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Better Employee Engagement could increase productivity by £26 billion



The 'Engage for Success' launch, backed by the Department for Business, Innovation and Skills (BIS), took place in November 2012) and is part of a wider initiative committed to the belief employee engagement is the key to a successful business. The new group calls for every leader and manager across the economy to play their part in tackling the UK's employee engagement deficit, which is estimated to result in the UK missing out on some £26bn in productivity each year.

The Government initiative has a taskforce designed to drive employee engagement and involves such companies as Sainsbury's, Lloyds Banking Group, O2 and Nampak Plastics.

Between 2008 and 2011, Nampak reported its turnover increased by 13% proof of the impact an engaged workforce can have on a business's bottom line. In 2010, Nampak was named overall winner of the Chartered Institute of Personnel and Development (CIPD) People Management Awards, along with the Employee Engagement Award.

David MacLeod and Nita Clarke, co-chairs of the task force, said: "As the UK faces up to the challenges of recession and global competition, improving productivity and performance among the UK workforce has to be a national priority and central to our country's growth agenda.

UK's Poor Productivity

The UK's "poor productivity" is down to the fact that British workers are "among the worst idlers in the world", a group of Tory MPs has claimed. The five MPs, who are joint authors of a book entitled 'Britannia Unchained', express the view that the country "rewards laziness", bails out the reckless and fails to encourage risk-taking.

The problem is that "too many people in Britain prefer a lie-in to hard work", they argue, which means that attitudes to work compare unfavourably with countries such as Singapore, South Korea and Hong Kong.

Institute News



David Blanchflower
Chairman IMS Media Committee

I hope you enjoy reading our regular email newsletters and that you find the Productivity News from around the world both interesting and informative.

If you have ideas for news items or can source articles for the IMS Journal we would very much like to hear from you.

May I take this opportunity to wish you and your families every happiness in the New Year.

Indonesian Economy - Competiveness Concerns

The progress made by the Indonesian economy over the last decade is nothing short of remarkable, transitioning from an incredibly poor country to one of the stars of the emerging investment world.

In the past three years the Indonesian economy has more than tripled. However, in the wake of slowing global growth and a concomitant decrease in demand for commodities, investors are starting to take a closer look at the fundamentals of the Indonesian economy.

Simply, Indonesia needs to improve its infrastructure and productivity if the country hopes to continue its enviable growth rate. Infrastructure in the archipelago is sorely lacking -- Jakarta remains the largest city in the world without a metro and the city's traffic problems belie the necessity of public transit solutions.

Other segments of the economy are hampered by the lack of adequate infrastructure from aviation to freight transport as airports, roads, and ports are insufficient.

French Productivity



A government commissioned report on French productivity has recommended a 30-billion euro cut to labour costs in order to rejuvenate France's sluggish economy.

Louis Gallois, a respected industrialist and the former head of the French railways company SNCF and the European aerospace group EADS, the maker of Airbus, was asked by François Hollande's government to suggest ways to reform the French economy.

The report lists 22 key measures, including a "shock" 20-billion euro cut to employer payroll levies and a 10-billion euro reduction to employee levies.

UK Firms fail to embrace the Internet

UK small and medium sized enterprises (SMEs) could be putting future growth at risk because they are not making use of the Internet to increase productivity, according to Lloyds Banking Group's new SME Digitisation Report.

The report, published as part of Lloyds Banking Group's partnership with Go ON UK — an initiative which aims to make the UK the most digitally capable nation — shows that over a third (37%) of UK SMEs still do not have a website and

that one in five (20%) are 'deliberately disconnected' from the Internet.

These are SMEs that have no online presence and only use the Internet on a basic level — as they do not believe it can play a part in the running of their businesses. The research shows that a third of SMEs (30%) are not developing their use of the Internet in any way.

Despite the large number of businesses that lack digital skills, the report also

reveals that, on the other end of the spectrum, just over a quarter (28%) of SMEs have an advanced website, including mobile applications, to help serve their customers and employees.

These businesses are aware of the commercial benefits of having a strong digital presence. They are also likely to have experienced growth in the last two years and are open to new and innovative approaches as a route to further expansion.

Hi Energy Costs effects Productivity in Jamaica



As the Jamaican economy continues to struggle with high electricity costs, citizens are finding it increasingly challenging to pay for the service, resulting in frequent disconnections for many, and payment backlogs.

It is against this background that the Jamaica Productivity Centre (JPC) has embarked on an Energy Service Company (ESCO) Project, in an effort to conserve on electricity use across the island. The 36-month project which is in its implementation phase is being funded by the European Union (EU) at a cost of \$65 million.

Executive Director of the JPC, Dr. Charles Douglas says the initiative can increase productivity, and can help to create jobs, and assist in advancing economic growth.

Is Innovation key to improving NHS

Staff productivity and service efficiency have been outlined as key to helping the NHS improve its performance to meet the £20bn saving challenge by 2015. But space for the implementation and spread of ideas hasn't always flourished in the NHS

In the UK, there is much still to do to innovate and foster an atmosphere for innovation. If we want to improve staff productivity and make services more efficient we need to harness the spirit of the healthcare worker to contribute ideas and put those into practice. We need to rid the NHS of red tape and institutional barriers and make change easier to bring about.

UK Employment Statistics

Recently released figures from the Office for National Statistics yesterday indicate that the UK has achieving relatively positive employment levels when compared to the rest of Europe.

Part-time employment increased in the three months to September 2012 by 49,000 to 8.1m, close to a record high, while the number of people working part-time because they could not find a full-time job reached 1.4m, up 143,000 over the year. The figures indicate that almost half of the rise in employment is due to part-time working. The number of people working in temporary jobs, because they could not find full-time work, rose to 655,000, up 72,000 on the year.

Kings Fund report on Employee Engagement



Earlier this year, a report commissioned by health think tank, The King's Fund, emphasised the importance of high levels of engagement in the NHS. It showed that good appraisals were critical.

Those employees who had received a well-structured appraisal were likely to be far more engaged than those who had not; and those who had received a poor appraisal were likely to be more disengaged than those who had not been appraised at all, it found.

Employees working in well-structured teams and staff who found their work interesting also reported higher levels of engagement, as did those who were well supported by their line manager and felt their role made a difference. The report found strong evidence from within the NHS that staff engagement is improving patient satisfaction and financial performance, as well as driving up standards of care.



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