

ENGAGED EMPLOYEES ON A PATH TO PREMIER PERFORMANCE



A study of employee engagement

ABOUT INGERSOLL RAND

Advancing the quality of life by creating comfortable, sustainable and efficient environments. Its people and family of brands—including Club Car®, Ingersoll Rand®, Thermo King® and Trane®—work together to enhance the quality and comfort of air in homes and buildings; transport and protect food and perishables; and increase industrial productivity and efficiency.

- \$12 billion company
- 40,000 employees
- 600 locations
- 64 countries
- 11 strategic business units



BUSINESS CHALLENGE

Ingersoll Rand is on a path to Premier Performance. This path encourages growth excellence, operational excellence and a winning culture. The desired destination? Engaged employees, delighted customers and confident shareholders.

To help realize the destination of engaged employees, Ingersoll Rand began its journey in 2008 with the introduction of broad action plans following employee engagement survey administration. Despite significant actions following previous surveys where many categories showed improvement, Ingersoll Rand's overall 2012 employee engagement score remained flat. So, in 2013, Ingersoll Rand aimed to raise their overall score by at least two points by implementing a new approach to employee engagement that holds managers accountable to demonstrate authentic leadership and drive engagement locally.

\$12 billion
industrial
manufacturer

40,000 employees,
600 locations,
64 countries

implement new
approach to
employee engagement

communicated
important messages
to develop and
reward their people

created a series
of Engagement
Guiding Principles

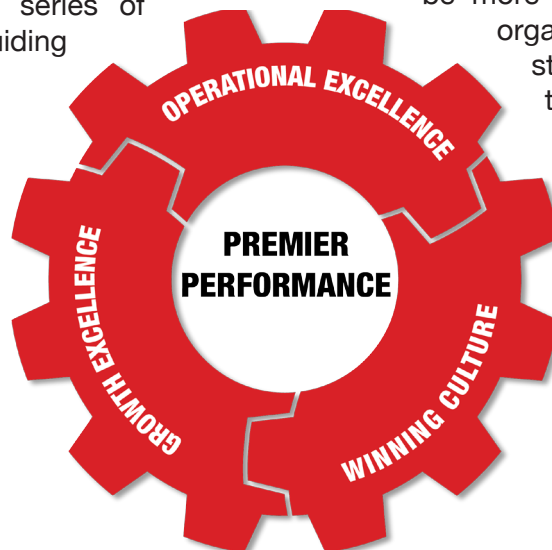
SOLUTION

Since 2012, Ingersoll Rand has been focused on making sure leaders at all levels of the organization are accountable for doing the right things to manage performance, communicate important messages, and to develop and reward their people. Additionally, leaders are held accountable for being role models for the values of the organization and for their teams. To do so, leaders are measured against business outcomes and key behaviors (Ingersoll Rand Leadership Competencies) throughout the performance management and Organization Leadership Review conducted annually.

Part of this leadership accountability extends to employee engagement. To help create a focus on employee engagement, Ingersoll Rand enlisted the expertise of Career Systems International (CSI), a leading provider of employee engagement solutions; and Kenexa (IBM), Ingersoll Rand's employee engagement survey provider. As a result, Ingersoll Rand created a series of Engagement Guiding Principles.

These principles are as follows:

- The person with the greatest impact on an individual's engagement is that person's immediate manager. This is where the real employee engagement happens —not at the enterprise, business unit, region, function, etc. level. In fact, this is the basis of Ingersoll Rand's action planning strategy.
- Employee engagement must be integrated into Ingersoll Rand's key strategic priorities; it is not a stand-alone initiative.
- Managers must continually identify engagement gaps and define solutions with their teams. This will, in turn, build trust and increase discretionary effort among employees. Ultimately, this will lead to greater success of the team and organization as a whole.
- Employee engagement is a key enabler to Ingersoll Rand's strategy. Data will give insights on our organizational and cultural health enabling Ingersoll Rand to diagnose where it can be more effective as the organization drives strategies across the company.



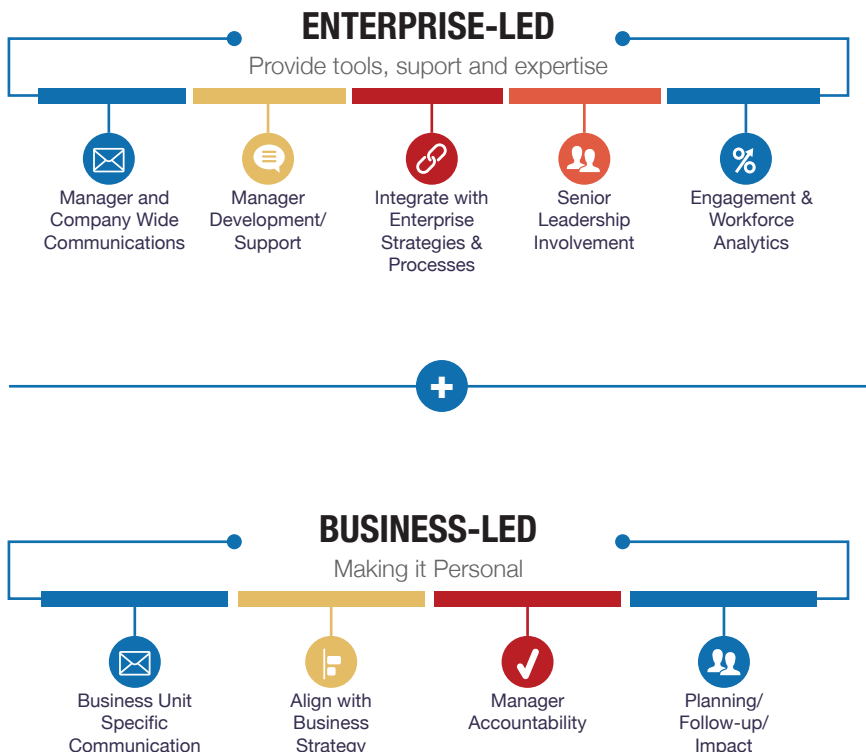
- In order to significantly improve engagement, it is imperative that there are clear priorities, a laser-like focus and strong leadership.
- Leaders must coach each other through support, helping them understand their data, and by keeping a very strong focus on what's within their control to make better.
- There is a lot that is going well with engagement—continue to build on those strengths.

In support of the guiding principles, Ingersoll Rand developed a comprehensive Employee Engagement strategy designed to focus on enterprise and business-led activities with a constant focus on two-way communication and continuous improvement.

PROGRAMS

Kicking off its global, enterprise-led effort, Ingersoll Rand rapidly deployed The Ingersoll Rand Leader: Engaging Your Employees training to its global audience. The one-day classroom course was built in partnership with CSI and was based on their award-winning solution, Love ‘Em or Lose ‘Em®. The course, designed to equip managers with practical strategies they can use to retain, engage, and encourage the talents of their people; also addressed leader/manager behaviors such as coaching and communication that are critical drivers of engagement at Ingersoll Rand.

award-winning
solution Love ‘Em
or Lose ‘Em®



REINFORCING AND SUSTAINING

Early on, Ingersoll Rand realized that a constant focus on employee engagement was needed to drive change in the organization. As part of its overall strategy and in collaboration with CSI, post-workshop actions were identified to maintain momentum, further learning and drive sustainable change. Some of these actions included:

- Employee Engagement Manager Online Toolkit — Ingersoll Rand managers are able to access a Talent Risk Assessment tool to determine the disengagement risks for employees in their department; template to a Stay Interview conversation plan and a one-page What Matters Most survey to encourage productive dialogue on what keeps each employee engaged; and links to additional resources including the book, Love 'Em or Lose 'Em: Getting Good People to Stay.

- Executive Overviews — Detailed the critical business case for engagement across the organization and set the expectation to model engagement and retention behaviors.
- Human Resource Coaching — Training designed specifically for Human Resources personnel to coach on engagement and use of Manager Toolkit resources.
- Career Development — Early stage deployment of a series of career development training for employees and managers.
- Best Practice Sharing — Leveraged the best practice examples of top-quartile engagement managers as lessons learned across the organization.



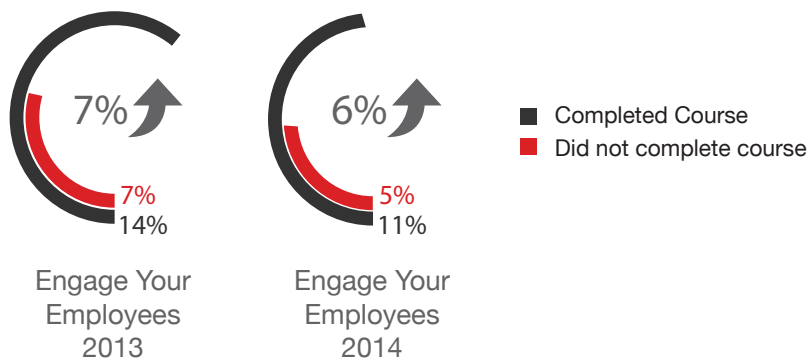
ONGOING MEASUREMENTS

Ingersoll Rand's commitment to employee engagement is working. In late 2013, a new survey revealed that Ingersoll Rand eclipsed their goal and raised the overall Employee Engagement Index by eight points. This was in the midst of a challenging year and the spinoff of almost 20% of their company.

Other highlights included:

- Managers who took the Engage Your Employees course had double the engagement scores on the employee engagement survey.
- Employee engagement scores went up 8%, going from a below average score of 63% to an above average score of 71% in 2013. In 2014 scores went up 4% from 71% to 75% which puts Ingersoll Rand in the top quartile for engagement.
- Recognized as one of the top 50 Most Engaged Workplaces in 2014 by The Achievers.
- Named one of FORTUNE Magazines' World's Most Admired Companies in 2014.
- Listed as one of the 100 Best Corporate Citizens in 2014 by Corporate Responsibility Magazine.

AVERAGE IMPROVEMENT IN DIRECT REPORT (DR) EEI SCORES



SUMMARY

For all the great work that's been accomplished thus far, Ingersoll Rand is still on the Path to Premier Performance. It's been made smoother by strategically enabling Ingersoll Rand leaders to:

1. Have easy access to the right information on what Premier Performance looks like in action.
2. Have tools to communicate to their teams about the Vision, Values, Strategy and Competencies of the Ingersoll Rand Culture.
3. Be rewarded for the way in which they treat their teams, as well as, the business outcomes.
4. Have examples of how to have engaged employees, delighted customers and confident shareholders through living role-models, best-practice sharing and peer-coaching.

They have landed on the right mix. So, what's next? Continuing to maintain focus and ensure success is sustained. Ingersoll Rand will be taking the work they have done with their people leaders and strategic capability roles and applying some of those same best-practice solutions to all of the functional areas within the company with specific focus on career development, key talent retention, brand reputation and organizational excellence.



www.bevkaye.com
818.995.6454