

**ROTA-UK. Call us on 01727 869300**

### **The business case for creating a high-performance workplace**

- Most (though not all) case studies of companies that have created a high-performance workplace show that financial improvement has followed.
- These studies include companies said to be ‘great places to work’, or to have ‘highly-engaged employees’.
- Most companies in the annual ‘UK’s Best Workplaces’ list published with the Financial Times are leaders in their field.

### **Quantifying the benefits**

The most tangible benefits of the high-performance workplace are lower staff churn and less absenteeism. Using data from surveys conducted by the Chartered Institute for Personnel and Development (CIPD) you can calculate the cost to the average company of churn and absenteeism. It is a reasonable assumption that these costs would be halved.

#### Absenteeism

Sickness absence (Stress is a major cause according to the Dept of Health) Average 8.4 days at average cost of £648 each employee (CIPD 2007). For a 100-employee company £64,800 pa.

#### Staff turnover

National average turnover 18%, average annual cost for each leaver £7,750. (CIPD 2007). £775,000 for a 100-employee company.

- Average direct costs grossly underestimate the real impact of a post remaining unfilled. According to CIPD (2009), the average time to replace a director is 17 weeks and a manager 12 weeks.
- Beyond the raw cost of replacement, the loss of a key individual to a *competitor* can have serious financial consequences, and can also cause his or her colleagues to start looking around in the job market.

### **Productivity improvement**

The principal business benefit of the high-performance workplace will be the higher productivity arising from the much greater engagement of the employees. We believe this is the biggest influence behind the leading performance of the firms on the ‘Best Workplaces’ list and the financial improvements demonstrated by the case studies.