

Imperial Tobacco Sales and Marketing  
Engagement Survey 2011  
RESULTS

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# Agenda



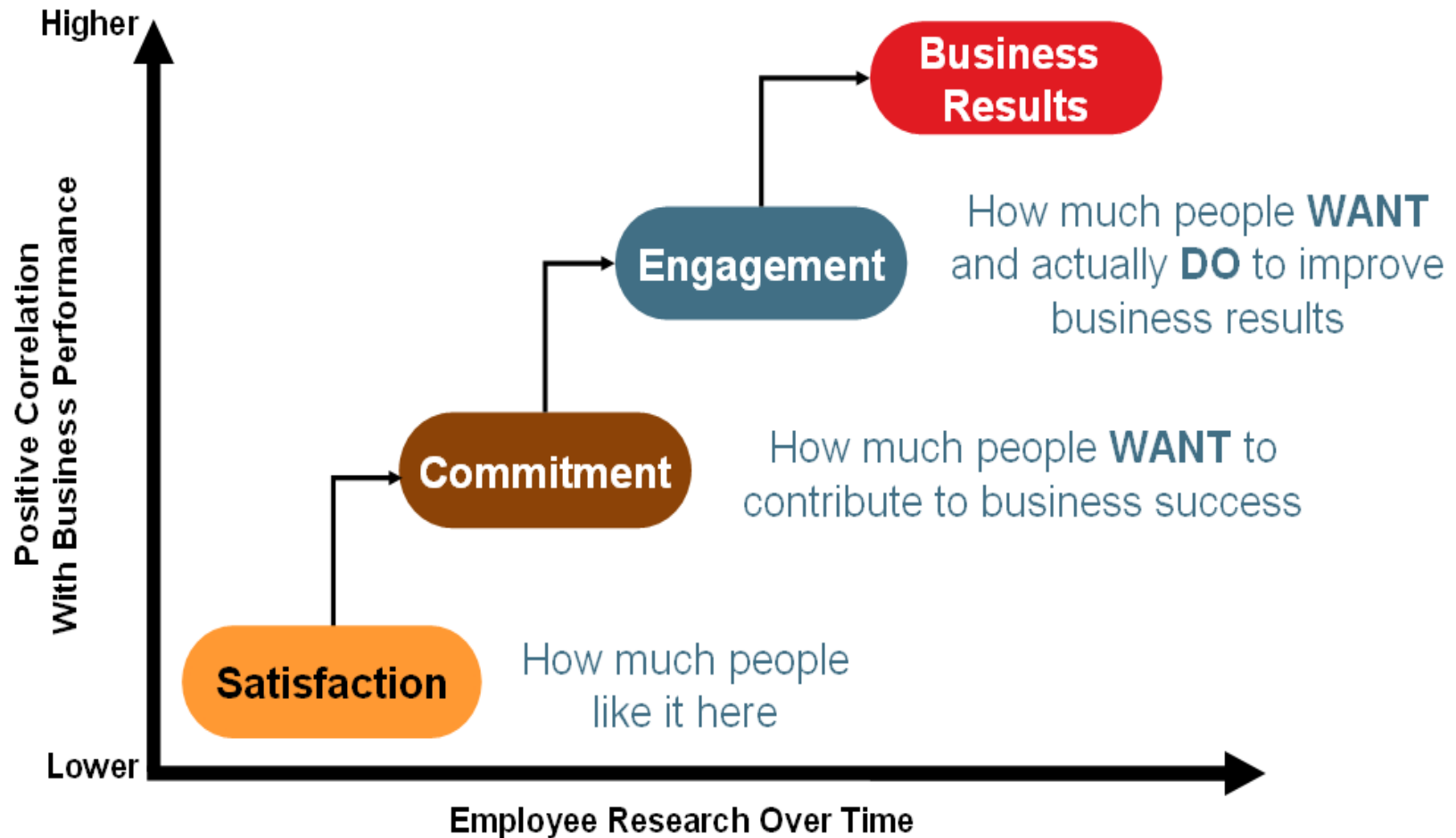
- What is Employee Engagement & why is it important
  - What and how we surveyed
  - Results & understanding
  - Moving from results to actions
  - Our vision and success factors in action planning
  - Programs synergy
  - What are we doing currently to motivate staff
-

# Engagement is about behaviours

Engagement is a state of emotional and intellectual involvement that motivates people to do their best work.



# Why is engagement important?



# How we surveyed (Survey design)



The 2011 engagement survey includes two types of questions

How engaged are people at Imperial Tobacco?

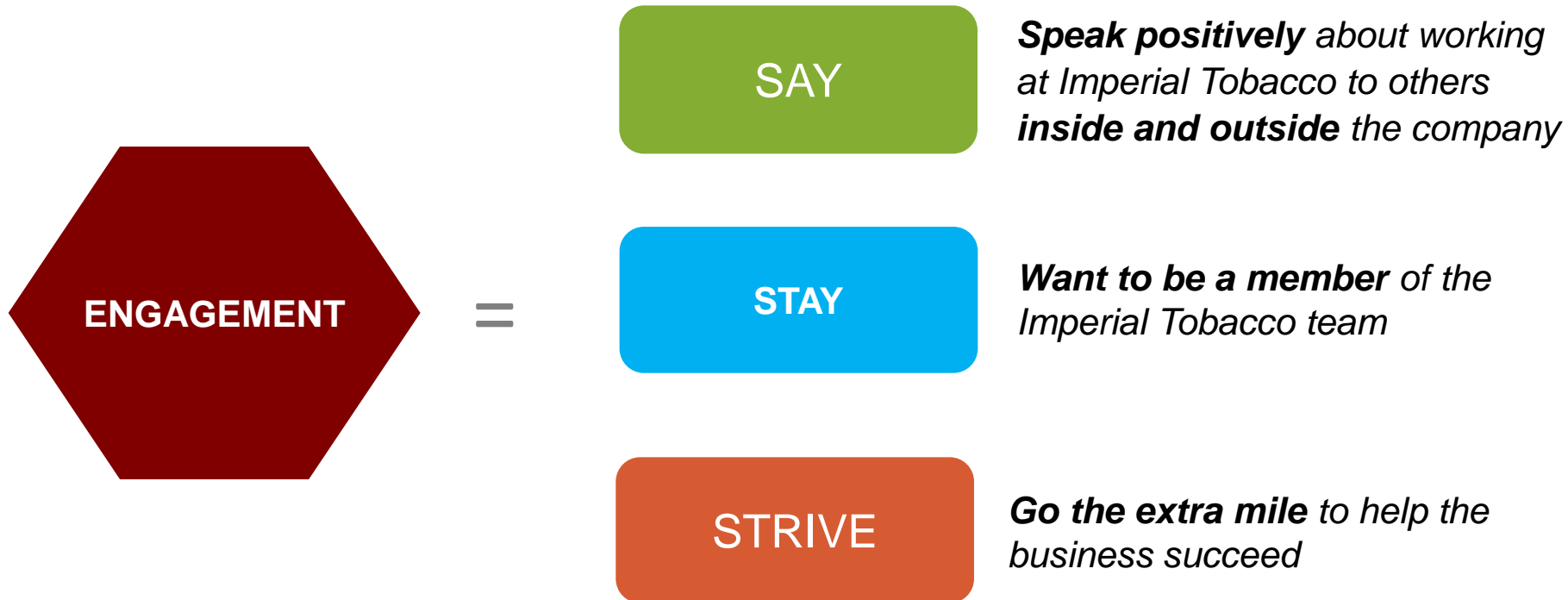
Where should we focus to improve engagement?

- To answer these two questions the survey included: 57 'core' questions common across all of ITG
  - Two open comment questions
  - Additional market specific questions
  - A number of demographic questions
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# Measuring engagement...



Employees are considered to be 'engaged' when they display the following three engagement behaviours:



# ...and the drivers of engagement

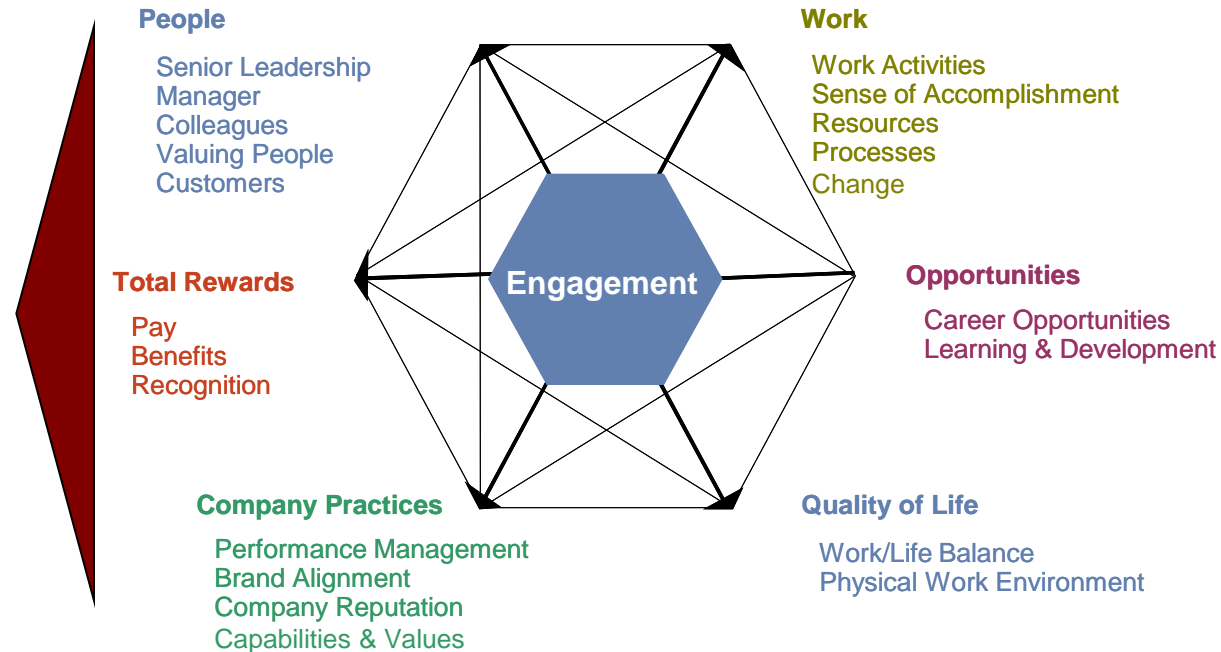
*OUTPUTS: How engaged are employees?*

SAY

STAY

STRIVE

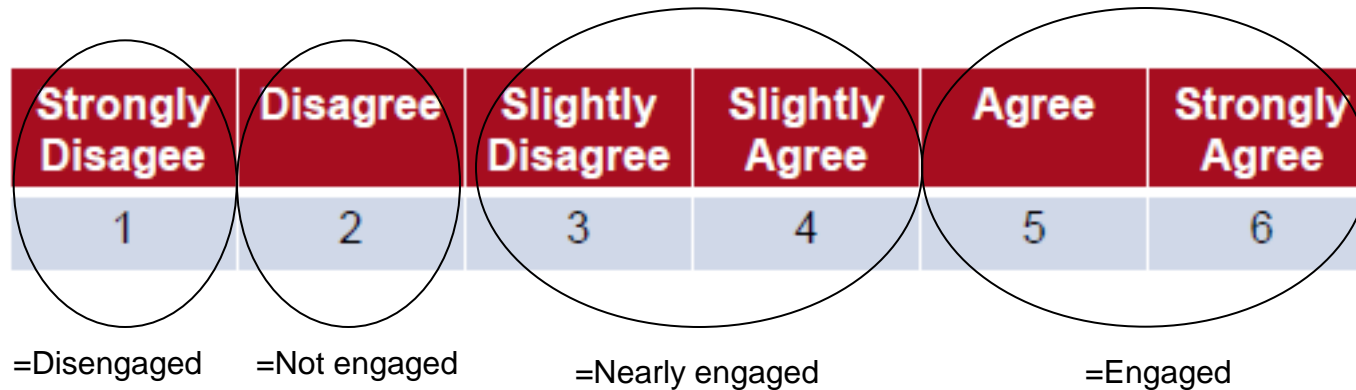
*INPUTS: What potentially impacts employee engagement:  
Themes included in the 2011 engagement survey*



*ACTIONS: Results analysis takes satisfaction to the next level; it is more important to know what drives engagement than whether or not employees are satisfied so you can focus efforts where they will have most impact on the engagement of your employees*

# How we surveyed

- The survey used a six-point scale for the following reasons: Employees can more finely tune their responses



- When reporting individual question scores, the top two responses (Strongly Agree and Agree) are combined and reported as a percentage – eg 50% favourable to Question 1
- Understanding how close to or how far away people are from being engaged helps to identify how large the task is of engaging more people, i.e., the more people that are 'nearly engaged', the easier and quicker it will be to convert these people to 'engaged' by focusing on the key drivers of employee engagement.

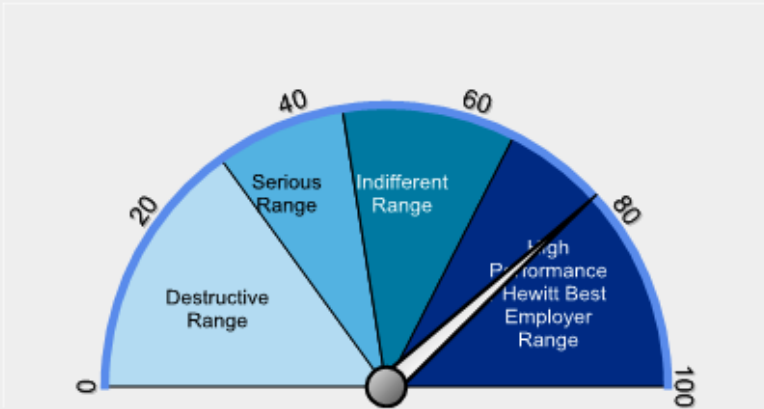


# OVERALL RUSSIA RESULTS



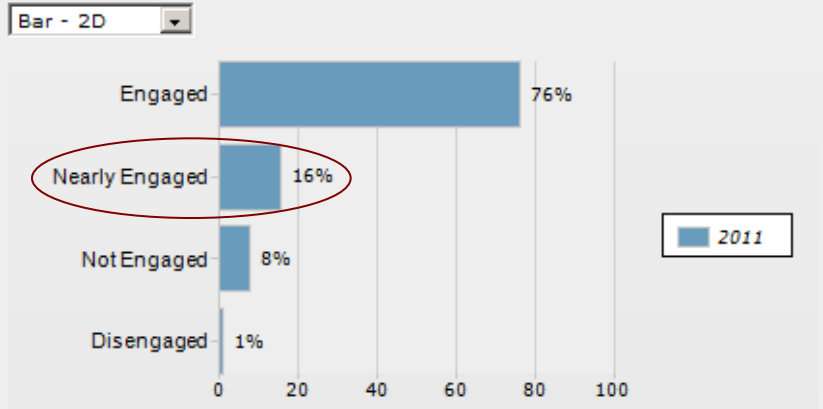
## Engagement Score 76%

[Details](#)



## Engagement Distribution

[Details](#)



## Key drivers to focus on

### Improve



### Sustain (what is keeping engagement high)



## Engagement Behaviors

[Details](#)

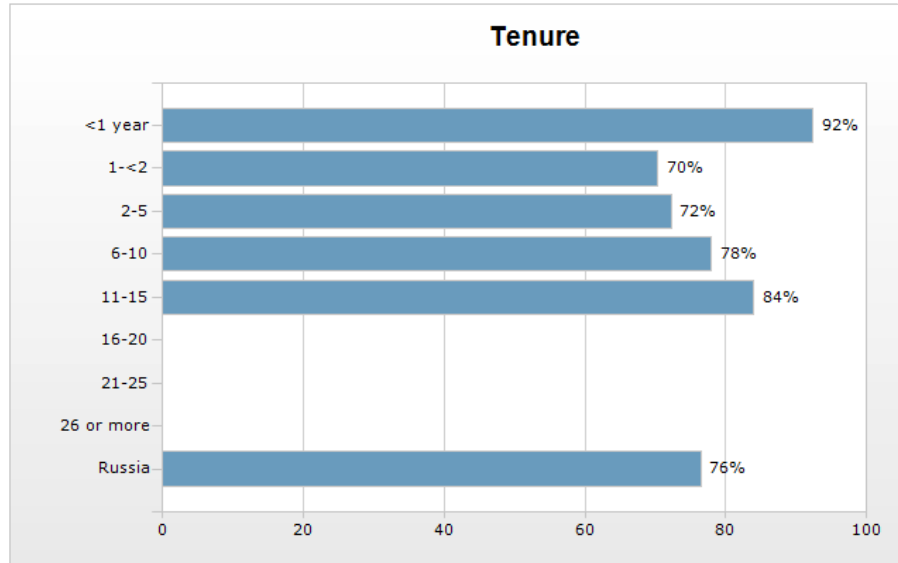
	2011
<b>Say</b>	
I would not hesitate to recommend Imperial Tobacco to a friend seeking employment	76%
Given the opportunity, I tell others great things about working here	89%
<b>Stay</b>	
It would take a lot to get me to leave Imperial Tobacco	73%
I rarely think about leaving Imperial Tobacco to work somewhere else	69%
<b>Strive</b>	
Imperial Tobacco inspires me to do my best work every day	62%
Imperial Tobacco motivates me to contribute more than is normally required to complete my work	66%

# How good are the results of 76%



- Average score for 5 markets participated - 58% (Italy, Turkey, France, UK, Russia)
  - ITG Poland 2010 - 44 % (Poland Best Employer is 68%)
  - ITG Australia 2011 – 74 % (Australia Best Employer is 74%)
  - ITG CMG 2010 overall – 59 %
  
  - **Global best employer benchmark - 78 %**
  - Russia average – 61 % (**Russia Best Employer – 83 %**)
  - Europe average – 52 % (Europe Best Employer – 75 %)
  - UK average – 47 % (UK Best Employer – 64 %)
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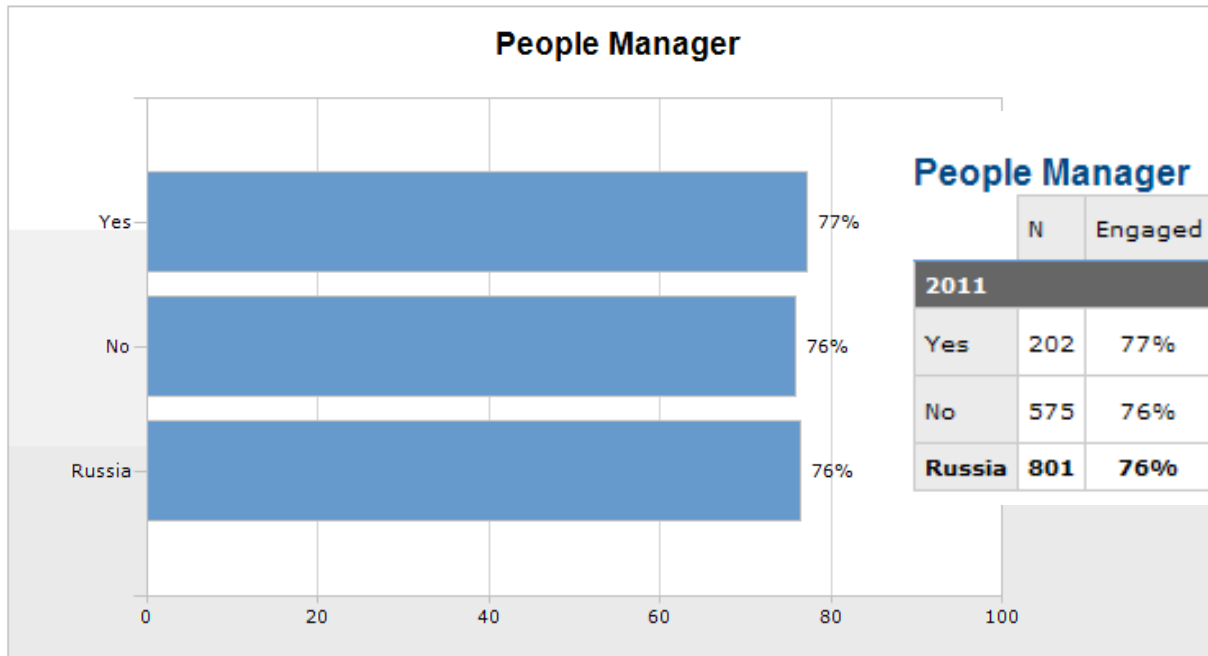
# ITG Engagement score by tenure



	N	Engaged	Nearly Engaged	Not Engaged	Disengaged
<b>2011</b>					
<1 year	132	92%	5%	2%	0%
1-<2	138	70%	20%	7%	3%
2-5	331	72%	18%	10%	0%
6-10	146	78%	15%	7%	0%
11-15	26	84%	8%	8%	0%
16-20	0				
21-25	0				
26 or more	0				
<b>Russia</b>	<b>801</b>	<b>76%</b>	<b>16%</b>	<b>8%</b>	<b>1%</b>

This is normal picture according to the survey provider, new employees are more engaged, after 1-st year the line drops and slowly goes up

# Engagement score by level



## People Manager

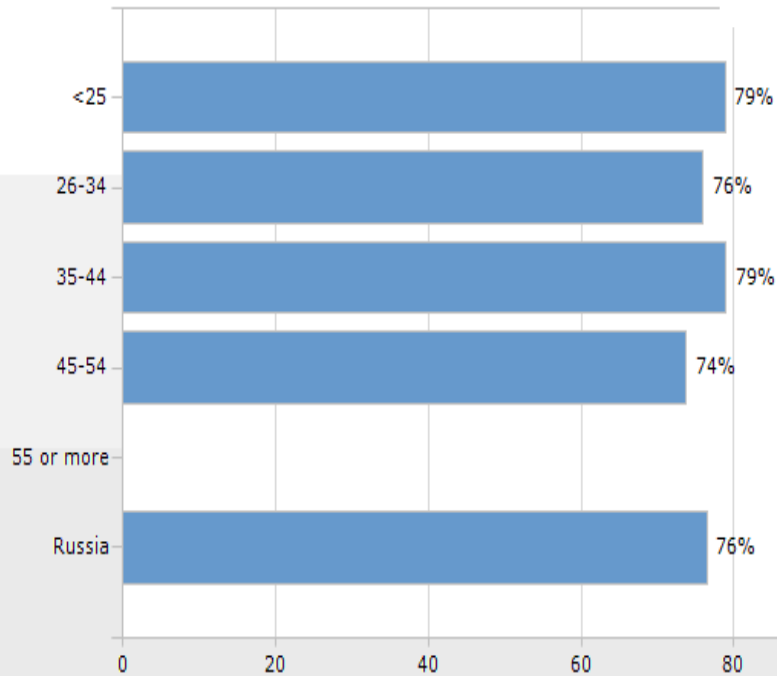
	N	Engaged	Nearly Engaged	Not Engaged	Disengaged
<b>2011</b>					
Yes	202	77%	17%	5%	0%
No	575	76%	15%	8%	1%
<b>Russia</b>	<b>801</b>	<b>76%</b>	<b>16%</b>	<b>8%</b>	<b>1%</b>

In our company engagement does not depend on job levels, so all actions upon results should target all employee levels

# Engagement score by age



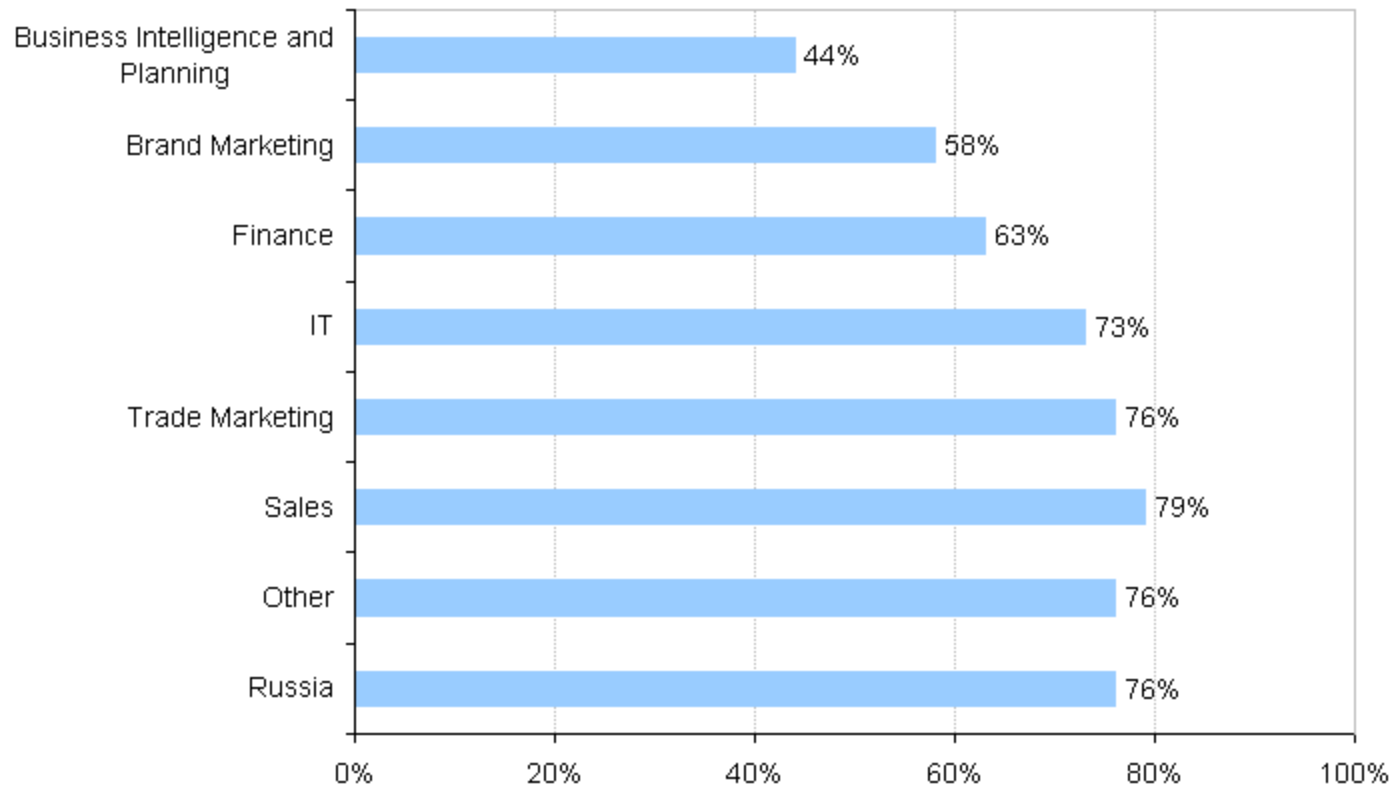
Age



	N	Engaged	Nearly Engaged	Not Engaged	Disengaged
<b>2011</b>					
<25	85	79%	13%	7%	1%
26-34	522	76%	16%	8%	1%
35-44	148	79%	15%	6%	0%
45-54	19	74%	21%	5%	0%
55 or more	0				
<b>Russia</b>	<b>801</b>	<b>76%</b>	<b>16%</b>	<b>8%</b>	<b>1%</b>

No specific issues connected to age

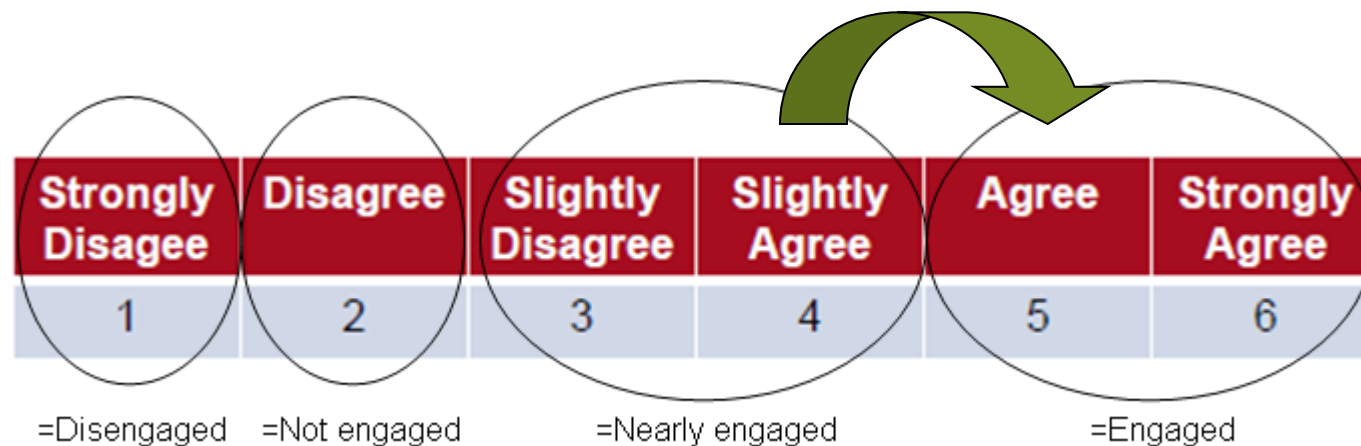
# Engagement score by job family



1. There are issues in BI, Marketing and Finance, these functions need a more precise look (see further)
2. There should be 10 people in a job family to be shown here, for confidentiality reasons. People could choose any job family, some just left it blank, e.g. we have 111 people under Trade Marketing.

# By job family: closer look

	N	Engaged	Nearly Engaged	Not Engaged	Disengaged
<b>2011</b>					
Brand Marketing	12	58 %	33 %	8 %	0 %
Trade Marketing	111	76 %	15 %	7 %	2 %
Sales	522	79 %	13 %	7 %	0 %
Finance	27	63 %	33 %	4 %	0 %
IT	11	73 %	27 %	0 %	0 %
HR	8				
Business Intelligence and Planning	10	44 %	44 %	11 %	0 %
Corporate & Legal Affairs (CLA)	0				
Other (please specify)	28	76 %	14 %	11 %	0 %
<b>Russia</b>	<b>801</b>	<b>76 %</b>	<b>16 %</b>	<b>8 %</b>	<b>1 %</b>



Nearly engaged rate in Brand Marketing, Finance, IT and BI is higher than ITG Russia overall

# Engagement behaviors by job family



	Say		Stay		Strive	
	I would not hesitate to recommend Imperial Tobacco to a friend seeking employment	Given the opportunity, I tell others great things about working here	It would take a lot to get me to leave Imperial Tobacco	I rarely think about leaving Imperial Tobacco to work somewhere else	Imperial Tobacco inspires me to do my best work every day	Imperial Tobacco motivates me to contribute more than is normally required to complete my work
Brand Marketing	58%	75%	58%	58%	25%	67%
Trade Marketing	80%	88%	76%	70%	61%	65%
Sales	76%	90%	75%	70%	63%	69%
General manager						
Supply chain/purchasing						
Finance	70%	78%	67%	56%	67%	44%
IT	91%	100%	64%	64%	55%	64%
HR						
Corporate & Legal Affairs (CORA)						
Business Intelligence & Planning	80 %	67 %	70 %	50 %	44 %	33 %
<b>Russia</b>	<b>76%</b>	<b>89%</b>	<b>73%</b>	<b>69%</b>	<b>62%</b>	<b>66%</b>

Marketing uninspired? Finance and BI not motivated? IT is our best PR! Good news: Sales is all right. We should focus on STAY and STRIVE!



## **TARGET for actions:**

- non-sales functions with low score**
- all employee levels**
- tenure: 1-5 years**

### **REWARDS\***

**CAREER OPPORTUNITIES**

**RECOGNITION AND MOTIVATION**

**RESPONSIVE TO CLIENTS**

**LEARNING AND DEVELOPMENT**

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\* The survey was conducted prior to salary increase

# Targets fine-tuning: open questions Moscow all departments



*If there is one thing you would change about Imperial Tobacco what would that be?*

**INCREASE SALARY** INTRODUCE GRADES

INCREASE BONUS PART    ADDITIONAL PAY FOR ADDITIONAL WORK

INCREASE THE TRANSPARENCY OF THE TARGET AND BONUS SYSTEM

**REWARD LOYALTY** BRING BACK RAIFFEISEN

CLEAR AND TRANSPARENT ROTATION AND PROMOTION POLICY

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# Our strengths. Moscow all departments



*If there is one thing you think is important to retain about Imperial Tobacco, what would that be?*

OUR PEOPLE SENIOR MANAGEMENT

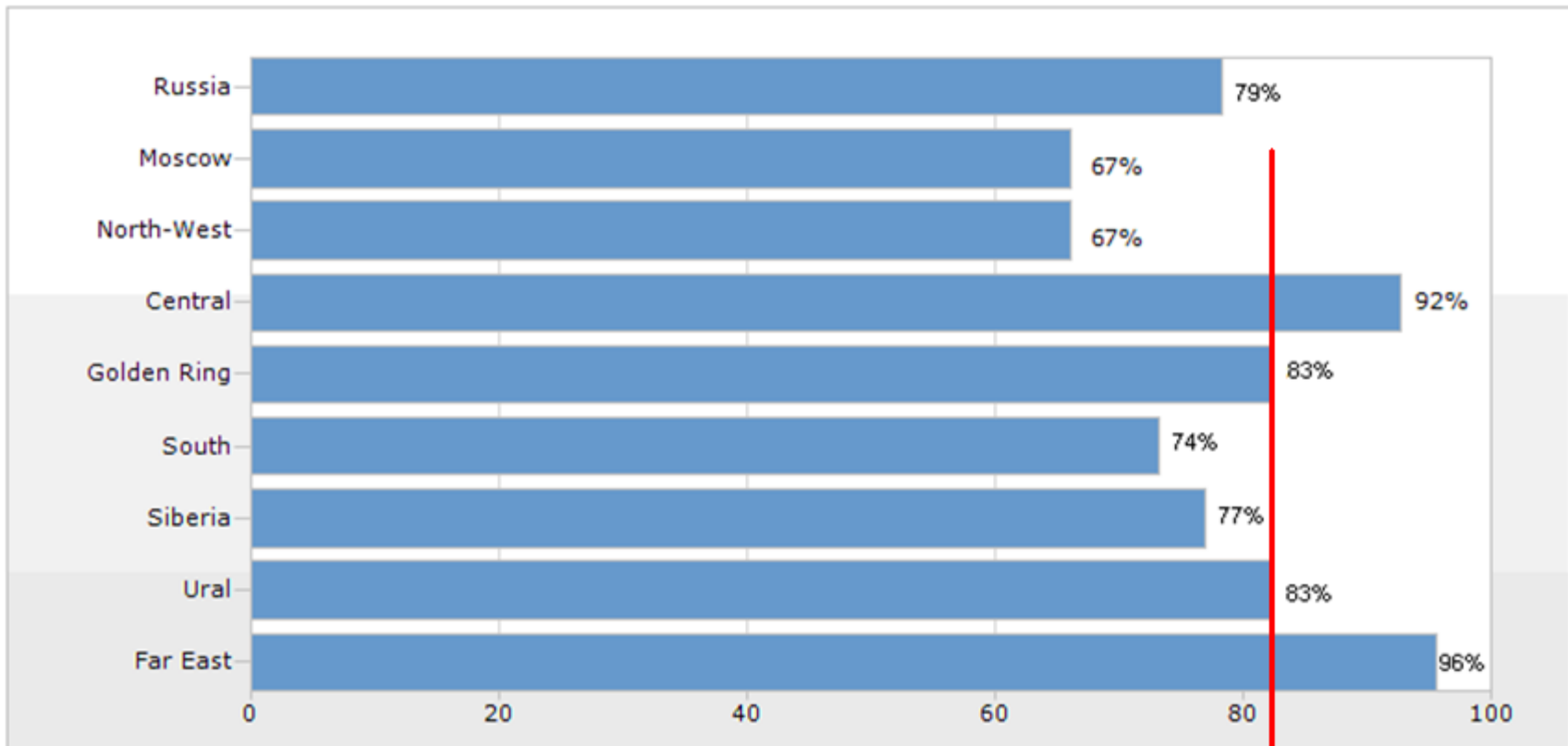
CARS LEARNING AND DEVELOPMENT

BENEFITS PROFESSIONAL APPROACH

SPIRIT / ATMOSPHERE

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# Sales. Engagement score by region



83 % =  
"Russia Best Employer"  
engagement rate

4 regions have the "Russia Best Employer" score!!!  
Our best practices: Central and Far East.

# Engagement distribution. Sales



	N	Engaged	Nearly Engaged	Not Engaged	Disengaged
<b>2011</b>					
Central	105	92 %	7 %	1 %	0 %
Far East	44	96 %	4 %	0 %	0 %
Siberia	72	77 %	16 %	7 %	0 %
Golden Ring	76	83 %	14 %	3 %	0 %
Moscow	231	67 %	18 %	12 %	2 %
North-West	74	67 %	18 %	15 %	0 %
South	72	74 %	13 %	13 %	0 %
Ural	95	83 %	10 %	7 %	0 %
<b>Russia</b>	<b>801</b>	<b>76 %</b>	<b>16 %</b>	<b>8 %</b>	<b>1 %</b>

# Engagement behaviours by region

	Say		Stay		Strive	
	I would not hesitate to recommend Imperial Tobacco to a friend seeking employment	Given the opportunity, I tell others great things about working here	It would take a lot to get me to leave Imperial Tobacco	I rarely think about leaving Imperial Tobacco to work somewhere else	Imperial Tobacco inspires me to do my best work every day	Imperial Tobacco motivates me to contribute more than is normally required to complete my work
Central	89 %	96 %	88 %	85 %	76 %	82 %
Golden Ring	79 %	86 %	74 %	79 %	66 %	74 %
Moscow	64 %	84 %	66 %	62 %	47 %	60 %
North-West	69 %	87 %	72 %	57 %	44 %	43 %
Siberia	79 %	89 %	75 %	70 %	68 %	71 %
Far East	93 %	100 %	81 %	89 %	93 %	81 %
South	74 %	94 %	74 %	58 %	60 %	62 %
Ural	77 %	91 %	72 %	72 %	70 %	79 %
<b>SALES</b>	<b>76 %</b>	<b>90 %</b>	<b>75 %</b>	<b>70 %</b>	<b>63 %</b>	<b>69 %</b>

The score is really good in Sales, although the two biggest paid regions lack inspiration.

# What needs to be improved in Sales



IMPROVE	Score	Regions						
TOOLS AND RESOURCES (incl. investing)	6	Ural	Center	Siberia	GR	South	Moscow	
REWARDS	5	Ural	Center		GR	South	Moscow	
LEADERSHIP	3+2		Center	Siberia				NW
Valuing and recognition	} Leadership skills			Siberia				
Change initiatives/ adapting to change					GR			NW
Responsive to customers	3	Ural	Center		GR			
Company reputation ("best place to work")	2			Siberia		South		
Career / professional development	2						Moscow	NW

Central

GR

South

Ural

Siberia

Far East

Responsive to consumers	Investing in resources	Visible leadership	Reward comparison (internal)
Benefits	Change initiatives	Responsive to clients	Tools & resources
Reward comparison (external)	Leaders valuing employees	Non-financial recognition	Company reputation
Responsive to consumers	Reward comparison (external)	Responsive to customers	Investing in resources
Tools & resources	Visible leadership	Recognise behaviours	Company reputation

Lowest score, specific issues

Participation rate 86%, less than minimum 50 replies necessary for detailing

# What needs to be improved. Moscow and NW





# Moscow & NW, split by tenure



## Moscow

Tenure

	N	Engaged	Nearly Engaged	Not Engaged	Disengaged
<b>2011</b>					
<1 year	18	89%	6%	6%	0%
1-<2	18	61%	22%	6%	11%
2-5	36	61%	28%	11%	0%
6-10	19	63%	11%	26%	0%

## North-West

Tenure

	N	Engaged	Nearly Engaged	Not Engaged	Disengaged
<b>2011</b>					
<1 year	0				
1-<2	8	88%	0%	13%	0%
2-5	31	52%	26%	23%	0%
6-10	15	80%	20%	0%	0%

TENURE	NUMBER OF EMPLOYEES both regions
> 1	27%
1 > 2	16%
2 - 5	39%
6 - 10	18%

The respective actions should target 55% of employees

# Sustain score total Sales

(what keeps our engagement high at the moment)



Indicates the expected decline in engagement if perceptions of this survey question decline

SUSTAIN	Score	Regions						
Performance management + Feedback	6	Ural	Center	Siberia	GR	South	Moscow	
Senior leadership action for success /alignment of goals/ clear on work	6	Ural	Center	Siberia	GR	South	Moscow	
ITG effectively supports learning and development	2	Ural				South		
Company reputation ("best place to work") + physical work environment	2		Center					NW
I feel I make a significant contribution to success	2						Moscow	NW
Utilizing knowledge and skills	1				GR			
Teamwork across the business + respect from colleagues	1							NW

# What needs to be sustained in Sales



Siberia	Focus on performance	Change communication	Actions for success	Alignment of work goals
Ural	Clear on work role	Focus on performance	Learning & development	Alignment of work goals
South	Feedback	Managing performance	Support from manager	Development needs
Central	Feedback	Physical work environment	Leadership actions	Company reputation
GR	Alignment of work goals	Knowledge & skills	Performance management	Clear on work role
Moscow	Focus on performance	Alignment of work goals	Actions for success	Contribute to success
NW	Teamwork across the business	Contribute to success	Respect from colleagues	Company reputation
Far East	Participation rate 86%, less than minimum 50 replies necessary for detailing			

# Improve/sustain by division



Ural

Center

## IMPROVE

Investing in tools and resources	
Rewards	
Responsive to customers	
	Visible leadership

## SUSTAIN

Performance management + Feedback	
Senior leadership action for success / alignment of goals / clear on work	
Company support for learning and development	Physical work environment

# Improve/sustain by division



Golden Ring

South

## IMPROVE

Rewards	
Tools and resources	
Leadership: change initiatives	Leadership: valuing and recognition
Responsive to clients	Company reputation ("best place to work")

## SUSTAIN

Performance management + Feedback	
Senior leadership action for success / alignment of goals / clear on work	Company support for learning and development
Utilizing knowledge and skills	

# Improve/sustain by division



Siberia

Far East

## IMPROVE

Tools and resources
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Visible leadership & recognize behaviours
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Company reputation ("best place to work")
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96% engagement

## SUSTAIN

Performance management + Feedback
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Senior leadership action for success / alignment of goals / clear on work
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# Improve/sustain by division



## Moscow

## North West

### IMPROVE

Rewards & Benefits
Career opportunity
Investing in resources

### IMPROVE

Professional development
Career opportunity
Leadership: adapting to change
Leadership actions

### SUSTAIN

Performance management
Senior leadership action for success / alignment of goals
I feel I make a significant contribution to success

### SUSTAIN

Teamwork across the business + respect from colleagues
Company reputation ("best place to work")
I feel I make a significant contribution to success

# Things we do



- Above & Beyond recognition program
  - Bridge Builder Meetings
  - General Manager for 1 day opportunity
  - HQ Friday x once per month indoor Golf Party
  - Service Recognition Rewards
  - Employee of the month
  - Talk to the boss round table event
  - Leadership & Behaviour Development Programs .....all levels
  - 360 Management Feedback
-