

Moscow

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# Why engagement & leadership is so critical to drive business performance?

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The Hewitt logo, consisting of the word "Hewitt" in a white serif font, is positioned within a dark blue square in the bottom right corner of the slide.

# Majority of strategies fail in implementation...

## Strategy Implementation Failure Statistics



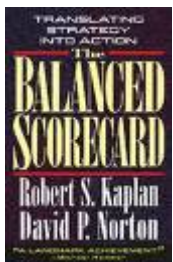
*Wharton Business School Press*

“... Firms in study achieved only 63% of planned benefits of strategy”



*Harvard Business School Press*

“... 70% of change initiatives fail”



*Robert Kaplan, author of the Balanced Scorecard*

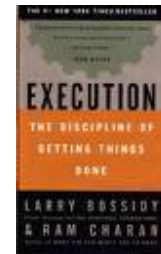
“... Less than 30 per cent of strategies ... are effectively executed”



*McKinsey & Company*

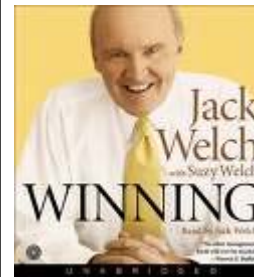
“... only 23 percent of acquisitions earn their cost of capital”

## Failure is Often Attributed to People and Cultural Issues



*Larry Bossidy in Execution: The Discipline of Getting Things Done*

“Execution doesn’t just happen. [There are] fundamental building blocks... the social software of culture change, and the leader’s most important job—selecting and appraising people.”



*Jack Welch in Winning*

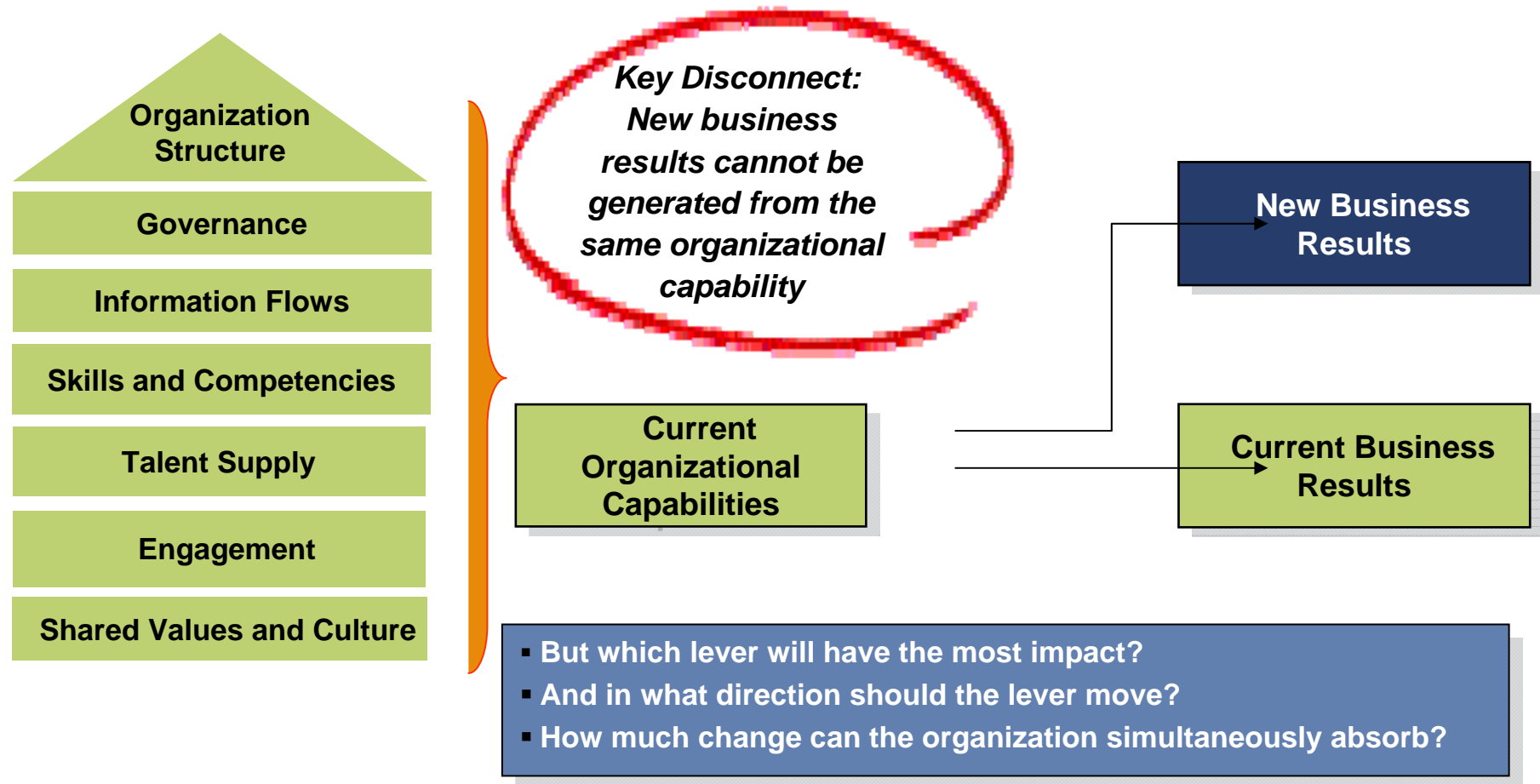
“Hiring good people is hard. Hiring great people is brutally hard. And nothing matters more in winning than getting the right people on the field.”



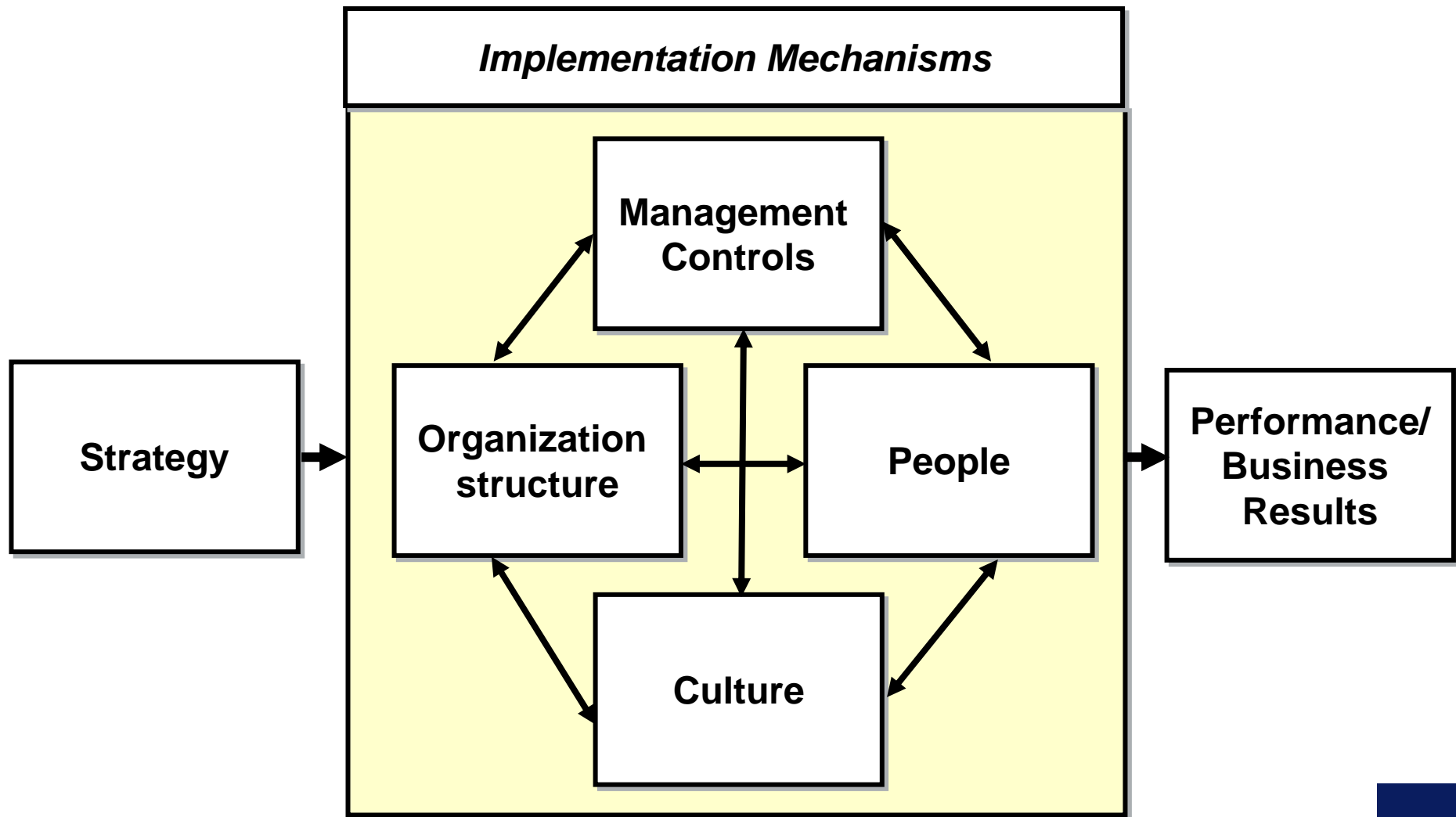
*Harvard Business Review*

“[With] M&A decisions, the softer customer-and people-related issues, so critical to effective integration...can get shortchanged....the primary cause of deal failure.”

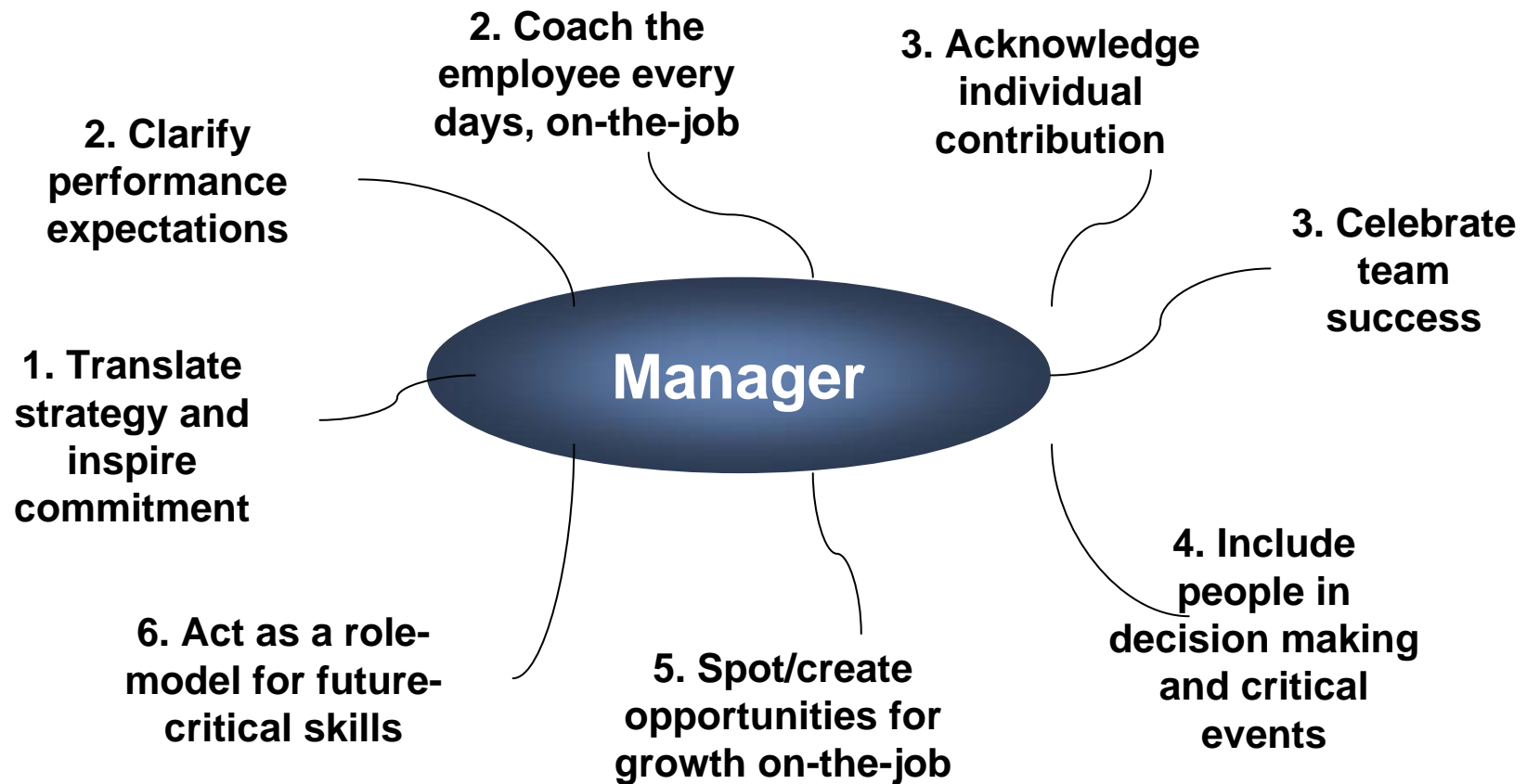
# Successful Strategy Execution Requires Alignment of Organization Capabilities



## The framework for the strategy implementation

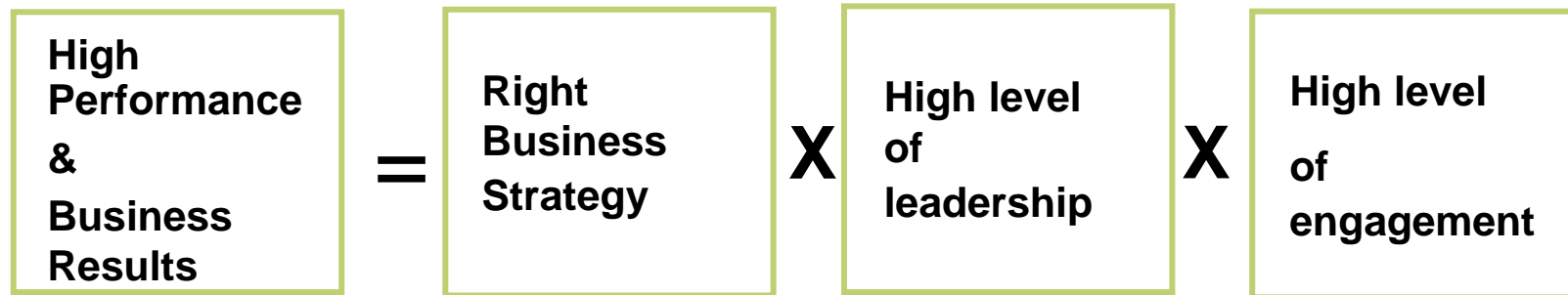


# The Manager sits at the very heart of the driving business performance



*It is the **manager** who sustains a High Achievement, High Engagement culture every day*

## Success formula



### *Truths:*

- Top Companies for Leaders usually are the Best Employers
- Top Companies for Leaders achieve better than average business results
- The Best Employers achieve better than average business results

# Hewitt Engagement Expertise

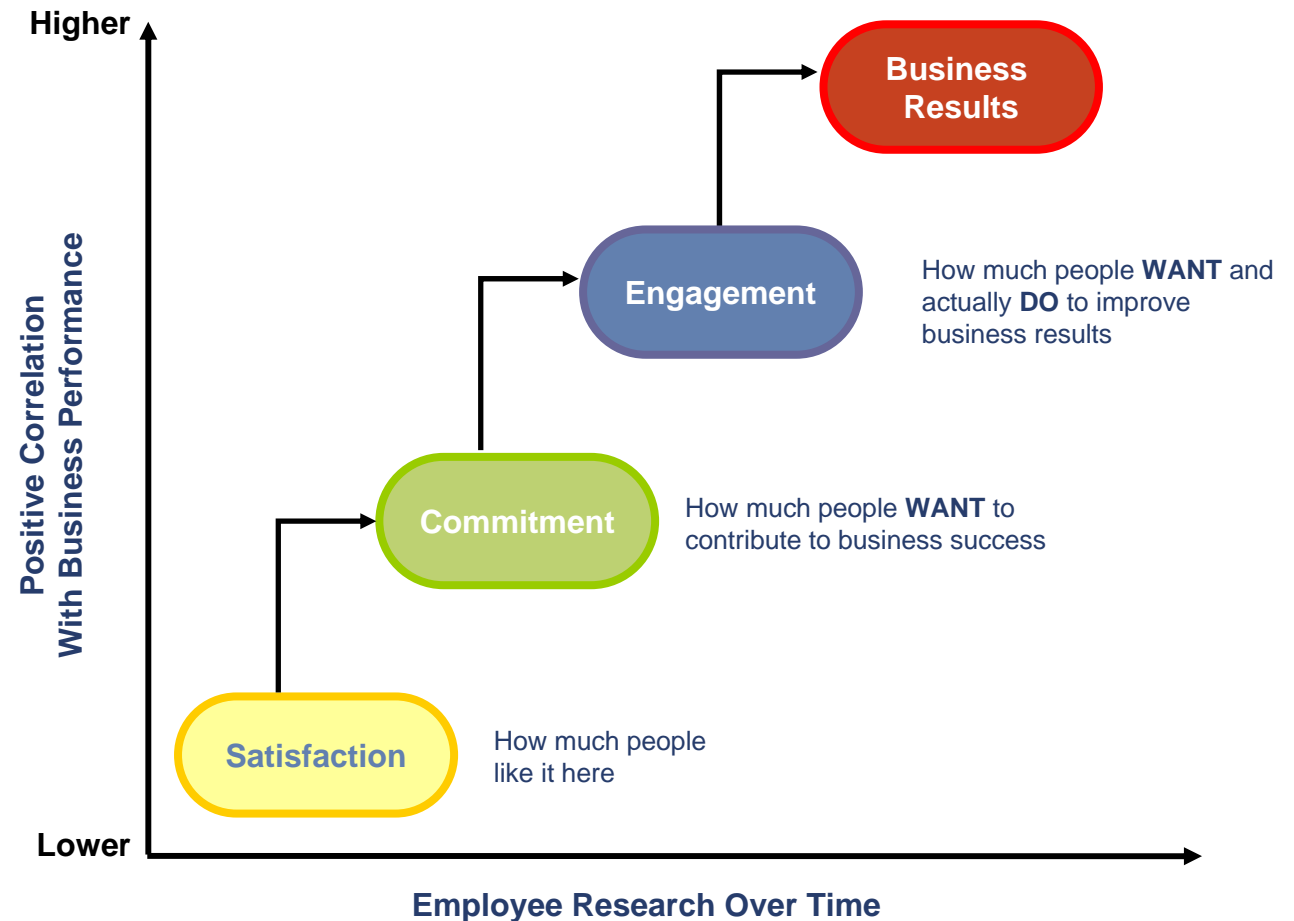
- **We pioneered** the concept of employee engagement in the early '90s.
- We have conducted surveys in more than **120 countries, 60 languages** and in nearly **every industry**.
- Hewitt is **a leader in integrating** engagement research with practical applications.
- We have one of the **largest and most robust databases** in the marketplace.

## Employee Research Database

Benchmark Period	5 years
Organisations	<b>5,000</b>
Employees surveyed	<b>4.7 million</b>
Markets Researched	126
Industries	68
Languages	60
Global 1200 (large organisations)	115

# Employee Engagement Defined

- Numerous definitions
- Important that it:
  - Goes beyond measuring “happiness” or “satisfaction”
  - Focused on behaviours that drive business performance
  - Has a relationship to business performance

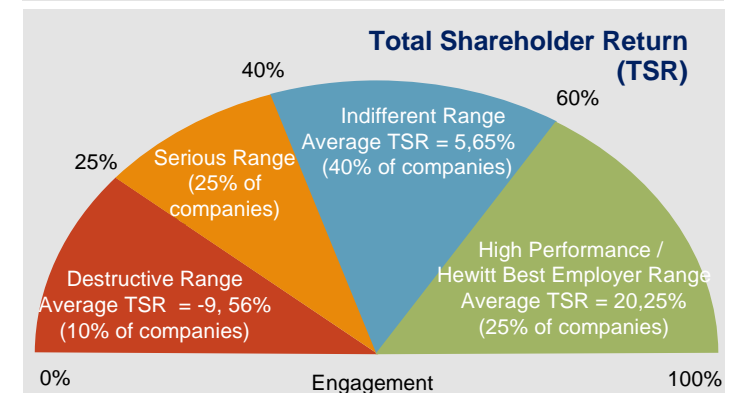
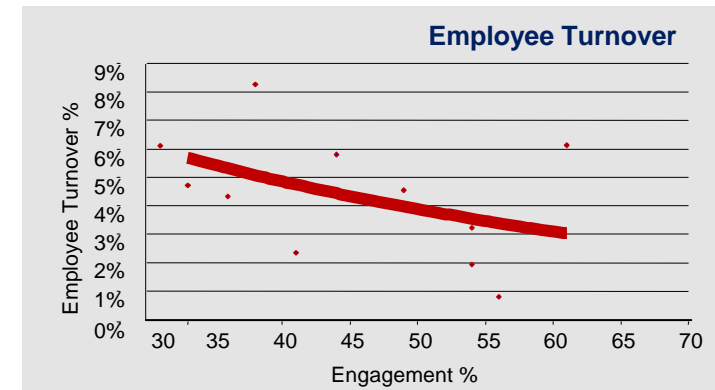
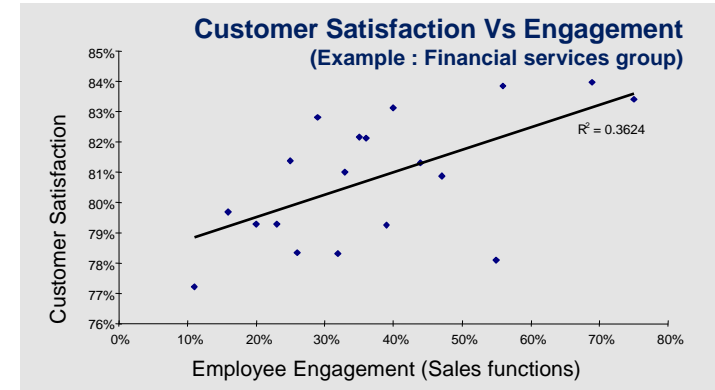




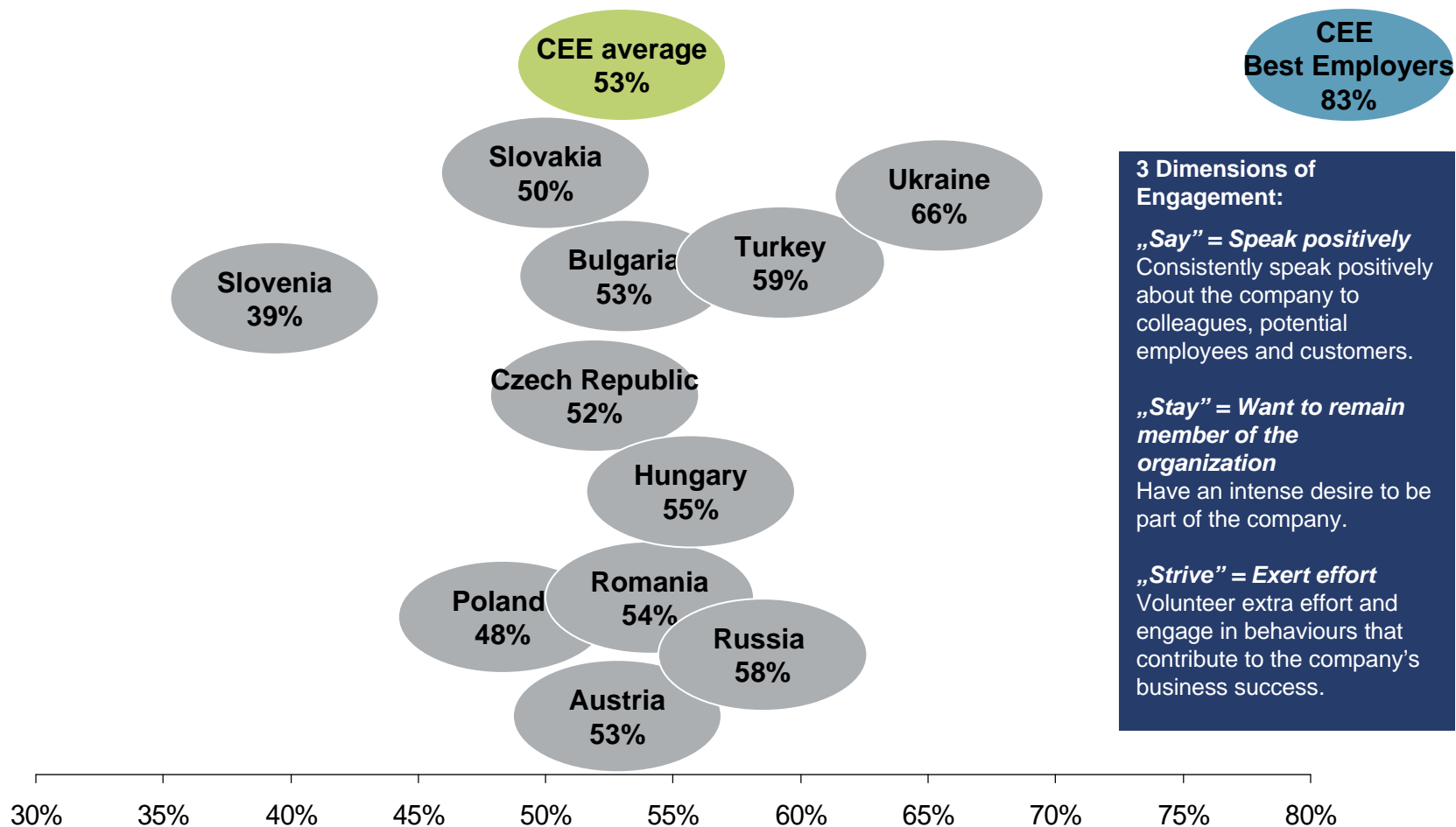
# Engagement Matters – The Evidence

- Best Employers outperform: organisations with high engagement scores are up to **78% more productive**, **40% more profitable**.
- Hewitt Research shows that each disengaged employee can costs an organisation an average of **\$10,000 in profit annually**.
- Companies taking powerful actions show an **increase of 19% to 31%** in engagement scores.

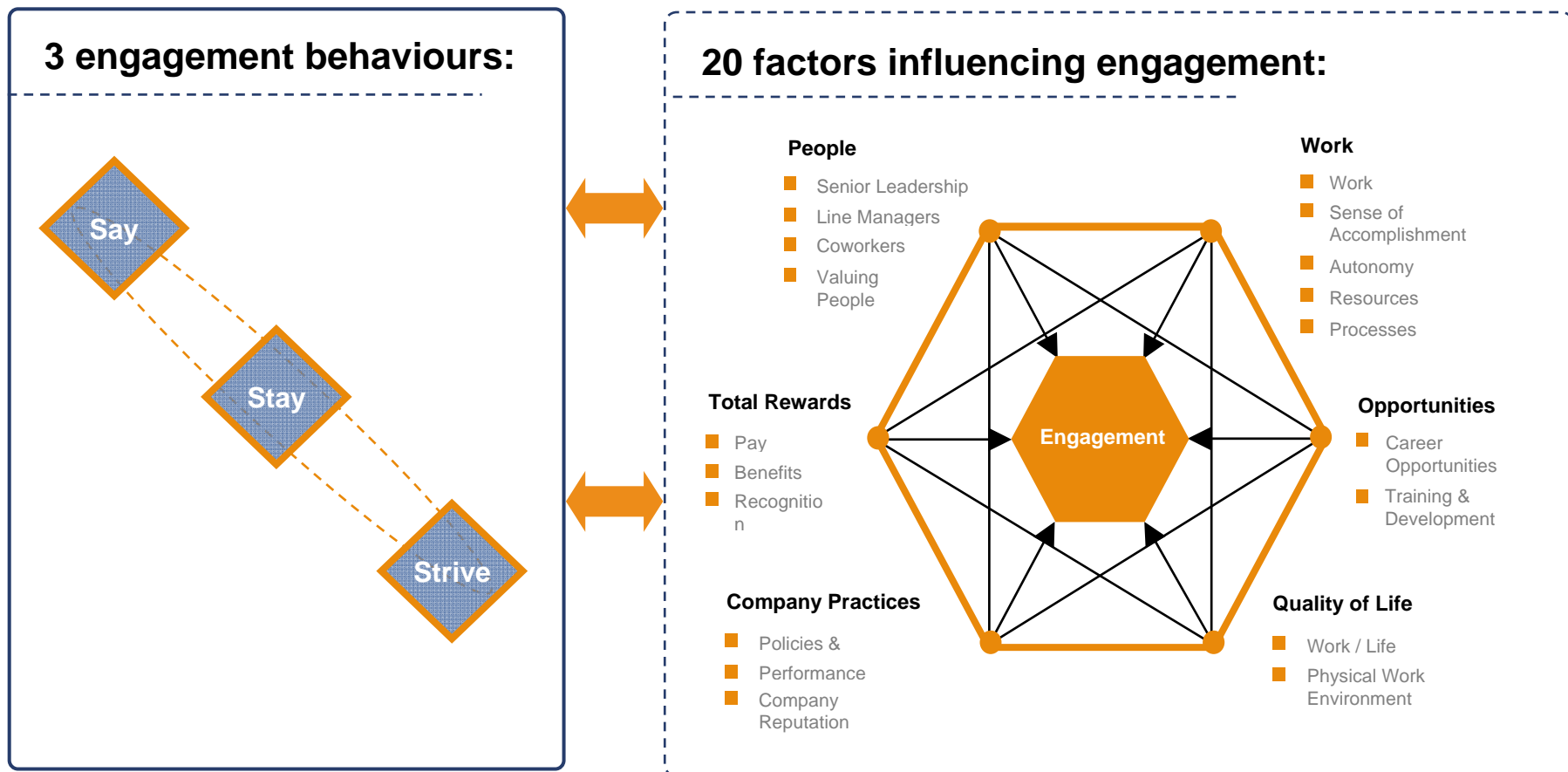
Hewitt Global Research across more than 7,000 organisations



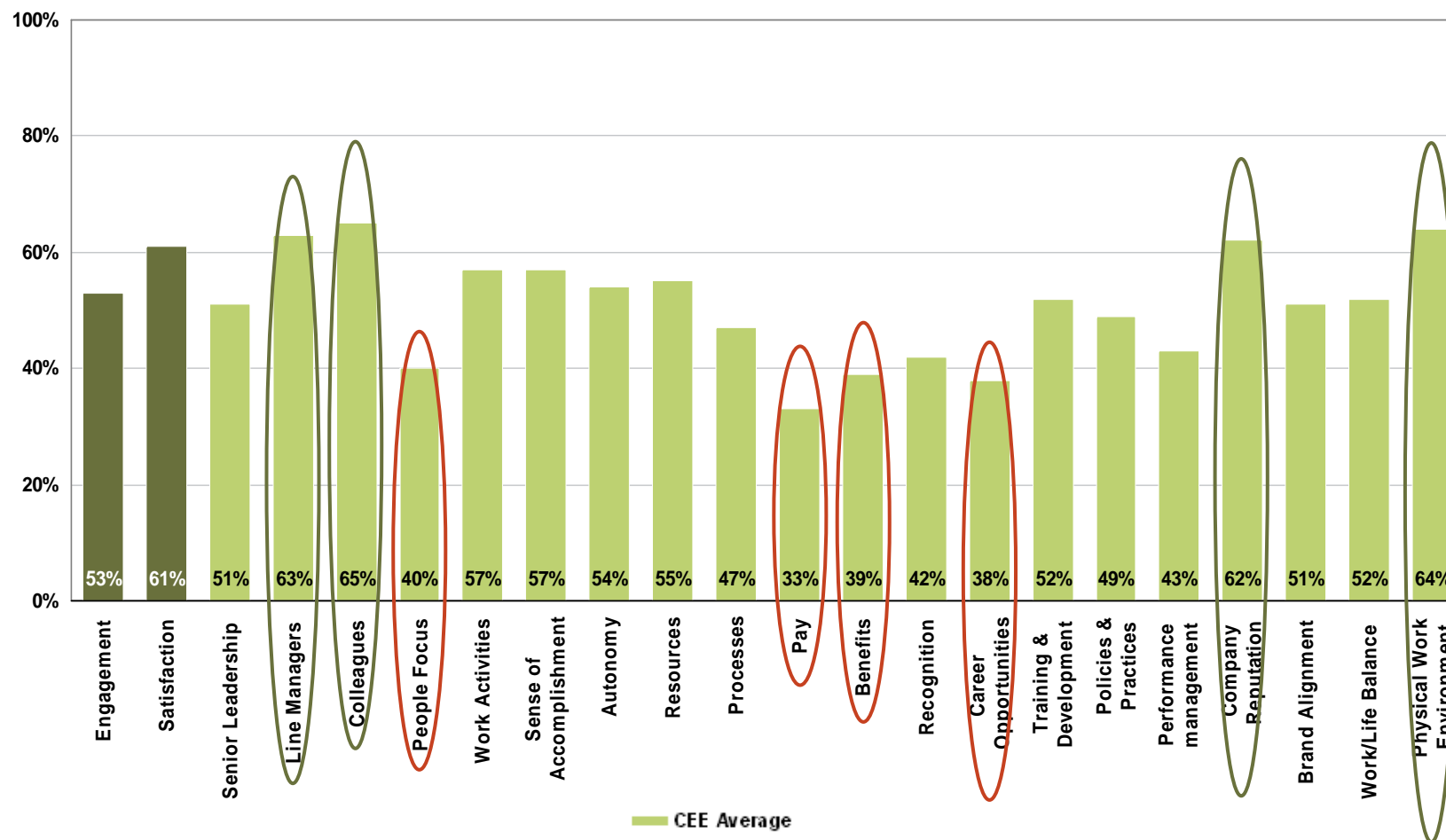
## Snapshot on engagement in the region



# The 6 dimensions of Hewitt engagement framework



## Behind engagement



# Differentiating factors of Best Employers

