



2007-2008 TOWERS PERRIN GLOBAL WORKFORCE STUDY

“The fundamental element required to thrive and grow in this business environment is people — the energy, ingenuity and engagement of your workforce.”

BACKGROUND

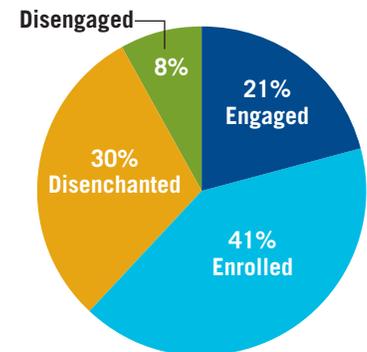
Towers Perrin’s Global Workforce Study, the largest of its kind, identifies the drivers of attraction, retention and engagement through the eyes of employees at midsize to large organizations worldwide. The study measures employees’ rational, emotional and motivational connections to their companies and jobs to calculate their level of engagement and better understand how engagement affects behavior and performance.

The study also explores employees’ views about a broad array of workplace factors, including the actions and behavior of senior leadership and direct managers, and company culture, communication and various programs.

TOP FINDING: A SIGNIFICANT ENGAGEMENT GAP

Just 21% of the close to 90,000 respondents worldwide are engaged in their work, meaning they’re willing to go the extra mile to help their companies succeed. What’s perhaps more troubling, 38% are partly to fully disengaged. The result is an “engagement gap” between the discretionary effort companies need and people actually want to invest, and companies’ effectiveness in channeling this effort to enhance performance.

The study also found that companies with the highest levels of employee engagement achieve better financial results and are more successful in retaining their most valued employees than companies with lower levels of engagement.



KEY INSIGHTS TO CLOSE THE GAP

1. The organization is the most powerful influencer of employee engagement.
2. There is no single “right model” for a high-performance culture; the most effective approach depends on an organization’s strategic priorities.
3. Employees are eager to invest more of themselves to help the company succeed, but want to understand what’s in it for them.
4. Senior leaders need to make the leap to a more inspirational and engaging style of leadership to help drive higher engagement.
5. Companies need to understand their employees as well as they understand their customers to design a work environment and experience that will drive higher engagement and performance.



THE FOCUS FOR SENIOR AND FUTURE LEADERS

Leaders and managers need to master a new set of abilities to engage their people and sustain and enhance performance, especially in today's increasingly challenging business environment.

The survey shows that senior leadership has a significant impact on engagement. The top engagement driver both globally and in the U.S. is employees' belief that senior management has their best interests at heart. Yet, only about four out of 10 respondents believe this is

true in their organizations. More than half also felt that senior management "treats us as just another part of the organization to be managed" or "as if we don't matter."

- Senior leaders get relatively low marks on empathy, communication and transparency.
- Managers — who help deliver the work experience and represent the pool of future leaders — also get low marks on key aspects of their role.

Bottom line: While leaders may have mastered the operational basics of their role, they need to do more to connect with and inspire the workforce. Turning people's energy and ambition into engagement — and ultimately into significant performance lift — demands attention, focus and some very different behaviors from senior leaders, as well as clear follow-through on a number of organizational practices. The challenge for senior management is to recognize the value of employees' untapped potential and to channel it in ways that yield real improvements in business performance.

Employees give senior leaders mediocre scores on the top five behaviors that drive a positive view of leadership and influence engagement

% favorable



Source: 2007-2008 Towers Perrin Global Workforce Study

ABOUT TOWERS PERRIN

Towers Perrin is a professional services firm that helps organizations improve performance through effective people, risk and financial management. The firm provides innovative solutions in the areas of human capital strategy, program design and management, and in the areas of risk and capital management, reinsurance intermediary services and actuarial consulting.

Towers Perrin has offices and alliance partners in the world's major markets. More information about Towers Perrin is available at www.towersperrin.com.