding positively} \times 100}{\text{Number of PiP responding to survey}}$
Trend results of annual engagement survey and intermediate pulse surveys	Calculation
Staff engagement as measured by a standardised question set, administered at least annually to the whole workforce and supplemented by intermediate sample surveys, to construct an Employee Engagement Index (EEI) reported over multiple years.	EEI shown as a mean response on a 1-5 scale and reported over (minimum) of 3 years.
Trend for engagement aligned to the strategic goals of the company as measured through multiple channels at least quarterly	Calculation
Staff engagement dashboard measured by standardised question sets, administered quarterly to the whole workforce and/or representative samples, to gauge Employee Engagement Index (EEI), Wellbeing Index, Performance Support Index and Confidence in senior leader decisions and direction and reported over multiple years.	Composite dashboard of EEI, Wellbeing, Performance Support and Confidence in Leaders shown as a mean response with confidence intervals on a 1-5 scale and reported over (minimum) of 3 years.
Company funded training time per person	Calculation:
Internal and external training funded by the company expressed as days per People in Post (PiP) per year.	$\frac{\text{Total training days completed during year}}{\text{Average PiP for the year}}$
Length of tenure of staff (Entry)	Calculation:
Staff retention shown as length of service in proportion to the demographics of the workforce and expressed as average tenure by age band.	Average length of service shown by 10 year age bands.
Proportion of senior positions filled by internal applicants	Calculation:
Internal appointments to senior positions expressed as percentage of vacant executive level posts filled by internal candidates per year.	$\frac{\text{Posts filled by internal candidates per year} \times 100}{\text{Total PiP at same point in time}}$

Better Relationships

Good relationships – at work and at home – provide the ‘social capital’ which individuals need to maintain mental health and engagement.

Promoting and enabling better communication and social cohesion to support good relationships in the workplace particularly among:

- Line manager
- Team colleagues
- Support networks

Relationships outside work (family and friends) can also be supported through flexible working practices and through involvement in social initiatives.

Input characteristics The company demonstrates:	Output characteristics The workforce / organisation demonstrates:	Metrics (Mix of management, impact KPIs)
Flexible working policies including job shares.	Flexible attitudes to changes in work practice.	Proportion of workforce with agile working arrangements.
Family-friendly policies (maternity and carer responsibility) and facilities (e.g. crèche).	Loyalty to the company.	Proportion of women returning after maternity leave.
Promotion of team working.	Pride in the job.	Grievance cases as a spot rate.
Managers’ appraisals that are linked to their people management capability.	A perception of organisational justice.	Trend data for grievances upheld.
An employee volunteering policy.	Personal development with skills learnt in the community brought back into the company.	Volunteering commitment.
Promotion of working across organisational boundaries.	Pride in the team.	Proportion of requests for agile working accepted.
Managers that are developed to be coaches/mentors.	Continuous improvement in skill levels and performance.	Performance trend in external surveys of employee engagement.
Promotion of external relationships with professional bodies and academic institutions.	Pride in the company.	Proportion of entitled staff taking up maternity leave sharing arrangements.

Better Relationships – Metrics Framework Definition

Proportion of workforce with agile working arrangements	Calculation
Number of staff per year with agreed flexibility in work location and/or working hours expressed as a percentage of the total People in Post (PiP).	$\frac{\text{PiP with flexibility arrangements} \times 100}{\text{Total PiP at same point in time}}$
Proportion of requests for agile working accepted	Calculation
The number of agile working requests acceded to expressed as a percentage of the number of requests made.	$\frac{\text{Number of agile working requests accepted per year} \times 100}{\text{Number of people making a request for agile working per year}}$
Proportion of women returning after maternity leave	Calculation
Number of women per year returning to employment for at least 12 months on completion of their agreed spell of maternity leave (including adoption) expressed as a percentage of all women taking maternity leave in the same period.	$\frac{\text{Women returning from maternity leave per year} \times 100}{\text{Women taking maternity leave in the same period}}$
Proportion of entitled staff taking up maternity leave sharing arrangements	Calculation:
Number of people who take up their entitlement to share maternity leave expressed as a percentage of people entitled to make such an arrangement.	$\frac{\text{Number of people sharing maternity leave per year} \times 100}{\text{Number of people entitled to share maternity leave per year}}$
Grievance cases as a spot rate	Calculation:
Number of people raising a formal grievance in the year expressed as percentage of People in Post (PiP).	$\frac{\text{Number of people raising a formal grievance} \times 100}{\text{Average PiP for the year}}$
Trend data for grievances upheld	Calculation:
Number of people whose formal grievance is upheld expressed as a percentage of the total number of people raising a grievance per year reported over multiple years.	$\frac{\text{Grievance cases upheld per year} \times 100}{\text{Grievance cases raised per year}}$
Volunteering commitment	Calculation:
Volunteering undertaken in paid company time expressed as days per average number of Full Time Equivalent staff (FTE) per year.	$\frac{\text{Volunteering days completed during year}}{\text{Average FTE for the year}} \text{ over (minimum) 3 years}$
Performance trend in external surveys of employee engagement	Calculation:
Participation in external benchmarks and/or surveys for high performing companies (e.g. Great Places to Work, Gallup G12, Towers Watson, etc) demonstrating improving and/or sustained performance with external recognition (e.g. CIPD, CBI, Observer, etc).	Trend data showing ranking in external benchmarks or surveys of employee engagement reported over (minimum) 3 years.

Better Relationships – Case Studies

RBS Group

RBS offers all employees the opportunity to achieve better work-life balance through RBS Choice, a flexible working initiative. This provides staff with comprehensive options on how, where and when they work. There are now 23,000 RBS employees working flexibly. This is publicly reported effectively with a strong narrative which links flexible working back to engagement survey scores.

To see how RBS Choice is reported publicly, please go to: www.rbs.com/sustainability/employee-engagement/flexible-working-solutions.html

A full case study is shown on the BITC website: www.bitc.org.uk/our-resources/case-studies/better-relationships-rbs



The screenshot shows the RBS Group website. At the top, there's a navigation bar with links for Digital banking, Careers, Worldwide locations, and Our businesses. Below this is the RBS Group logo and a search bar. The main navigation menu includes Home, About us, Customers, Investors, News, and Sustainability. The Sustainability section is expanded, showing a list of topics: RBS and sustainability, Fair banking, Supporting enterprise, Employee engagement (selected), Progress and priorities, Remuneration, Supporting our people during restructuring, Diversity and inclusion, Employee representation, Listening to our people, Developing our people, Flexible working solutions (highlighted), Employability, Wellbeing, and Employee volunteering and. The 'Flexible working solutions' page is displayed, featuring a headline 'Flexible working solutions' and a sub-headline 'Highlights in 2012'. A large graphic shows '20,000 employees currently are supported by the Group in working flexibly'. The page also includes a 'Read on' section with a link to 'Employability'.

Better Relationships – Case Studies

Barclays

Barclays aims to enable employees to support charitable causes. Through volunteering, matched fundraising and regular giving opportunities. Barclays runs engagement initiatives which encourage employees to use their time and skills to help support local communities.

Make a Difference Day is Barclays' annual volunteering campaign, asking people to give time and skills to build on colleagues' existing activity in their local community throughout the year. This campaign is the single biggest driver of active colleague engagement in the Barclays' citizenship agenda, allowing the bank to engage and unite its colleagues worldwide.

In 2012, 17,200 Barclays employees in 34 countries volunteered during Make a Difference Day.

Please go to: <http://group.barclays.com/aboutbarclays/citizenship/supporting-our-communities>

A full case study is shown on the BITC website: www.bitc.org.uk/our-resources/case-studies/better-relationships-barclays



Other Barclays sites ▾ Citizenship Careers Sponsorship Investor Relations News Contact us

About Barclays Individuals Corporates and Institutions

Citizenship ▸ Supporting our communities ▾

Supporting our communities

Building Young Futures in Egypt. Photo credit: M El-Dakhkry

In this section:

- Supporting our communities
- Key facts and figures
- Our partners
- Our programmes
- Case studies

Related links:

- Community programmes
- Employee programmes

By aligning our community investment strategy to our skills and experience as a bank, the positive impact is much more than just a financial contribution.

In 2011, we invested £63.5 million and supported 73,000 employees in our community programmes across 34 million people around the world.

One of the biggest challenges facing communities now is equipping the next generation of young people to fulfil their potential. Barclays is helping tackle this issue by investing in community projects that help develop enterprise and life skills of 10 - 35 year olds to help them achieve economic independence and secure their future.

With the right financial skills, disadvantaged young people will know how to manage their finances and have the confidence and knowledge to create a stable financial platform from which to make choices and achieve future goals.

With the right skills and support to set up their own business, young people will have the opportunity to help themselves, their families and support growth of the wider economy.

Key facts and figures

Get the latest facts and figures about our community investment programmes, and find out about our donations policy.

Barclays community investment figures

	2011	2010	2009
Total community investment	£63.5m	£55.3m	£54.9m
Amount raised by employees through matched fundraising	£24.2m	£18.0m	£16.3m
Amount given by employees through payroll giving	£2.5m	£2.1m	£2.0m
Number of employees receiving support for fundraising, volunteering and giving	73,000	62,000	58,000
Number of employee fundraisers	21,000	15,000	14,000
Number of employee volunteers	46,000	35,000	36,000

Better Specialist Support

Better specialist support can help teams manage health issues at work or facilitate a more efficient return to work for those off work.

Better support and interventions to manage Health and Wellbeing can be provided by:

- Occupational health
- Human resources
- Employee assistance/counselling
- Training for line managers and employees

Input characteristics The company demonstrates:	Output characteristics The workforce / organisation demonstrates:	Metrics (Mix of management, impact KPIs)
Attendance/absence management policies that are not punitive.	Fewer spells of short term absence and shorter duration of extended absences.	Sickness absence as a spot rate.
Access to occupational health advice.	Increased trust in the company and its agents.	Uptake / utilisation rate for occupational health service.
Manager defined adjustments to aid rehabilitation and speed return to work.	Improved cooperation with return to work plans.	
Health and wellbeing policies linked to enhanced personal and business performance.	Improved physical fitness and psychological resilience.	Sickness absence as a trend over time.
Access to Employee Assistance Programmes (EAP) that provide a broad range of advisory services on a confidential basis.	Greater responsibility in addressing issues that might impact on work.	Uptake / utilisation rate for Employee Assistance Programme (EAP) and related schemes.
Access to specialist adjustments advisory services.	More flexibility in adapting to work and customer requirements.	Duration of extended absences.
A comprehensive framework of resources and services that address prevention, early intervention and rehabilitation for both physical and psychological health issues.	A shared responsibility for overcoming obstacles to delivering high performance.	Sickness absence trends broken down by major causes and benchmarked against relevant indices.
		Proportion of entitled staff taking up maternity leave sharing arrangements.
		Rate of rehabilitation into their own job for workers absent for an extended period.
		Customer satisfaction of employees making use of services provided.

Better Specialist Support – Metrics Framework Definition

Sickness absence as a spot rate	Calculation
Number of days lost per year due to sickness absence expressed as the percentage of the working days ¹ available for the population in that period.	$\frac{\text{Working days lost to sickness per year} \times 100}{\text{Working days available in the same year}}$
Sickness absence as a trend over time	Calculation
Number of days lost per year due to sickness absence expressed as the percentage of the working days available for the population in that period showing retrospective data for multiple years.	$\frac{\text{Working days lost to sickness per year} \times 100}{\text{Working days available in the same year}} \text{ over (minimum) of 3 years}$
Sickness absence trends broken down by major causes and benchmarked against relevant indices	Calculation
Number of days lost per year due to sickness absence expressed as the percentage of the working days available for the population in that period showing retrospective data for multiple years. Data to be broken down by major disease categories aligned to a recognised classification system (e.g. ICD 10) and benchmarked against published sources of information (e.g. CIPD, HSE, CBI, etc). Main categories are likely to include musculo-skeletal disorders and mental health problems; differentiating between work related and non work related absences is desirable.	$\frac{\text{Working days lost per year by disease category}^2 \times 100}{\text{Working days available in the same year}} \text{ over (minimum) of 3 years}$
Uptake / utilisation rate for occupational health service	Calculation:
Number of personal cases dealt with by the occupational health service in providing support to the company and the workforce expressed as completed referrals per 1,000 People in Post (PiP) per year.	$\frac{\text{Completed OHS referrals}^3 \text{ per year} \times 1,000}{\text{Average PiP for the year}}$
Uptake / utilisation rate for Employee Assistance Programme (EAP) and related schemes	Calculation:
Number of personal cases dealt with by the Employee Assistance Programme, or equivalent, in providing support to the workforce expressed as completed cases per 1,000 People in Post (PiP) per year.	$\frac{\text{Completed EAP cases per year} \times 1,000}{\text{Average PiP for the year}}$
Duration of extended absences	Calculation:
The average duration of spells of absence lasting more than one month for people returning to work expressed as days absence and shown as a trend over multiple years.	$\frac{\text{Working days lost to spells of sickness lasting over one month per year}}{\text{Spells of sickness absence of over one month in the same year}}$

¹ Organisations that measure calendar days rather than working days can convert the rate as follows – exclude from the denominator average leave entitlement, public holidays and other non work days (e.g. weekends) for the whole population being measured.

² A subdivision of this data into work related and non work related time lost is desirable where “work relatedness” is determined by an objective observer (e.g. occupational physician) against predetermined inclusion criteria.

³ A subdivision of this data into self referral, management referral and occupational risk related health surveillance would raise the maturity level to Intermediate (I)

continued on the following page

Better Specialist Support – Metrics Framework Definition

Rate of rehabilitation into their own job for workers absent for an extended period	Calculation:	
Proportion of workers per year who have been absent through illness or injury for more than 3 months that return to work in their substantive post and remain employed for at least 12 months expressed as a percentage of all closed ⁴ absences exceeding 3 months.	$\frac{\text{Workers returning to own job after extended absence per year} \times 100}{\text{All extended absence cases closed}^4 \text{ in the same period}}$	⁴ Closure includes redeployment, termination, retirement, etc.
Customer satisfaction of employees making use of services provided	Calculation:	
Satisfaction of employees using support services with the resource provided by the employer expressed as a percentage of those rating services “good” or better in a representative customer satisfaction survey against the total number of those responding to the survey.	$\frac{\text{Number of service users rating services “good” or above per year} \times 100}{\text{Number of service users responding to the survey in the same period}}$	over (minimum) of 3 years

Better Work	Section 1
Better Relationships	Section 2
Better Specialist Support	Section 3
Better Physical and Psychological Health	Section 4
Working Well Central Section	Section 5

Better Specialist Support – Case Studies

Anglo American

Anglo-American seeks to proactively identify and manage the source of potential health risks, and to eliminate exposure to hazards that can cause disease to develop. It has introduced health and wellness programmes to tackle wider wellbeing issues, as well as preventing occupational health hazards. Principal occupational health risks relate to noise, inhalable hazards (mainly dust), and fatigue. On top of these initiatives, Anglo American's employee health and wellness programme includes a strong emphasis on combating HIV/AIDS and tuberculosis (TB) within its workforce and their families. It is internationally recognised for its leadership in this area.

Anglo-American reports disease and occupational health data effectively, with a strong narrative and trend data. This data is also included in the people section of its management scorecard.

To see how this is reported publicly, please go to: www.angloamerican.com/development/safety-and-health/health-and-wellbeing/approach, pp. 10 and 20-28 of the Sustainability Report www.angloamerican.com/~media/Files/A/Anglo-American-Plc/reports/AA-SDR-2011.pdf and the OH Management System Standards: www.angloamerican.com/~media/Files/A/Anglo-American-Plc/siteware/docs/occuphealthway.pdf

A full case study is shown on the BITC website: www.bitc.org.uk/our-resources/case-studies/better-specialist-support-anglo-american



Anglo American

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Sustainable development

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Health and wellbeing

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Another of our core values, care and respect, forms the basis of all of the Group's health programmes. Our vision is that no employee is harmed by working at our operations, and that the health of those who work for us is improved.

RELATED CONTENT

- Reports »
- Policies, standards and commitments »

MEASUREMENTS AND TARGETS

FOCUS	2011 TARGET	2011 PERFORMANCE	2012 AND FUTURE TARGETS
PEOPLE			
Talent On track page 24	100%	100%	100%
Health On track page 25	100%	100%	100%
Our people Safety & health and wellbeing performance standards			
Social performance On track page 26	100%	100%	100%
Human rights On track page 27	100%	100%	100%
Environment On track page 28	100%	100%	100%
Enterprise On track page 29	100%	100%	100%
SOCIETY			
Enterprise development On track page 30	100%	100%	100%

OUR PEOPLE

22%
Percentage of employees with access to health services

51%
Percentage of employees with access to health services

\$79m
Amount invested in health services

OUR STRATEGY AND MANAGEMENT APPROACH

Our human resource strategy is designed to ensure that we have the right people in the right places, with the right skills and experience, to drive our business forward. We focus on attracting, developing and retaining talent, and on ensuring that our people are engaged and motivated. We also focus on ensuring that our people are healthy and safe, and that they have access to the services and support they need to thrive. We are committed to ensuring that our people are treated with respect and dignity, and that they have a say in how our business is run. We are also committed to ensuring that our people are given the opportunity to develop their skills and experience, and that they are given the opportunity to advance their careers. We are committed to ensuring that our people are given the opportunity to contribute to the success of our business, and that they are given the opportunity to make a difference to the world.

Better Specialist Support – Case Studies

National Grid

National Grid effectively reports sickness absence data with trend data that is accompanied by a narrative that explains what the organisation is doing to reduce the absence rate, particularly that caused by musculo-skeletal problems.

Please go to: www.nationalgrid.com/corporate/Our+Responsibility/Reporting+our+Performance/health_safety/wellbeing

A full case study is shown on the BITC website: www.bitc.org.uk/our-resources/case-studies/better-specialist-support-national-grid

nationalgrid

The screenshot shows the National Grid website's 'Responsibility' section. The main heading is 'The wellbeing of our employees'. Below this, it states: 'A fault in one of our back office systems means that we are unable to report our employee sickness rate for 2012/13.' It then lists 18 wellness programmes run across the company, including 'Elephant in the room', fitness challenges, healthy eating campaigns, cardio-vascular screening, weight management, Bike to Work week, 'I taste it, try it, live it' (won American Heart Association's Worksite innovation award for 2012), quit smoking sessions, and Fruit and Veggie smoothie week. It also mentions separate UK and US employee helplines for advice and guidance on various issues.

Better Specialist Support – Case Studies

Alliance Boots

Alliance Boots aims to ensure that line managers have access to the information and tools to support their colleagues' physical and mental wellbeing and to help facilitate a more efficient transition back to work for those returning from absence.

It publicly reports trends in sickness/absence data. The narrative explains the trends in the data, and links back to the actions the company is taking, such as its 'Return to Work' interviews, an Occupational Health Service and an Employee Assistance Programme (EAP).

Please go to: www.allianceboots.com/CorporateSocialResponsibilityReport2011-12

A full case study is shown on the BITC website: www.bitc.org.uk/our-resources/case-studies/better-specialist-support-alliance-boots

A screenshot of the Alliance Boots Corporate Social Responsibility Report 2011/12 website. The page has a green and blue color scheme. At the top, it says "Building a sustainable group for a better world" and "Corporate Social Responsibility Report 2011/12". There are navigation tabs for "Our approach", "Community", "Workplace", "Marketplace", "Environment", and "Stories". The "Workplace" tab is selected. The main content area is titled "Employee health" and includes a narrative about the company's commitment to employee health and wellbeing. Below this is a table showing "Employee absence rates due to illness" by division for the year ended 31 March 2012, comparing 2012* and 2011 data. The table shows a decrease in absence rates across all divisions. A note states that the data is within KPMG's limited assurance scope. Below the table, there is a paragraph explaining the improvement in the Pharmaceutical Wholesale Division. At the bottom, there is a section titled "Our Workplace stories of 2011/12" with a photo of a man in a lab coat and a "Cycle crossing ahead" sign.

By division	2012*	2011
	%	%
Continuing operations		
Health & Beauty	2.6%	2.9%
Pharmaceutical Wholesale	2.8%	5.0%
Contract Manufacturing & Corporate	3.5%	4.0%
Group	2.7%	3.3%

* Within KPMG's limited assurance scope

Better Specialist Support – Case Studies

EDF Energy

EDF Energy's Employee Support Programme (ESP) provides all employees with the opportunity to access psychological services on a completely confidential basis as well as facilitating round table discussions between employees, occupational health, HR and line managers to review work plans and make appropriate adjustments where necessary. Training programmes are run through the ESP on stress awareness and resilience as well as on building resilience through change.

Since the initiative has been in place there has been a significant reduction in the percentage of employees off work by the time they access support through the ESP (from 28% in 2003, to 14.7% in 2012). More employees have also successfully returned to work after mental-health related sickness absence with a very low relapse rate.

Please go to: www.edfenergy.com/about-us/mission-ambitions/zero-harm.shtml

A full case study is shown on the BitC website: www.bitc.org.uk/our-resources/case-studies/better-specialist-support-edf-energy



A screenshot of the EDF Energy website. The header includes the EDF Energy logo, a search bar, and navigation links: 'At Home', 'For Business', 'Large Business', 'Our Energy', 'Energy Future', 'About Us', 'Careers', and 'Media Centre'. The main content area features a large image of construction workers in safety gear. To the left of the image is a sidebar menu with links: 'Our Mission & Ambitions', 'Ambitions at a glance', 'Leadership in Sustainability', 'Zero Harm' (highlighted), 'Strong financial performance', 'High performing people', 'First choice for customers', and 'Leading the way in nuclear'. Below the image, the text reads: 'Our Ambition: To achieve a world-class, zero harm safety record'. Further down, it states: 'We believe that all harm is preventable so our aim is zero harm.' This is followed by a paragraph explaining the commitment to safety and a section titled 'Our performance in 2011:' which details the reduction in lost-time incidents (LTI) frequency rate and the improvement in the severity of incidents. A yellow circular button in the bottom right corner says 'Back to home page' with links to 'See assurance report' and 'Download pdf of 2011 Performance Summary'.

Better Physical and Psychological Health

Create a safe and pleasant work environment by:

- Promoting a physically safe working environment with optimal air quality, temperature, noise, lighting and layout of work spaces.
- Promoting healthy behaviours such as emotional resilience which builds self esteem, healthy eating, physical activity, smoking cessations, sensible drinking and avoidance of drug misuse.

Input characteristics The company demonstrates:	Output characteristics The workforce / organisation demonstrates:	Metrics (Mix of management, impact KPIs)
Suitable and sufficient health and safety training for workers and managers.	Awareness of risks to themselves and others impacted by their activities.	Statutory health and safety reporting.
Provision of advice on personal behaviours that promote improved health and wellbeing.	An understanding of key behaviours on current and future health status.	Workforce demographics marking health status.
An internal quality management system for health and safety with analogous requirements placed on contractors.	Acceptance of some responsibility for the health and safety of themselves and others they are working with directly.	Trend health and safety data.
Provision of company programmes and campaigns to promote health and wellbeing.	Participation in programmes and campaigns to improve their own health and wellbeing.	Trend in workplace demographics marking health status.
A certificated, externally validated health & safety management system (e.g. ISO 18001) with analogous requirements placed on contractors and suppliers.	Commitment to shared responsibility to prevent all avoidable harm to themselves, their colleagues and the public.	Trend health and safety data aligned to strategic commitments and measured through multiple channels.
Provision of an integrated health promotion system that addresses both physical and psychological wellbeing and incentivises sustained improvement.	Sustained behavioural change that benefits their own health and wellbeing and that of those around them.	Trend in objective measures of health and wellbeing.

Better Physical and Psychological Health – Metrics Framework Definition

Statutory health and safety reporting	Calculation
Level of health and safety incidents which are reportable by statute (e.g. those defined under the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations [RIDDOR]) per year expressed as a rate per million working hours and benchmarked against sector performance.	$\frac{\text{RIDDOR reports per year} \times 1,000,000}{\text{Total hours worked}^1 \text{ in the same period}}$
Trend health and safety data	Calculation
The trend for all lost time health and safety incidents (LTI) expressed as a rate per million working hours showing retrospective data for multiple years and benchmarked against all industry performance.	$\frac{\text{LTI per year} \times 1,000,000}{\text{Total hours worked in the same period}}$ over (minimum) of 3 years
Trend health and safety data aligned to strategic commitments and measured through multiple channels	Calculation
A dashboard showing the trend for all incidents (including near misses and motor accidents) broken down by type (e.g. slips/trips/falls, work at height, struck by moving object, etc), benchmarked externally against high performers, targeted for improvement and reported over multiple years.	$\frac{\text{Incidents/Near Misses/Vehicle Accidents per year} \times 1,000,000}{\text{Total hours worked/miles driven in same period}}$ over (minimum) of 3 years
Workforce demographics marking health status	Calculation:
Self reported data showing the prevalence of behaviours (e.g. smoking, alcohol consumption, exercise levels) and anthropomorphic characteristics (e.g. Body Mass Index (BMI), waist size, etc) known to influence health outcomes expressed as a percentage of the People in Post (PiP) at the time of the survey.	$\frac{\text{Number of Smokers, Obese}^2, \text{ etc} \times 100}{\text{Total PiP at same point in time}}$
Trend in workforce demographics marking health status	Calculation:
Description of workplace health promotion programmes with participation rates and evaluation including the impact on self reported health physical and psychological factors expressed as rates measured over time.	$\frac{[\text{Number of Smokers, Obese, Stressed}^3, \text{ etc}] \times 100}{\text{Average PiP for the year}}$
Trend in objective measures of health and wellbeing	Calculation:
Description of workplace health promotion programmes with participation rates and evaluation including the impact on objective measures gathered through activities such as health screening and expressed as a dashboard of established risk factors ⁴ (e.g. blood pressure (BP), cholesterol, glucose, impaired mental health ⁵ , etc) measured over time.	$\frac{[\text{Number with elevated BP, cholesterol, glucose, impaired mental health}^5] \times 100}{\text{Total PiP at same point in time}}$

¹ Total hours worked can be measured directly from timesheets or a standard conversion factor per FTE can be used based on the anticipated number of working days multiplied by the standard daily hours. Where available, overtime hours should be included in the calculation.

² Obesity classed as having a BMI in excess of 30.

³ Stress as a self reported description

⁴ Risk factors may be consolidated into a single Health Risk Assessment score provided the methodology is a valid instrument subject to peer review and benchmarkable.

⁵ Impaired mental health assessed using a validated psychological tool (e.g. GHQ, PHQ9, etc) and graded according to established cut off points.

Better Physical and Psychological Health – Case Studies

Johnson Matthey

Johnson Matthey is a global speciality chemicals company with around 10,500 employees in over 30 countries. It has been focusing on improving workplace health programmes following the introduction of a revised corporate health management strategy in 2005 to strengthen workplace health protection and to promote good general health, wellbeing and performance of the workforce. This has been reflected in its public reporting of wellness and engagement. It is particularly effective at reporting Occupational Health and Safety with excellent trend data and a strong narrative.

To see how Johnson Matthey publicly reports Better Physical and Psychological Health, please go to pages 66-71 of the Annual Report: www.matthey.com/AR13/

A full case study is shown on the BITC website: www.bitc.org.uk/our-resources/case-studies/better-physical-and-psychological-health-johnson-matthey



Working Well (Central Section)

Position employee engagement and wellbeing as a boardroom issue.

Wellbeing is comprised of the mutually supportive relationship between the physical, psychological and social health of the individual.

Towers Watson

Engaged employees work with passion, commitment and trust to drive and sustain their flourishing organisation.

BITC

Engagement combined with wellness enables sustained employee performance.

Characteristics of a company that is working well include:

- Employees feel trusted and that their work is valued and makes a difference.
- Employees believe their views are respected and considered.
- A proactive approach to employee physical, psychological and social wellbeing.
- Customers and business partners proactively want to work with the company and its employees.
- Employee and company aims and objectives are aligned in a way that generates win-win for both parties.

Input characteristics The company demonstrates:	Output characteristics The workforce / organisation demonstrates:	Metrics (Mix of management, impact KPIs)
Recognition of the link between employee engagement and wellness to business performance.	Awareness of risks to themselves and others impacted by their activities.	Staff turnover as a spot rate.
		External awards.
Invests material resources, meaningful time and commitment to the implementation of employee wellness and engagement efforts.	Board level director can speak competently and provide evidence to illustrate how employee practices are impacting on achievement of business objectives. Responsibility for wellbeing and engagement is clearly stated.	Staff turnover as a trend over time.
Plans developed for achieving business objectives require the need to take HCM practices into account.	Innovative collaborations and partnerships with other parties to develop thinking and implementation of best practice.	Impact assessment of programmes conducted to demonstrate effectiveness and, where possible, return on investment.
Addressing the challenges of presenteeism and resilience within its HCM policies.	Board level directors proactively communicate on such issues with external stakeholders such as investors.	Staff turnover as a trend over time, differentiating between category of leaver.
	Employees regularly and proactively engage with management and external stakeholders in a constructive and positive way.	Employment equity (gender, ethnicity, sexual orientation, disability, age, etc) at multiple organisational levels.
	Company demonstrates ability to quickly and easily adapt and evolve working practices in light of changing business needs and operating environment.	

Working Well (Central Section) – Metrics Framework Definition

Staff turnover as a spot rate	Calculation
Annual turnover of staff expressed as percentage of People in Post (PiP) leaving the business in a year.	$\frac{\text{Number of leavers during year} \times 100}{\text{PiP at start of year}}$
Staff turnover as a trend over time	Calculation
Annual turnover of staff expressed as percentage of People in Post (PiP) leaving the business in a year showing retrospective data for multiple years.	$\frac{\text{Number of leavers during year} \times 100}{\text{PiP at start of year}}$ over (minimum) of 3 years
Staff turnover as a trend over time, differentiating between category of leaver	Calculation
Annual turnover of staff expressed as percentage of People in Post (PiP) leaving the business in a year showing retrospective data for multiple years and differentiating between wanted and unwanted attrition.	$\frac{\text{Number of leavers during year} \times 100}{\text{PiP at start of year}}$ (wanted & unwanted attrition) over (minimum) of 3 years
External awards	Calculation:
The identification of successes in achieving external recognition by external bodies for health, safety and wellbeing accompanied by a narrative to explain the context of the programme and the achievement highlighted by the awarding body. This could include showing how the award(s) support the broader strategies for wellbeing and engagement, or, for example, the desired positioning as an 'employer of choice'.	$\frac{[\text{Pre-programme measure} - \text{Post-programme measure}] \times 100}{\text{Pre-programme measure}}$ over (minimum) of 3 years
Impact assessment of programmes	
The impact of programmes to improve health, safety and wellbeing as assessed by pre and post programme measurement of key attributes as expressed by a percentage change. The impact may be on health measures (such as smoking status), performance measures (such as productivity) or financial measures; reporting of the last can be adjusted to show a return on investment for the programme.	
Employment equity (gender, ethnicity, sexual orientation, disability, age, etc) at multiple organisational levels	Calculation:
The proportion of potentially disadvantaged groups employed by the company as expressed as a percentage rate of people in post (PiP) at multiple levels of seniority within the organisation measured over time.	$\frac{\text{Number of people in equity group} \times 100}{\text{Total PiP at same point in time}}$
Governance of Wellbeing and Engagement	
The main board director who has ultimate responsibility for wellbeing and engagement in the organisation should be explicitly stated.	

Working Well (Central Section) – Case Studies

BT

BT's engagement and wellbeing activities are comprehensively reported and make explicit reference to the BITC's workwell model. With regards to the Working Well section, BT's reporting includes trend data for a variety of diversity metrics and a good narrative around the External Awards.

To see how BT reports wellbeing and engagement publicly, please go to: www.btplc.com/betterfuture/betterbusiness/betterfuturereport/report/BB/people.aspx

A full case study is shown on the BITC website: www.bitc.org.uk/our-resources/case-studies/working-well-bt



The screenshot shows the BT Better Future Report 2013 website. The header includes the BT logo, a Google Site Search bar, and navigation links: About BT Group, Shareholders & analysts, News & media, Better Future (highlighted), Innovation, and Careers. A breadcrumb trail reads: Home > Better Future > Better Business > Better Future Report 2013 > Better Business > Great place to work > Working well. The main heading is 'Working well'. Below it is a photo of a BT employee in a hard hat and safety vest working on a rooftop. The text reads: 'Providing a healthy workplace benefits our people and our business and, by helping to improve our service delivery, wider society.' Under the heading 'Why it matters', it states: 'Our business and customers need our people to be motivated and engaged so we do our best to help them flourish. We want our people to be willing and able to make a difference for a company they care about. We continually strive to be flexible, coach for success and reward great performance.' At the bottom, it says: 'Our inclusive working environments support the full diversity of our workforce, regardless of gender, sexuality, race, age.' On the right, there is a search bar and a table of contents for the 'Better Future Report 2013'.

Better Future Report 2013	
»	Chairman and CEO letter
»	Our better future
»	Connected Society
»	Net Good
»	Improving Lives
»	Better Business
»	Customer experience
»	Great place to work
»	Working well
»	Diversity and inclusion
»	Better work
»	Better relationships
»	Better support
»	Better health
»	Ethics, compliance and anti-corruption and bribery
»	Procurement and supply chain
»	Human Rights
»	Public policy
»	Our economic impacts
»	Highlights 2013
»	Download centre
»	Data centre

Working Well (Central Section) – Case Studies

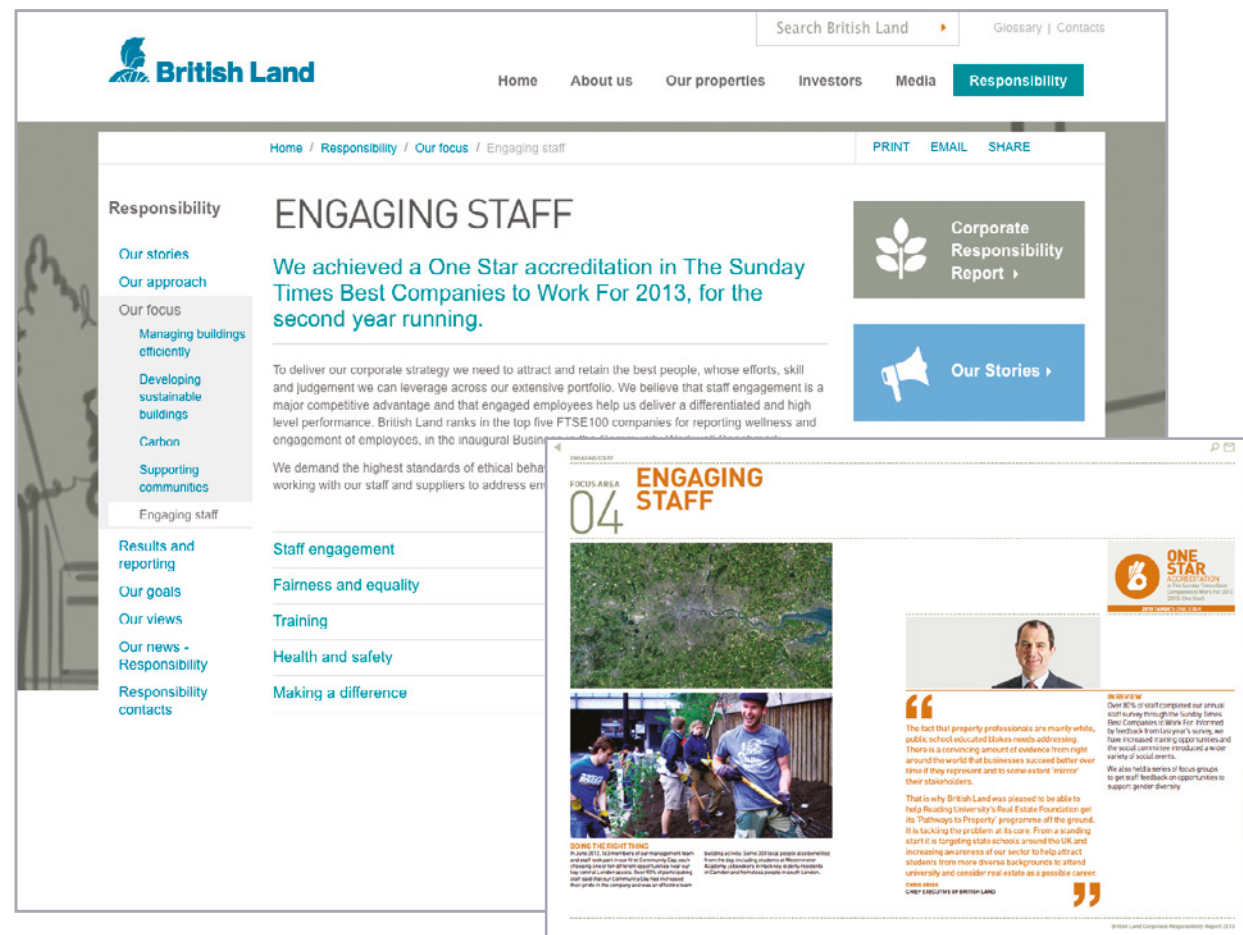
The British Land Company

The British Land Company aims to engage with staff, and encourage better employee wellbeing and increased diversity to drive business success and growth.

To see how British Land reports wellness and engagement publicly, please go to:
www.britishland.com/responsibility/our-focus/engaging-staff.aspx

The 2013 Corporate Responsibility Report:
www.britishland.com/crreport and the accompanying Full Data Report:
www.britishland.com/crdata

A full case study is shown on the BITC website:
www.bitc.org.uk/our-resources/case-studies/working-well-british-land-company



Other Useful Resources

There are many online resources, reports and indices on employee wellness, sustainability and ROI. Those listed are just an illustration and not intended to be an exhaustive one.

BITC Workwell Campaign Resources

Benchmarking Support Programme:

www.bitc.org.uk/programmes/workwell/reporting-workwell/public-reporting-benchmarking-support-programme

BITC Workwell Model, available at:

www.bitc.org.uk/workwell

Managing Emotional Wellbeing Building Team Resilience, available at:

www.managingemployee wellbeing.com/bitc

Other topic specific toolkits:

- Emotional Resilience
- Healthy Eating
- Physical Activity Toolkit
- Skills Health and Wellbeing
- Working Joints and Muscles Toolkit
- Healthy People = Healthy Profits

All toolkits are free to download online at:

www.bitc.org.uk/workwell

FTSE 100 Public Reporting on Employee Engagement and Wellbeing 2013 Results

Executive summary www.bitc.org.uk/our-resources/report/workwellbenchmarking-report

Full report www.bitc.org.uk/our-resources/report/ftse-100-public-reporting-wellbeing-and-engagement

Chartered Institute of Personnel and Development (CIPD)

CIPD has an extensive range of research, practical tools, information pages and guides on Human Capital Management. These can be found on the CIPD website by searching for 'Human Capital Management'. Available at:

www.cipd.co.uk

Towers Watson Global Workforce Study

The 2012 Global Workforce Study provides a comprehensive snapshot of the attitudes and concerns of workers around the world. It's designed to shed light on how employees' views affect their engagement in their work and commitment to their employers, and ultimately, their behaviour and performance on the job. As such, it gives organisations and their leadership teams important insights into the elements of the work environment that help shape employee behaviour and performance in positive ways. And it presents a new and more robust definition of engagement — sustainable engagement — designed for the 21st-century workplace.

<http://towerswatson.com/assets/pdf/2012-Towers-Watson-Global-Workforce-Study.pdf>

PRI – Principles for Responsible Investment

PRI is an international network of investors working together to put the six Principles for Responsible Investment into practice. Its goal is to understand the implications of sustainability for investors and support signatories to incorporate these issues into their investment decision making and ownership practices.

www.unpri.org

DWP's Workplace Wellbeing tool

DWP's Workplace Wellbeing Tool is a free resource designed to help you understand the specific health and wellbeing issues within your organisation.

www.dwp.gov.uk/health-work-and-well-being

Dow Jones Sustainability Index

www.sustainability-indexes.com

The first global index designed to track the financial performance of leading sustainability driven companies worldwide.

FTSE4Good Index Series

www.ftse.co.uk/Indices/FTSE4Good_Index_Series/index.jsp

The FTSE4Good Index Series has been designed to objectively measure the performance of companies that meet globally recognised corporate social responsibility standards.

View from the city: how can human capital reporting inform investment decisions?

CIPD (2010)

www.cipd.co.uk/hr-resources/research/human-capital-management-inform-decisions.aspx

CIPD commissioned Dr Zella King of Henley Business School to interview investors, senior HR practitioners and representatives from the financial sector to find out what sort of information they are looking for, what they find most useful and how they will use the data available to them to inform decisions about performance.

Other Useful Resources

The report summarises both the key issues raised by the research and the practitioners' views and responses. It also presents the CIPD view on human capital reporting including recommendations for government action. Finally it suggests some actions that practitioners might consider taking to improve the quality and usability of their human capital information for external stakeholders, and ensure they can report the kind of information investors might find useful in their decision-making about future organisational performance.

Workplace Wellness Alliance

World Economic Forum

www.weforum.org/issues/workplace-wellness-alliance

The World Economic Forum recognises health as an important part of long-term economic development and engages its members and other stakeholders to advocate health as an investment.

Resources suggested by PRI-coordinated Engagement on Employee Relations Steering Committee

'Company issues'

Cedefop – European Centre for the Development of Vocational Training. The EU's agency.

Freedom of association resources from the ILO

- a. www.ilo.org/global/standards/information-resources-and-publications/publications/WCMS_087990/lang-en/index.htm
- b. www.ilo.org/global/standards/applying-and-promoting-international-labour-standards/committee-on-freedom-of-association/WCMS_090632/lang-en/index.htm

Responsible Contracting and Procurement in Canada's Commercial Real Estate Sector

www.share.ca/files/Cleaning_Up_2012_Full_Report.pdf

Study Huselid (1995) – based on study of 1000 companies:

- c. employee turnover and productivity on corporate financial performance
- d. so called "systems of high performance work practices diminish employee turnover and increase productivity and corporate financial performance".
- e. findings: lower turnover and higher employee productivity positive impact on financial performance.

Study Homburg/Stock (2004) – Study of salespeople in business to business context finds that higher salespeople job satisfaction leads to higher customer satisfaction. This particularly applies to management consulting, financial services.

Study Koys (2001) – Study on restaurant chain finds positive HR outcomes influence business outcomes (and not the other way round). HR outcomes were employee satisfaction level, organisational citizenship behaviour and turnover.

Study Edmans (2008) – Based on study of Fortune 100 best companies to work for in America. It shows that better employee satisfaction improves shareholder value.

Study Harter e.o. (2003) – Based on surveys on hundreds of work forces by the Gallup Organization. It finds a positive relationship between employee engagement and business outcomes. Employee engagement related to how people perceive their tangible rewards. However when employees are not engaged pay may enter as a critical factor. The study concludes, workplaces with engaged employees, on average, do a better job of keeping employees satisfying customers and being financially productive and profitable.

Glassdoor, a job and career website, where you can find a wealth of information about how the employees feel within a company and what they think about the culture and HR practices of this very company.

Other Useful Resources

High-Performance Work Practices and Sustainable Economic Growth, April 2011, Eileen Appelbaum, Jody Hoffer Gittel, Carrie Leana

www.employmentpolicy.org/sites/www.employmentpolicy.org/files/field-content-file/pdf/Mike%20Lillich/High%20Performance%20Work%20Practices%203-20-11_0.pdf

This paper provides the best and most up-to-date summary of the evidence on the effects of what are popularly called “high-performance work practices” on organisational performance, worker outcomes, and the economy. By bringing together over two decades of industry specific and cross-industry research on this topic it serves as a handy reference and a useful guide for policymakers, employers, unions, and researchers interested in the question of how to promote a high-productivity high-wage economy.

www.lapfforum.org/TTx2/news/committment-not-financial-reward-motivates-executives

Why people matter, even to investors, the S-opportunity: some scientific evidence:

Huselid 1995

Bassi et. al. 2004/2009

Cedefop, 2009

Jeffrey Pfeffer, 2005

Sisodia, Wolfe and Sheth, Firms of Endearment (2007)

Mark Huselid: ‘The impact of human resource management practices on turnover, productivity and corporate financial performance’ (Academy of Management Journal, 1995):

- f. ample of 1000 US firms
- g. High Performance Work Practices have a significant impact on both turnover and productivity and short and long term measures of financial performance.

Laurie Bassi (Bassi Investments), Paul Harrison (Fed. Res. Board of Governors) et. al.: ‘The Impact of US Firms’ Investments in Human Capital on Stock Prices’ (2004) and ‘Training investments as a predictor of banks’ subsequent stock market performance’ (2009):

- h. Study using a sample of 750 large, publicly traded firms found that organisations with the best human capital practices provide returns to shareholders that are three times greater than those companies with weak HC-practices
- i. Quality of a firm’s human capital is one of the four most important determinants of a firms’ future financial performance
- j. Training expenditures are the single most important predictor of stock prices
- k. The myopic focus of financial markets and the failure of many executive teams to provide the leadership required to resist these short-run pressures results in under-performance for shareholders

A later study of 30 US banks (2009) confirmed that training expenditure is a very strong and statistically significant predictor of subsequent stock prices (even during the turbulent year 2008).

CEDEFOP (European Organisation): ‘The 4th Report on Vocational Education and Training’ (2009):

- l. Several studies show that “The presence of graduates, of high level skills and of more educated people among top executives and the workforce increases the quality of the goods and services they produce, stimulates innovation, and increases productivity and profitability”
- m. Cedefop research shows that: “On the basis of available evidence, it could be considered that, at firm level, raising the proportion of employees trained by one percentage point increases productivity by around 0.8%”.

Jeffrey Pfeffer of Stanford University (In praise of organised labor, 2005) has found that if management and unions maintain a cordial relationship, unionised companies tend to perform better than non-unionised companies. Sisodia, Wolfe and Sheth show the case of Harley Davidson, where unions helped the company to survive a hard time in the early ‘80s. Ever since management has maintained an uncommonly open relationship with the union. Both company and employees benefit. And so do shareholders, with a market cap similar to that of GM, with sales less than 5% of GM.

Other Useful Resources

Sisodia, Wolfe and Sheth, Firms of Endearment (2007): Wegmans, a \$4 billion family owned retailer, ranked as a top employer in the Fortune top 100 ever since 2003, until today:

- n. pays higher wages, benefits and a DC pension plan, and invests in training and internal mobility, much better than Wal-Mart: direct labor costs are 15 to 17% of sales, compared to 12% at Wal-Mart but with employee turnover percentage of 6% annually (versus 100% for part-time workers at Wal-Mart and 20% for full-timers), so much lower turnover costs, better employees, satisfied customers. Sales per square foot are 50% higher than the norm. Operating margins are double those of other grocers.
- o. Sisodia, Wolfe and Sheth mention numerous other examples of companies profiting from good employee policies, relations and HR-practices, including New Balance, Whole Foods, Caterpillar and Google.
- i. Brazilian company Semco (ship parts) was close to bankruptcy in the mid 80s. After a failed attempt of Ricardo Semler, the CEO, to turn the tide in an autocratic manner, after a close heart attack decided to find a better balance between work and private life and stimulated his employees to do the same. That was followed by years of social innovation in the workplace, increased productivity and reducing overhead costs and extremely low employee turnover (1 percent)
 - ii. Sales increased from \$35 million to \$212 million in 6 years
 - iii. Want to know more: read his two books.

High Road Retail Bibliography (SEIU):

Ton, Zeynep. “Why ‘Good Jobs’ Are Good for Retailers,” Harvard Business Review Magazine, January-February 2012.

<http://hbr.org/2012/01/why-good-jobs-are-good-for-retailers/ar/1>

[Ton is visiting professor in operations management at MIT Sloan School of Management]

Ton, Zeynep. “Why ‘Good Jobs’ Are Good for Retailers,” Harvard Business Review Magazine, January-February 2012.

Ton, Zeynep. “Retailers Should Invest More in Employees,” HBR Blog Network, December 20, 2011.

http://blogs.hbr.org/cs/2011/12/retailers_should_invest_more_i.html

Surowiecki, James. “The More the Merrier,” The New Yorker, March 26, 2012.

www.newyorker.com/talk/financial/2012/03/26/120326ta_talk_surowiecki

Fisher, Marshall. “Retail Rage,” Harvard Business Review Blog, January 6, 2012.

http://blogs.hbr.org/cs/2012/01/retail_rage.html

Orgel, David. “Goal for 2012: Re-Embracing the People Factor,” Viewpoints (Supermarket News blog), Jan. 2, 2012.

Merholz, Peter. “The Future of Retail? Look To Its Past,” Harvard Business Review Blog, December 12, 2011

Lambert, Craig. “Our Unpaid, Extra Shadow Work,” New York Times op-ed, October 29, 2011.

“Out of Stock? It Might Be Your Employee Payroll – Not Your Supply Chain – That’s to Blame,” Knowledge@Wharton, April 04, 2007.

<http://knowledge.wharton.upenn.edu/article.cfm?articleid=1702>

Rohde, David. “The Anti-Walmart: The Secret Sauce of Wegmans Is People,” The Atlantic, March 23, 2012.

www.theatlantic.com/business/archive/2012/03/the-anti-walmart-the-secret-sauce-of-wegmans-is-people/254994/

Carré, Françoise, Chris Tilly and Lauren D. Appelbaum. “Competitive Strategies and Worker Outcomes in the US Retail Industry,” UCLA Institute for Research on Labor and Employment Research and Policy Brief, Number 5 (June 2010).

Carré, Françoise, and Chris Tilly, with Diana Denham. “Explaining Variation in the Quality of US Retail Jobs,” paper prepared for annual meeting of the Labor and Employment Relations Association, Denver, CO, January 6-9, 2010.

Other Useful Resources

Inequality

- Michael Kumhof, Deputy Division Chief, Modelling Unit, Research Department, International Monetary Fund.
 - <http://ideas.repec.org/e/pku60.html>
 - www.youtube.com/watch?v=LW5iyC29qzU
 - speaking at the panel entitled “The Impact of Inequality on Macroeconomics Dynamics”
- The Economist on Inequality (Batirente):
 - www.economist.com/topics/economic-inequality
 - www.economist.com/node/21564556
- AGF Investments 2012, Income inequality: In this paper, we'll examine how income inequality has been getting steadily worse over the years and why income mobility may be a better indicator of general well-being. We'll also review where SRI/ESG analysis can assist in understanding market opportunities and risks. (Batirente)
- The American Middle Class, Income Inequality, and the Strength of Our Economy by Heather Boushey and Adam Hersh, www.americanprogress.org/issues/economy/report/2012/05/17/11628/the-american-middle-class-income-inequality-and-the-strength-of-our-economy
- The Economic Policy Institute is a great resource for the US situation, including the following book:
 - Organizing Prosperity – Union Effects on Job Quality, Community Betterment, and Industry Standards, David Kusnet and Matt Vidal, Available at: www.epi.org/publication/book_organizing_prosperity
- For a view from the German perspective, consider the Hans-Boeckler-Foundation. Here's a link to the English sites on their very extensive website: www.boeckler.de/36912.htm

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