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**Engaging employees
to drive global
business success:**

**Insights from Mercer's
What's Working™ research**

Consulting. Outsourcing. Investments.

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On the surface, a workforce composed of employees who are satisfied with their jobs may seem like a desirable and even optimal state for an organisation. But in today's global business environment, it is becoming clear that job satisfaction is not enough to help forge the link between employee performance and positive business results.

Over the last two decades, employers' needs and interests have moved from creating conditions and programmes that result in employees who are merely "satisfied" with pay, benefits and working conditions, to employees who are "committed" to the organisation and not considering a move, to those who are genuinely "engaged" in the work and mission of the organisation. For employers, engagement has become the search for the "Holy Grail" of the 21st century.

What is employee engagement?

We define engagement as a psychological state in which employees feel a vested interest in the company's success and are both willing and motivated to perform to levels that exceed the stated job requirements.

It reflects how employees feel about the overall work experience – the organisation, its leaders, the work environment, and the recognition and rewards they receive for their efforts.

Employee engagement fosters and drives discretionary behaviour, eliciting employees' highest productivity, their best ideas and their genuine commitment to the success of the organisation. Engagement contributes significantly to an organisation's performance, leading to improvements in service quality, customer satisfaction and long-term financial results. All other factors being equal, it also serves the individual, fulfilling a basic human need to be connected to worthwhile endeavours and make a significant contribution. In short, engagement is good for the company and for the employee.

Substantial research has been undertaken by the management and behavioural sciences that supports the theory that when employees are engaged, service quality, customer satisfaction, employee retention, productivity and financial performance improve.¹ By contrast, when employees are alienated or disengaged, organisations experience declines in all of these areas.

¹ See, for example, Harter, J.K., Schmidt, F.L. & Hayes, T.L. (2002). Business-unit-level Relationship Between Employee Satisfaction, Employee Engagement, and Business Outcomes: A Meta-Analysis. *Journal of Applied Psychology*, 87(2), 268-279.

While it is fairly easy to say what engagement is and why it is good for organisations, it has proven more difficult for organisations – particularly multinationals with heterogeneous employee populations – to determine how to increase engagement. Cracking the code to employee engagement – learning how organisations can win the hearts and minds of their employees – remains a complex yet critically important challenge facing organisations as they strive to reach the highest levels of performance in changing and competitive environments.

Identifying the drivers of employee engagement

The changing nature of work and the emergence of the global economy both have affected not only what employers want from their employees, but also what employees want from their work and their careers. For example, in the 1980s, surveys were able to identify such factors as pay equity, job security, personal accomplishment and the opportunity for employee input as drivers of employee satisfaction. By the 1990s – with the disruptive trends of corporate reorganisation, outsourcing and diminished job security – employees' relationships to their work had evolved, so that professional-development opportunities, clear organisational direction and a good work/life balance had become keys to feeling committed as well as satisfied.

During the current decade, as employers endeavor to build competitive advantage in the global economy, engagement is essential for optimising human capital. More than

ever, employers need to apply those practices that lead to higher levels of employee engagement. Those companies that have identified drivers of workforce engagement, and the specific HR/organisational practices that affect employee experience of those drivers, have been able to use this knowledge to allocate resources more strategically to achieve greater engagement.

Case in point

A large US-based financial services company analysed the drivers of engagement among the 12,500 employees in its major operating groups. The data on employee perceptions showed that the factors that have the greatest impact on engagement are:

1. The chance to do challenging work
2. Access to needed information
3. Ability to reach career goals
4. Access to needed training

When the company then compared employee perceptions results, including the drivers of employee turnover rates, it found that a 5 percentage-point improvement in favourable scores would reduce employee turnover – a measure of *disengagement* – by 3 percentage points. This translated into a potential \$3 million improvement in the company's bottom line through annual cost savings associated with recruiting, training and customer retention. Convinced of the value of working toward higher levels of engagement, the company targeted its HR efforts to improve these areas by replicating across all its operating groups the best practices of those units identified as having highly engaged employees.

What drives engagement?

Over the last several years, Mercer has conducted *What's Working™* studies around the world in order to capture and track employee perceptions and attitudes about work; identify the drivers that contribute the most to employee engagement in various countries; and develop reliable normative or comparative data that enable employers to assess their own levels of employee engagement relative to national or regional benchmarks.

Each national study's results are based on data collected from a statistically valid sample from a broad cross-section of employees designed to represent the nation's workforce. More than 130 questions in each study elicit views in the areas defined by Mercer's Human Capital

Strategy Model and cover factors such as communication, leadership, performance management, training and development, work/life balance, and pay and benefits. (See *About our What's Working™ surveys* on page 4.)

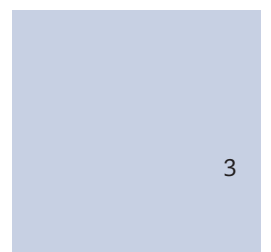
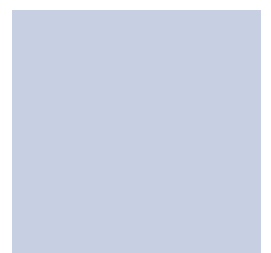
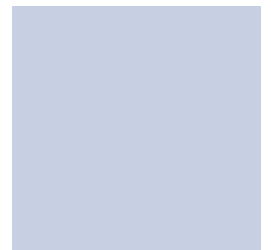
Through this research, Mercer has not only learned about employee perceptions and how they differ by country and by region, but, more important, it has been able to identify and quantify particular drivers of engagement. (See *Using the Employee Engagement Index® to identify engagement drivers*.) This has yielded a wealth of information that CEOs, HR directors and other executives with global workforce-management responsibilities can act on to improve employee engagement and enhance business results, such as customer service, productivity and turnover.

Using the Employee Engagement Index® to identify engagement drivers

Analysis of the *What's Working* survey data has enabled Mercer to identify and quantify both local and global drivers of engagement. To do so, Mercer first devised a measure of engagement, the Employee Engagement Index®, which quantifies the degree of engagement among a group of employees based on their responses to the following five statements:

- I feel a strong sense of commitment to this company.
- I am proud to work for this company.
- I would recommend my organisation to others as a good place to work.
- I am not considering leaving this company in the next 12 months.
- I am willing to go "above and beyond" in my job to help this company be successful.

The Employee Engagement Index score is then compared to employees' responses to other survey items, yielding information about those factors that correlate with a high level of engagement. Employers can use this information to focus organisational and HR efforts in those areas that affect employee perceptions about those factors.



About our What's Working™ surveys

As part of our commitment to research-based consulting, Mercer conducts a series of national studies across the globe entitled *What's Working*. These studies allow us to identify trends and perceptions of work in many countries. The studies give us general insights into workers' attitudes and what drives their engagement. The *What's Working* norms also support our work in designing and delivering employee opinion surveys for individual clients.

The methodology for the *What's Working* surveys in countries around the world is consistent, allowing for effective global comparisons. To date, *What's Working* surveys have gathered data in 22 countries from representative samples of working adults.

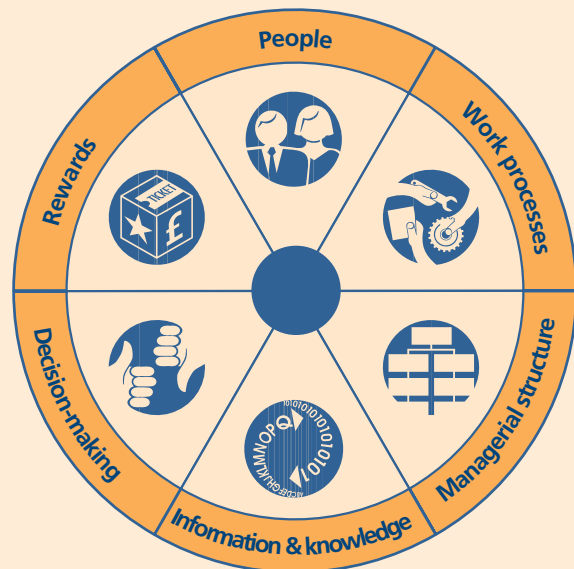
More than 130 questions in each study elicit views across 12 dimensions:

- Work processes
- Quality and customer focus
- Communication
- Work/life balance
- Job security and career growth
- Teamwork and cooperation
- Ethics and integrity
- Immediate manager
- Performance management
- Rewards (compensation and benefits) and recognition
- Leadership and direction
- Training and development

These dimensions are built on Mercer's Human Capital Strategy Model, a research-based model of the six factors that represent the system within which employees function and which are significant predictors of productivity. This model has been developed from a review of 30 years of research in economics, psychology, communication, management and related disciplines, augmented by ongoing Mercer research.

The optimal combination of these six factors is unique to each organisation. Changing one factor in isolation could yield operational improvements that lead to marginally improved performance, but it could also trigger an unintended detrimental impact in another area. That is why the most effective strategies address multiple factors simultaneously in an integrated way. An integrated human capital strategy can create a self-perpetuating cycle of engaged, aligned employees who contribute to superior business performance.

You can find additional information about the *What's Working* studies and results from the country reports at www.mercer.com/whatsworking.



Findings: National drivers of engagement

Research has confirmed over time that employee perceptions about the work experience differ by country. National culture shapes the reality of the employee experience and, therefore, engagement. Thus, for employers expanding their operations around the globe, the question of what drives engagement takes on both increasing complexity and importance as their workforces become more culturally diverse. Even if business leaders of multinational companies know how to engage staff in their home-country offices, they might not succeed in delivering the most value for their HR investments if they simply transfer HR policies and practices to other countries.

The most recent *What's Working* studies confirm that the top six or seven drivers of engagement differ from country to country, but not in ways that one might expect. Even when workplace characteristics are shared – English as a first language, for example – differences in national culture, the state of economic development and market conditions have a significant influence on employee engagement. As shown in Exhibit 1, UK and US employees share only one major driver – a sense of personal accomplishment, ranked first in the UK and second in the US. However, the leading UK drivers of engagement parallel six of the top drivers in Asia's largest market, China.

Exhibit 1

Drivers of engagement vary widely

US

1. Confident can achieve career objectives
2. Sense of personal accomplishment
3. Confident organisation will be successful
4. Quality is a high priority
5. Opportunity for growth/development
6. Information/assistance to manage career
7. Flexibility to provide good customer service

China

1. Sense of personal accomplishment
2. Paid fairly, given performance
3. Comparable benefits to industry
4. Confidence in senior management
5. IT systems support business needs
6. Opportunities for training
7. Regular feedback on performance

UK

1. Sense of personal accomplishment
2. Confidence in senior management
3. Opportunities for training
4. Paid fairly, given performance
5. Good reputation for customer service
6. Regular feedback on performance
7. Comparable benefits to industry
8. Cooperation between groups

Brazil

1. Sense of personal accomplishment
2. Confidence in senior management
3. Opportunities for training
4. Paid fairly, given performance
5. Good reputation for customer service
6. Comparable benefits to industry

Findings: Global drivers of engagement

Our research and client experience demonstrate that the drivers of engagement will vary considerably by country, by industry sector and by organisation. In all instances, Mercer recommends that these key drivers be identified within the organisation's context, which will allow it to identify the drivers that will have the greatest impact on performance.

While the specific set of key drivers will vary by organisation, Mercer's *What's Working* research has also identified four relatively consistent global drivers of employee engagement. These are:

- The work itself, including opportunities for development
- Confidence and trust in leadership
- Recognition and rewards
- Organisational communication

In the absence of any additional information, focusing on these four drivers would enable a global organisation to focus on areas that could significantly raise levels of employee engagement. Examining the organisation's employee survey data could lead to a refinement of the key driver analysis – identifying the specific issues that would have the greatest impact on engagement, given the organisation's context.

Using the research to enhance engagement

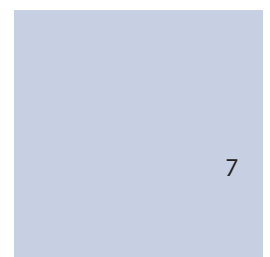
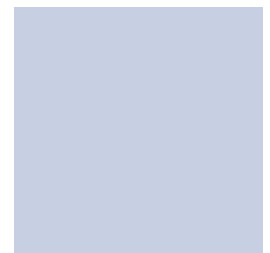
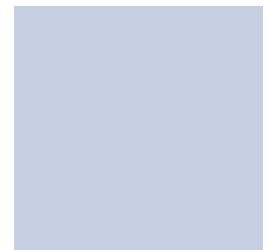
Leveraging the global drivers

The emergence of the four global influencers helps orient a global employer toward areas with the greatest potential impact on work-force engagement. Throughout their operations, multinationals should look for both common threads of engagement across countries and distinct or unique drivers in each major cluster or location. This can provide the framework for a global engagement strategy, lending cohesiveness, consistency and efficiency to engagement initiatives. Strategic HR management practices across the organisation also support a global employer brand, a sense of common corporate culture, a consistent basis for leadership training, more permeable internal boundaries for employees' cross-unit moves, and other benefits.

Following are some of the hallmarks of organisations that excel in leveraging these four global drivers to enhance engagement:

- **The work itself, including opportunities for development.** Engagement-focused companies have found ways to make work an effective driver of employee engagement. For example, although these companies may have flattened their organisations, limiting the opportunities for traditional promotions and upward advancement, they allow employees to grow within a job through expanded training opportunities and to move laterally within the organisation. Particularly important in these companies is explaining how jobs fit into the overall mosaic of the functions and activities that bring services and products to customers, so employees can map out and understand how their contributions fit into the larger scheme of things. These factors are in addition to the work itself, which may have intrinsic appeal to each employee.
- **Confidence and trust in leadership.** Engaged employees see and experience their leaders acting in accord with the expressed values of the organisation and allocating resources in ways that support strategy. Strong leaders believe in acting in visible and transparent ways that generate involvement with customers and employees. Leaders who can help employees see how strategy relates to various processes and procedures build engagement.

- **Recognition and rewards.** Recognising individual and group performance and contributions in tangible and immediate ways enhances an employee's sense of the organisation's appreciation and support of his or her efforts. While competitive pay and cash bonuses are not, in and of themselves, engagement drivers, they should be structured so as to be internally fair and externally competitive and, therefore, not de-motivators. Non-monetary rewards, both formal and informal, are an effective part of a reward mix that supports engagement.
- **Organisational communication.** In organisations with engaged workforces, information cascades from top management to employees in a timely and orderly fashion, with processes established to build upward flow of information from employees to top management. Supervisors are trained to actively disseminate information, handle questions and provide feedback – effective ways to build awareness, understanding and cooperation. Communication is planned, yet it is flexible enough to meet the day-to-day needs of information-thirsty employees and crafted to take into account the various learning styles within the organisation and the communication vehicles preferred by employees (for example, face-to-face meetings, e-mail, intranets, print newsletters or regular home mailings).



Blending the local with the global

While the *What's Working* research indicates that companies can enjoy success in moving employees along the engagement continuum by directing programmes toward enhancing the four global drivers of engagement, multinationals interested in optimal performance will also want to understand and accommodate local differences. Best-practice organisations recognise the influence of regional and national cultures on employees' perceptions. For example:

- **Chinese** employees value benefits much more than learning and development opportunities, while just the opposite is true for workers in **Sweden**.
- **Japanese** employees place great emphasis on base pay – and at the same time also value incentive compensation more than other countries.

Companies that make the best use of employee-engagement research also take cultural differences into account as they implement initiatives and develop management practices geared toward increasing the engagement of their global workforces.

Case in point

A global manufacturing company conducted a broad-based employee engagement study of its 90,000 employees at locations across major industrial countries. When the results were interpreted in light of national cultural differences, the company identified several global issues as well as guidelines for regional and local interventions to address the company's issues. For example, one

engagement issue for employees worldwide related to how the company adopted new technology. In response, the company developed a uniform programme for future technology rollouts. But it also tailored its implementation to reflect regional differences. In its Nordic region, for instance, the programmatic actions were spearheaded by the immediate supervisors, whereas in Japan, with its more formal and hierarchical culture, the highest unit executive in the locale took the lead in launching the changes, which were then cascaded down into the organisation. This is a powerful example of how to blend local and global drivers of engagement based on information and insight derived from employee research.

Using norms to better interpret internal employee survey data

While employee surveys provide valuable insights about employee perceptions within an organisation, multinationals that seek to compare findings across regions or assess their performance as a whole, without reference to local and global norms, could misinterpret the results. For example, even if a survey indicates that employees in a given country rate a company's performance in a particular area to be "low," this information alone does not tell leaders whether this is unusual for this country (that is, do employees working for a broad cross-section of employers in the country also give this item a low rating, such that the company's performance in this area is at least as good as – or perhaps even better than – that of its competitors?). Without this type of information,

the organisation could allocate resources to solving a problem that might not be a problem, but a reflection of general attitudes and culture in that country. Meanwhile, executives might ignore an area in which the organisation's absolute score was "high" but which could have been expected to be higher given local norms.

The combination of specific employee survey results with norm comparisons allows the organisation to identify issues and follow up with interventions that will have the greatest impact on employee engagement – and ultimately on business performance. (See *Using employee surveys to drive business decisions*.)

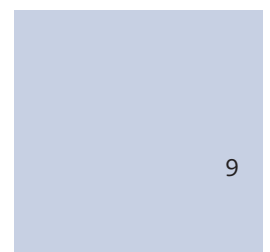
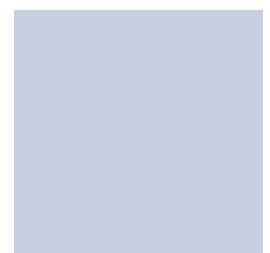
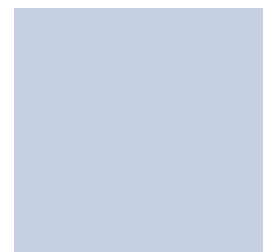
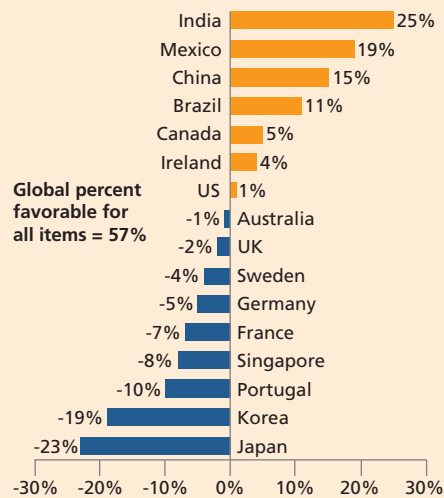
Using employee surveys to drive business decisions

Because each organisation is unique, organisations need to measure workforce viewpoints using employee research. Yet internal surveys by themselves are not sufficient if organisations are to develop meaningful insights they can use to form their human capital strategies. Results must be analysed in light of normative data and, when available, historical data to develop a more complete assessment of engagement.

Mercer's What's Working™ studies are used to develop norms that are used both to design internal research studies using the core survey items, and to evaluate and interpret survey results to guide organisations, thus helping them interpret their own results. Glancing at the chart at right, it might be easy to conclude that, in general, Indian employees are delighted with their work situation and may be more engaged, while their Japanese counterparts are less engaged. But these results do not tell the whole story. For example, they take little account of differences in sectors or the cultural biases in upward communication such as surveys.

To properly assess responses, Mercer combines normative data with historical data (how employees' views have changed over time) to produce a more robust interpretation of employee perceptions. In that way, an executive team can see where the company is performing well and not so well against norms and historical trends. When this is combined with an analysis to identify the key drivers of engagement in the organisation, executives can set priorities and allocate resources based on a deeper understanding of the factors that are likely to have an impact on organisational engagement outcomes, such as customer service.

Who's happiest? The danger of jumping to conclusions



Getting to engagement

Through research and work with organisations worldwide, Mercer has identified four stages that represent increasing levels of engagement within the organisation and correspond to particular psychological states. These four dynamic stages – **Satisfied**, **Motivated**, **Committed** and **Advocate** – are depicted as a continuum in Mercer’s Employee Engagement Model[®] (see Exhibit 2). Generally speaking, whatever stage an employee is at on the engagement continuum, management efforts are needed to optimise the working relationship between employee and employer – and facilitate the movement of the employee to the next stage in the model.

Satisfied employees perform their jobs and are satisfied with the terms and conditions of employment. Generally, they are content to work alone and do not require a great deal of management oversight. At the same time, they are not necessarily willing team players and tend not to go “above and beyond” in their efforts.

Management efforts to optimise the working relationship of satisfied employees would best be focused on those factors that relate to individual work enablers, such as adequate work tools, resources and equipment. The work environment must be free of distractions, and there must be sufficient reward levels and a basic understanding of reward structures and changes. Recognition of employees’ work efforts also sustains the state of satisfaction.

Exhibit 2

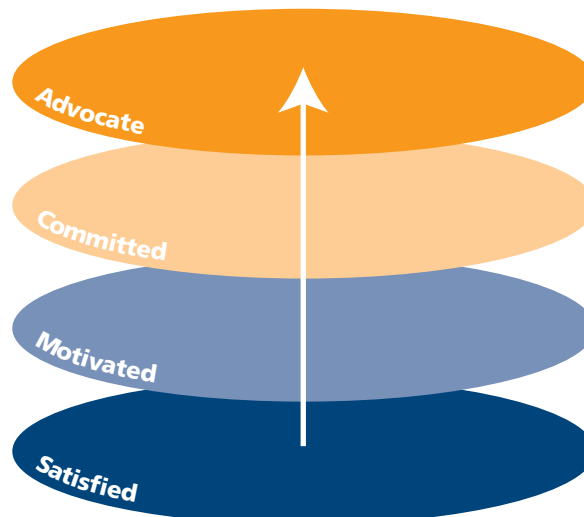
Mercer’s Employee Engagement Model[®]

Committed:

- Loyal to organisation, optimistic for the future
- Sees the bigger picture, with a sense of how job fits in
- Collaborates to achieve team goals
- Openly ambitious for self, team and company
- Believes the organisation will enable his/her good performance
- Has a sense of belonging to organisation; feels valued and involved at work and expresses views freely

Motivated:

- Contributes energetically
- Strives to achieve personal goals
- Values achieving personal goals more than team/organisational goals
- Focused individual contributor
- More loyal to personal professional goals than to the organisation



Advocate:

- Contributes discretionary effort
- Proactively seeks opportunities to serve the mission of the organisation
- Speaks positively about the organisation’s products and services
- Recommends organisation as an employer
- Is willing to withhold criticism and/or be constructively critical for the good of the organisation
- Resilient to short-term dissatisfiers

Satisfied:

- Enjoys job
- Is not dissatisfied with terms and conditions
- Content to work alone
- Does not go “above and beyond”
- Not necessarily a team player
- Often externally focused

Motivated employees occupy the next stage on the employee engagement continuum. In addition to sharing some of the attributes of satisfied employees, motivated workers contribute energetically and are highly focused individual contributors to the enterprise. Mainly, though, they are striving to achieve individual goals more than team or organisational goals.

Motivated employees respond best when meaningful work is delegated to them; fair performance goals are established; job expectations, priorities and feedback are clearly communicated; obstacles to optimal performance are removed; and skill development is provided.

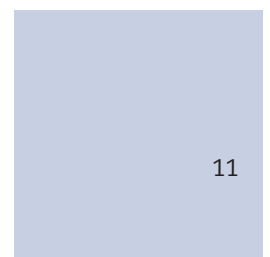
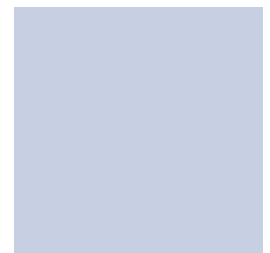
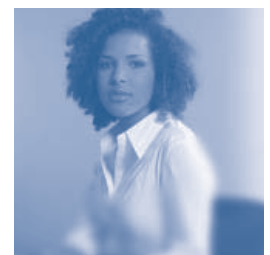
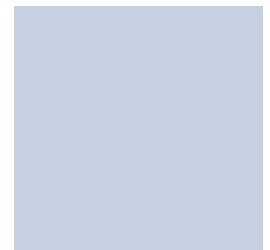
Committed employees have thoroughly internalised the values and behaviours represented by the earlier stages of the engagement model, but have also forged a strong identification with the organisation. They are loyal to the company and optimistic about its future. They are also openly ambitious and believe the organisation will enable their best performance. Above all, they have a sense of belonging to the organisation, feeling valued and involved, and are thus resilient in response to any short-term setbacks or dissatisfactions.

Management's role in optimising the working relationship of committed employees includes communicating the organisation's progress and challenges and relating business results to team and individual roles. Endorsing a strong customer focus plays well with these employees, particularly when an understanding of customer needs is the outcome. These employees respond well to growth opportunities through increased delegation. Managers

should encourage upward communication and innovation with appropriate recognition and rewards.

Employees who have reached the **Advocate** stage have a mutual and vested interest in the organisation's success. They freely contribute discretionary effort – a willingness to go the extra distance in executing projects and their regular duties. They perform to the highest standards and apply creative energy to their work and the work of their teams. They proactively seek opportunities to serve the mission of the organisation. They speak positively about the organisation's products and services and recommend it as an employer. They are also willing to withhold criticism and/or be constructively critical for the good of the organisation. It is at this level of engagement that research has found the strongest link between employee performance and business results.

Involvement at the Advocate stage comes about for a variety of reasons, not the least of which is that the employee, who has internalised the importance of accomplishing the firm's mission, sees a mutuality of interest between his or her values and aspirations and those of the organisation. From management's perspective, facilitating the Advocate stage requires a reinforcement of the same management efforts as at the Committed stage, but with stronger emphasis on mission fulfillment and the beneficial impact thereon for all stakeholders. Management also recognises that the Advocate employee can set off a multiplier effect not seen in the previous stages – a rank-and-file employee speaking and acting positively can benefit the organisation far more than management exhortations.



Crucial insights

As leaders and managers of multi-nationals work to apply research derived from employee perceptions to enhance employee engagement with the aim of improved business results, there are some key lessons to keep in mind:

- **Global HR decisions have to be viewed in the context of national cultures.**

Business leaders cannot assume that a global economy means a homogeneous workforce. What engages employees in the US might be very different from what engages their colleagues in Australia or India. Valid research, properly interpreted and applied, can help tailor HR strategies to meet the expectations and needs of local workforces and businesses.

- **National stereotypes are a dangerous way to frame HR policies.**

It is important to base HR practices designed for a local population on valid research findings rather than on informal impressions or beliefs. Although the *What's Working* research might sometimes support national stereotypes, it adds a depth of understanding that goes beyond stereotypical conclusions. Failure to align practices with actual employee attitudes and perceptions can seriously undermine employee engagement efforts.

- **The “norm” varies widely from one country to another.**

When analysing employee survey results, it is crucial that business leaders have data on national norms so they can correctly interpret the results for operation, country by country. If they do not have that data, they risk making decisions that will fail to address genuine areas of employee concern. By comparing internal survey results to norms for a particular country, leaders can identify areas of strength and areas of genuine employee concern.

- **Employee engagement is related to employment branding.**

The same elements within the organisation that create employee engagement create the employment brand, and vice versa. Thus, research on engagement can also help to inform employment branding efforts across the marketing, communications and HR functions. Conversely, if the drivers of engagement are ignored within the organisation, no amount of effort on the brand itself will transform the company into an employer of choice.

- **Culture trumps everything in the effort to build an engaged workforce.**

Finally, how the organisation conducts its work is a reflection of its culture – how employees are treated and, in turn, treat one another and customers – and is inextricably tied to engagement. None of the drivers of engagement can be effectively applied to enhance engagement if employees feel alienated from the organisation.

Cracking the code for optimal performance

Even as research confirms the influence of national culture on employees' perceptions of their employers' practices and actions, research has also discovered new areas of commonality emerging among workers worldwide. Such information could empower a global company to leverage those practices that lead to a globally valued work experience, even as it responds to the needs and preferences unique to each culture represented in its workforce. Global companies that use this information to approach engagement as a strategic goal can expect to see a positive impact on profitability, retention, productivity and more.



Differences by country

Analysis of Mercer's *What's Working* studies reveals just how much employees' perceptions of their work environments and the drivers of engagement differ around the world. These snapshots tell important stories, describing how employees who responded to our surveys perceive their work experiences.

Canada: What they want is (mostly) what they get

Three factors are truly important to Canadian workers: being treated with respect, having a good balance between work and personal life, and feeling that they can give good service to their organisations' customers. In general, there is a good match between what Canadian employees consider important and how they feel their employers meet those criteria. About three-quarters report that they are treated with respect and that their organisation has a good reputation for customer service. Almost two-thirds say they are able to maintain a healthy balance between their work and personal lives.

US: Respect goes a long way

American workers look for respect and place a premium on career advancement. For those who feel they are treated with dignity, more than four-fifths are willing to go beyond the call of duty to help their organisations succeed. Moreover, having confidence that career objectives can be met is a key determinant of engagement for US workers. Nearly nine out of 10 employees are willing to go the extra mile when they see career growth opportunities in their midst.

France: C'est la vie indeed

French workers prize work/life balance more than their peers in other countries, confirming continuing tensions surrounding the struggle to extend France's 35-hour workweek. Yet they also place a premium on providing good service to customers. However, employers need to pay more attention to issues of respect – a most important engagement factor for French workers. Less than half report that they are treated with dignity and respect, and fewer than four in 10 report that they are encouraged to innovate.

UK: Focus on the customer

British workers are very positive about their organisations' emphasis on customer satisfaction, with a full four-fifths saying that their departments understand their customers' needs. But they feel their organisations' product/service reputations have lagged behind. They are also quite satisfied about the amount of discretion they have in their jobs, but are far less trusting of and satisfied with management. A key component of their engagement, however, is the sense of personal accomplishment they receive from their work, about which more than seven in 10 hold a positive view.

Brazil: A strong sense of commitment

In general, employees in Brazil rate their organisations quite positively: more than three-quarters are proud to work for their organisations, and four-fifths are confident that their organisations will be successful in the future. Furthermore, the same proportion of workers report being satisfied with and feeling a strong sense of commitment to their organisations. But Brazilians are less impressed with programmes such as training and development and achieving work/life balance.



Sweden: Litmus test for respect

There is no mistaking Swedish employees' emphatic declaration about respect. They rate its importance far above that of any other element. Nearly a third feel that they are treated with respect regardless of their position or background. More than four-fifths of respondents confirm that they have sufficient authority to be effective in their jobs. Swedes are also notable for how much they value the type of work they are involved with; more than 80 percent feel that their jobs give them a sense of personal accomplishment.

Japan: Nice incentive pay, but what about the base?

Base pay and incentive compensation are very important to Japanese employees relative to other factors in Japan and when compared to what is rated highly by employees elsewhere. Relatively speaking, the Japanese are dissatisfied with their base pay, but they feel motivated by their incentive compensation plans. Memo to managers: base pay issues have to be addressed – but not at the expense of the incentive compensation pool.

India: Engaged – for now

In India, employees cite the type of work and their promotion opportunities as the foremost motivators, and for the most part, employers are meeting their needs. Workers send favourable signals of commitment: four-fifths say they would recommend their organisations as “a good place to work.” But given the opportunities opening up in such a dynamic economy, Indian managers need to stay on top of what workers value – including helping workers understand the rewards package and programmes being offered.

China: More training, please

For Chinese employees, benefits rate highly as a driver of engagement. Yet this is an area where many employees are dissatisfied – a reflection, perhaps, of the lack of a developed social security infrastructure in the “new” market-oriented China. But few believe they get enough opportunities for training and development. Nearly one in four reports that his or her organisation does not provide good training opportunities to enhance career options. And only about half of all employees in China report that their managers actively encourage them to participate in training opportunities.

Australia: Coaches wanted

Australian workers value the quality of workplace relationships. Of those who say their manager does not play an active and regular role in their coaching, six out of 10 will consider leaving the organisation. In fact, the same percentage of those who are considering quitting believe their organisations are not doing a good job of retaining their most talented people.

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