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## **REVIEW SEEKS WAYS TO GET BEST OUT OF BRITISH EMPLOYEES**

Business Secretary John Hutton today announced a review to examine new ways to boost the performance of employees and improve British business success.

The review will be led by David MacLeod, a leading expert on employee engagement, working with Nita Clarke, Director of the specialist workplace involvement body, the Involvement and Participation Association (IPA).

John Hutton said:

“The most successful companies recognise that their employees are their most valuable asset. Employee engagement is not just a buzzword – it has a clear link to increased business success.

“Research suggests engaged employees perform better and stay in their jobs longer and that if a business invests in boosting skills and engagement, profits will increase.

“We need to better understand what drives some businesses to engage with their workforce and invest in their people more than others and look at how we can urge others to do the same.

David MacLeod said:

“Engagement is an important tool for business success. Research shows clear correlation between the performance of a business and the engagement of its employees, indeed, companies with higher employee engagement levels have significantly higher operating margins relative to their industry.

”The fact that only around 12% of the UK workforce can be considered as highly engaged shows that there is potential for huge gains for the economy if we can improve in this area.

”I look forward to working with the Government on this exciting project, which will provide a unique opportunity to look in-depth at how British business can maximise its potential and increase its competitiveness in the global economy.

Nita Clarke said:

“Genuinely engaging with employees at all levels brings huge benefits to the workplace. It is crucial for the well-being and personal development of employees, and it also addresses the key issues of increasing productivity and managing change, which are vital for businesses and services meeting the competitive challenges of today's economy.

“I welcome the government's leadership in this area and look forward to working with David MacLeod on the review.”

The review will make recommendations early in the New Year. It will consider whether, and how, government and employers can work together to help businesses maximise their potential and boost the economy through harnessing the full potential of employees.

### **Review of Employee Engagement and Investment –Terms of Reference**

- To identify and understand in practice how businesses improve productivity by engaging with and investing in their employees;
- To examine the benefits of employee engagement and investment in terms of UK competitiveness and productivity and the effect on individuals' career progression;
- To identify whether there are barriers to businesses adopting good practice (including market failure and regulatory barriers), focussing particularly on any barriers affecting SMEs;
- To make recommendations to address any market failure, eliminate barriers and encourage wider adoption of good practice, in line with Better Regulation principles.

#### **David MacLeod**

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

David has led private sector organisations through major programmes of change and worked at the Cabinet office as Senior Adviser on Change and 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.

### **Nita Clarke**

Nita Clarke is the Director of the Involvement and Participation Association (IPA).

She was formerly the adviser on trade unions to Prime Minister Tony 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.

### **Note to Editors:**

1. The Department for Business Enterprise and Regulatory Reform helps UK business succeed in an increasingly competitive world. It promotes business growth and a strong enterprise economy, leads the better regulation agenda and champions free and fair markets. It is the shareholder in a number of Government-owned assets and it works to secure, clean and competitively priced energy supplies

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