

Stern times call for better leaders

Latest research shows engagement and leadership the keys to success in difficult times

3 June 2013: While all businesses face similar challenges in times of economic uncertainty, some are far better prepared than others to survive and even prosper – despite the difficulties. Those businesses are the ones with higher levels of employee engagement.

This is one of the topline findings of the 2013 Aon Hewitt **Best Employers** study for Australia and New Zealand. The report is the latest in the headland people performance research series that's been run since 2001. The 2013 study includes data from a survey of over 100,000 employees from 125 organisations. This year, 19 companies across Australia and New Zealand have been accredited as Aon Hewitt **Best Employers**: those with the highest levels of employee engagement and outstanding people practices.

"All employers are confronted by the same set of economic circumstances, but our **Best Employers** are able to do a substantially better job of leading and managing the workforce to create high levels of engagement. This mitigates many of the economic issues they face – leading to better results," said Stephen Hickey, Employee Engagement Lead at Aon Hewitt.

"**Best Employers** achieve four times higher profit growth than other organisations," said Mr Hickey. "And, when it comes to total shareholder return, we're talking 50% above average levels."

Despite recent economic uncertainty, **Best Employers** are maintaining their focus on employee engagement – and reaping the rewards.

"It is the decisions that an organisation's leaders are making about how to lead it when times are tough that can dictate the levels of engagement – which in turn affect how well a company is likely to perform," explained Mr Hickey.

He went on to say that most organisations today are seeking to restore growth from low cost baselines – achieving more with less. And, he asserted, this takes a very different set of leadership skills than those that applied before the GFC.

"In essence, while we continue to see **Best Employers** engaging, building leadership and taking a differentiated position in the employment market, the strategy for delivery has evolved over the last few years. Difficult times are not the factor. It's how we respond to them that counts."

Mr Hickey cited a number of examples from the 2013 Aon Hewitt **Best Employers** that support this position. These include the growing move to develop people leadership capability as a core competency within an organisation rather than a secondary focus; a more concerted push to connect middle managers to the broader business strategy; and a greater willingness to identify and single out an organisation's best performers for additional rewards.

"All of these measures are likely to boost engagement. And with improved engagement comes increased discretionary effort, increased retention, an increased desire among employees to strive to do their best," said Mr Hickey. "There is also the considerable benefit of the brand differentiation that **Best Employers** enjoy. In a tight labour market they become employers of choice. They are able to hold on to the best people – and those people are able to reap the material and career satisfaction rewards of working with passionate and engaged colleagues."

By way of example, Mr Hickey cited Marriott Hotels & Resorts, which achieved **Best of the Best** status, as an organisation that has demonstrated excellence in a number of key areas.

This includes its ability to promote a highly aligned culture that supports the overall company aim of consistent and superior customer service. The company has also had to address attracting and retaining quality employees despite local skills shortages and relatively high wage costs at a time of global cost constraint and productivity focus.

The 2013 Aon Hewitt Best Employers are:

Bristol-Myers Squibb, Chorus, Cooper Grace Ward Lawyers, Employment Innovations, Express Data, FedEx Express (New Zealand), Fiat Chrysler Group, Frucor Beverages Australia, Frucor Beverages New Zealand, Hilti (Aust.) Pty Ltd, Marriott Hotels & Resorts, Millward Brown Australia, Peoplebank Australia Limited, Shire Australia Pty Ltd, Silver Chef Ltd, Smartsalary Pty Ltd, STIHL Pty Ltd, The Wrigley Company Limited and Wood & Grieve Engineers.

Marriott Hotels & Resorts won the Aon Hewitt 2013 **Best of the Best** accreditation.

Key findings from the **Best Employers** study for Australia and New Zealand include:

- **Best Employers** achieve four times higher profit growth than other organisations
- Organisations with high employee engagement achieve 50% higher Total Shareholder Return outcomes than other organisations
- In 2012 and 2013, 38% of organisations improved their level of employee engagement
- 83% of **Best Employers** have an explicit employer brand, compared to only 39% of other organisations

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For more information on the 2013 **Best Employer** study, or to arrange an interview with Stephen Hickey, please contact:

Sophie Schuler, BlueChip Communication
T: +61 2 9018 8606
E: sschuler@bluechipcommunication.com.au

About Aon Hewitt Best Employers in Australia and New Zealand

Aon Hewitt **Best Employers** Australia and New Zealand is the preeminent research and accreditation program into the people practices of high performing organisations.

Conducted in Australia and New Zealand since 2001, the 2013 study involves data from 125 organisations and over 100,000 employees.

The report provides the specific set of actions and benchmark comparisons that an organisation needs to develop and sustain a high performance workforce.

About Aon Hewitt

Part of Aon plc, Aon Hewitt is the global leader in human resource consulting and outsourcing solutions. Our services focus on helping organisations save money by mitigating risk in their workforce and make money by realising the untapped potential of their employees. We also help individuals maximise their wealth to enable people to live the life they want.

In Australia, our team of experts partner with your organisation to develop and deliver people strategies that achieve positive business outcomes in the areas of superannuation and retirement, financial advice, workers' compensation, work health and safety, workforce risk solutions, employee benefits, talent and employee engagement, remuneration and incentives, total rewards, actuarial services, and mergers and acquisitions.

With more than 30,000 professionals in 90 countries, Aon Hewitt makes the world a better place to work for clients and their employees. Aon Hewitt is the global talent, retirement and health solutions business of Aon plc.

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