

Employment



At a glance

■ Training

An average of 19 hours of training were provided per employee.

■ Employee turnover

The rate of employee turnover was 30%.

■ Consultation

Employee engagement surveys were carried out in six operating companies.

Performance

■ Training and development

Kingfisher places significant emphasis on the training and development of employees, with around £28 million invested in formal employee training in 2007/08. A total of 1.7 million training hours were provided – an average of 19 hours per employee. B&Q UK received an award for its learning and development strategy at the HR Excellence Awards 2007 (see page 40).

| Training | 2006/07 | 2007/08 |
|--------------------------------------|-----------|-----------|
| Training hours (total) | 1,372,000 | 1,653,000 |
| Training hours per employee (number) | 17 | 19 |

■ Training data covers formal training courses and excludes on-the-job training.

■ Data on training per employee is calculated using the total headcount average over the year (not full-time equivalent employees).

The majority (around 88%) of employees received a formal performance appraisal and review.

Kingfisher runs a number of senior management programmes to attract and retain the best international talent (see page 40).

The rate of employee turnover was 30% – the lowest employee turnover rates among operating companies were Brico Dépôt France (15%) and Castorama France (15%).

| Employee turnover | 2006/07 | 2007/08 |
|-------------------------------|---------|---------|
| Employees who left (number) | 23,200 | 26,300 |
| Rate of employee turnover (%) | 29% | 30% |

■ Data on employee turnover is calculated using the total headcount average over the year (not full-time equivalent employees).

■ Communication and consultation

Employee engagement surveys were carried out at Kingfisher corporate head office and six Group businesses. These included B&Q UK, Brico Dépôt Spain, Koçtaş, Castorama Italy, Screwfix and Trade Depot. In addition, Kingfisher seeks to promote good internal communication across the Group through its intranet (Kingnet), internal newsletter and specific communication initiatives.

B&Q UK measures employee engagement twice a year through a Gallup engagement survey. In 2007 B&Q became the first

company outside the United States, and the first retailer in the world, to win the Gallup Worldwide Engagement award for outstanding employee engagement. In 2008, Kingfisher plans to extend the Gallup engagement survey to members of the two most senior leadership groups, the Kingfisher Leadership Group and the Kingfisher Executive Group.

Castorama France has encouraged open dialogue between employees and management by launching a webcast debate, En Vizavi, on its intranet site. A group of nominated employees and a panel of senior managers, including the Chief Executive, participate in regular discussions outside of hierarchical lines.

Kingfisher recognises the right of employees to freedom of association. In line with national regulations, all employees in France, Italy, Spain and India are covered by collective bargaining arrangements. In total this amounts to around a quarter of all employees. The Kingfisher European Forum, set up in 2003, briefs and consults with employee representatives on pan-European issues and meets annually.



Case studies

■ Pay and benefits

Kingfisher encourages employees to become shareholders in the business, with around 7,000 employees participating in its ShareSave schemes. Across its international businesses, salary levels are competitive within local markets and healthcare and performance-related bonus schemes are available to some employees.

The Group operates defined benefit and defined contribution pension schemes for its employees, some of which are required by local legislation. The Board's policy is to encourage pension fund managers to engage with companies on environmental, social and governance considerations where possible.

■ B&Q UK and Trade Depot – encouraging the return of long-term unemployed back into the workplace

B&Q UK is working in partnership with the government, Jobcentre Plus and other corporate partners on an initiative to aid the long-term unemployed back into work. Trade Depot is also working with Jobcentre Plus on a special work placement scheme for the long-term unemployed. This aims to help individuals regain some experience in the workplace, while giving them the same level of training as full-time recruits. At the store in Hanley, Stoke-on-Trent, the scheme has been a success – five individuals participated in the placement scheme, two of whom decided to stay with the company as permanent Sales Associates.

■ B&Q Korea – helping employees to move on after trial stores close

In September 2007, Kingfisher withdrew from the market in Korea – closing its two trial stores in the capital Seoul, which had employed around 180 people. To help employees prepare for the future, the company carried out consultation with each individual and provided outplacement services to help them find new jobs. Employees were offered a form of early retirement under South Korean law and a retention plan was put in place to encourage individuals to stay with the company until the end of their contracts.



■ B&Q China – human resource management award

B&Q China received a Gold accolade for its human resources practices at the China Human Resource Management Grand Awards. The company has continued to invest significantly in staff training and development to attract and retain talented people. Last year around 100 employees successfully completed Fast Track training and assessment, thereby earning promotion to key management positions in the company's 60-plus stores.

■ B&Q UK – learning and development award

B&Q won an award for its learning and development strategy at the HR Excellence Awards 2007, organised by the HR Magazine. B&Q received the award in recognition of the effectiveness of its learning and development programme which engaged B&Q staff from across the entire organisation. B&Q's approach is to provide flexible learning and focus on ensuring that every member of staff knows what is expected of them. Pay is linked to performance – to drive a culture of high achievement across the business.

■ Kingfisher – management development programmes

The Kingfisher Executive Group (KEG) and the Kingfisher Talent Group (KTG) were both established in 2006/07 to help identify, retain and cultivate the next generation of business leaders within Kingfisher. Their role is to underpin and provide a succession pipeline to the well-established Kingfisher Leadership Group (KLG).

The KEG's membership is drawn from the 150 most senior roles below the KLG, while the KTG seeks to promote 'rising stars' within the business. A number of training programmes were run during the year, including an event for the entire KTG in January 2008. A set of Leadership Attributes were also created by a cross-company working group.

Management development is also a focus within the operating companies. For example, at Koçtaş nearly 100 employees from different managerial levels took part in a year-long development programme. In the UK, Trade Depot laid the groundwork for a new initiative – 'Leaders of the Future' – to identify and develop talented people within the business, while Screwfix introduced a fast-track development programme for Trade Counter managers.