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## British business future lies with engaging its employees

**Involving employees fully in the future of the firms they work for will be a key step if businesses are to innovate and take advantage of new opportunities, an independent review announced today.**

The MacLeod Review of employee engagement has recommended government support and more cooperation by UK businesses both large and small, to make sure the relationship between employees and employers is at the centre of successful business plans.

Led by David MacLeod and Nita Clarke, the review was commissioned in September to make recommendations on promoting employee engagement.

David MacLeod said:

"This is about unleashing the potential of people at work and enabling them to be the best they can be. Whether we are in a downturn or in better economic times, engagement is a key to innovation and competitiveness.

"Engagement is increasingly recognised as vital by senior figures in the public sector, the private sector and trades unions. We are delighted that if our recommendations are accepted, a distinguished sponsor group has already agreed to work with us to raise awareness and understanding.

"Employers in all parts of the economy can make a success of employee engagement through culture change, rather than investing significant financial resources."

Nita Clarke said:

"Our recommendations set out a road-map for government to offer help and support, and for businesses and employee groups to help each other.

"By respecting the contribution employees can make and ensuring they are fully involved in developing their organisation's future, employers can help unlock full potential. If workplaces up and down the UK learn from the best standards that are already in place, the whole country will benefit.

"When done well, employee engagement is a win for the organisation, a win for the individual and therefore a win for the country as a whole."

The MacLeod Review has recommended:

- The government should work to raise awareness of employee engagement benefits and techniques.
- A senior sponsor group bringing together representatives from business, the public sector, not-for-profit organisations and unions, should be set up to build understanding of this vital topic – many leading figures have already agreed to be part of this group.
- The government and its agencies should work together to ensure their support is aligned and tailored to the needs of different organisations in different parts of the economy seeking to enhance levels of employee engagement.
- A range of more practical support for organisations who want to raise levels of employee engagement should be made available by March 2010. This support should be designed in consultation with businesses and other organisations to ensure it is tailored to their needs.

Contributors to the review included some of the biggest names in British business, as well as smaller firms and public sector bodies.

*Richard Lambert, Director-General, CBI said:*

*"This report is timely. It makes business sense to allow people to realise their full potential at work and to be on board for the whole journey. This report offers a refreshingly direct approach and suggests a sensible way to enable employers and employees to gain most benefit from the workplace relationship."*

*Brendan Barber, General Secretary, Trades Union Congress said:*

*"The TUC welcomes the publication of this timely and topical report. In these difficult times it is particularly important that employers and employees and their unions engage constructively and effectively. The workplaces that have good systems for doing this are those that will be fittest for long term survival."*

*Jackie Orme, Chief Executive at the Chartered Institute of Personnel and Development:*

*"This is an excellent report, and it couldn't come at a more important time. David MacLeod and his team have had the passion and energy to get under the skin of what is really happening out there on the front line. The result is a report soundly based on the experiences of people delivering employee engagement for real."*

*"This is no pie in the sky piece of conceptual theory and we're delighted to throw our full weight behind the recommendations. HR has a leading role to play in delivering on these recommendations and aspirations. David MacLeod is right to steer clear of regulation and a one-size-fits-all set of 'top ten tips' recommendations. Instead he is looking for a concerted effort to identify and share robust good practice that will deliver real change. We will work with our 133,000 members to ensure that the potential this report has to transform employee engagement and boost UK productivity is fully realised."*

## NOTES TO EDITORS

1. The MacLeod Review began its work in September 2008.
2. The full report to government is attached.
3. Review contributors included Sainsbury's, UBS Group, Standard Chartered, HSBC, Financial Times Group, Connect Union, Institute of Directors, USDAW and the Work Foundation.
4. Leading figures who have agreed to be part of the sponsor group include:

**Adrian Askew** – General Secretary, Connect Union

**Richard Baker** – Non Executive Chairman, Virgin Active

**Brendan Barber** – General Secretary, TUC

**Sir Michael Bichard** – Director, Institute for Government

**Dame Carol Black** – Director, UK Government's Health and Work Programme

**Stephen Bubb** – Chief Executive, Acevo

**Mike Carr** – RDA Enterprise Director

**Clare Chapman** – Director General of Workforce, Department of Health

**Cary Cooper** – Professor, Lancaster University Management School & UK Government Foresight Programme

**Rona Fairhead** – CEO, Financial Times Group

**Gordon Frazer** – UK Managing Director, Microsoft

**John Hannett** – General Secretary, Union of Shop, Distributive and Allied Workers (USDAW)

**Chris Humphries** – Chief Executive, UK Commission for Education & Skills (UKCES)

**Will Hutton** – Executive Vice Chair, Work Foundation

**Justin King** – CEO, Sainsbury's

**Sir Alan Jones** – Chairman Emeritus, Toyota UK

**Richard Lambert** – Director General, CBI

**Leigh Lewis** – Permanent Secretary, Department of Work & Pensions (DWP)

**Tim Melville-Ross** – Chairman, Higher Education Funding Council for England (HEFCE) & DTZ

**John M Neill** CBE – Group Chief Executive, Unipart Group

**Sir Gus O'Donnell** – Cabinet Secretary & Head of the Home Civil Service

**Jackie Orme** – Chief Executive, CIPD

**Sir Eric Peacock** – Current or former Chairman/leader of 10 SMEs

**Chris Pilling** – Head of Direct Banking, HSBC

**Peter Sands** – CEO, Standard Chartered Bank

**Sir Martin Sorrell** – CEO, WPP

**Ruth Spellman** OBE – Chief Executive, Chartered Management Institute

**John Taylor** – Chief Executive, Acas

**Miles Templeman** – Director General, Institute of Directors (IoD)

**Alex Wilmot-Sitwell** – Co-CEO, UBS Investment Bank

**John Wright** – National Chairman, Federation of Small Businesses (FSB)

5. David MacLeod has a portfolio of responsibilities which include being a Non Exec Director of the Department for International Development, Non Director of the Ministry of Justice, Fellow of the Sunningdale Institute, Senior Associate of Towers Perrin and Visiting Professor of the Cass Business School. also a Fellow of the RSA, Institute of Marketing and Ashridge Business School.

6. David has led private sector organisations through major programmes of change and worked at the Cabinet Office as Senior Adviser on Change Performance. He has also worked at Towers Perrin as Senior Adviser supporting chief executives in both the public and private sectors to implement change in order to enhance performance. He has co-authored a book called "The Extra Mile" on the theme of how to fully engage employees.

7. Nita Clarke is the Director of the Involvement and Participation Association (IPA). She was formerly the adviser on trade unions to Prime Minister Blair, working as assistant political secretary in the Political Office at 10 Downing Street from January 2001 to June 2007. Her role included liaison with individual unions and the TUC, developing national policy in areas such as the two-tier workforce and work-life balance, supporting ministers by trouble-shooting in industrial disputes.

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