



TOWERS  
PERRIN

Turbocharging the Talent Pipeline:  
Total Rewards Strategies for  
Uncertain Times

**Towers Perrin Global Workforce Study  
2007-2008**

## TABLE OF CONTENTS

Executive Summary.....	2
About the Study.....	3
The Engagement Gap: What It Is and Why Closing It Matters .....	4
Exhibit 1: Employee Engagement Levels.....	4
Exhibit 2: How Engagement Affects Financial Performance — One-Year Study .....	4
Exhibit 3: How Engagement Affects Employees' Views of Their Contribution to the Company ....	5
Engagement: Debunking the Myth.....	6
Exhibit 4: What Employees Want .....	6
Senior Leadership Plays a Pivotal Role in Driving Engagement.....	7
Exhibit 5: Top Drivers of Engagement .....	7
Exhibit 6: Top Drivers of Overall Perception of Senior Management .....	7
Opening the Talent Pipeline.....	8
The Secrets of Attraction .....	9
Exhibit 7: Overview of the Three Sets of Drivers by Reward Quadrant.....	9
Exhibit 8: Top Drivers of Attraction by Age Group.....	10
Understand Employees as Well as You Understand Your Customers .....	10
The Retention Paradox.....	11
Exhibit 9: Top Drivers of Retention .....	11
Managers Matter, Too .....	12
Exhibit 10: Drivers of Overall Perception of Immediate Managers.....	12
Conclusion .....	13
Appendices .....	14
Appendix A: Market Areas Covered.....	14
Appendix B: Key Demographics — Japanese Respondents.....	14
Appendix C: Key Drivers of Attraction, Retention and Engagement — Select Countries .....	15
About Towers Perrin .....	18

## EXECUTIVE SUMMARY

After years of stagnation, over the past half-decade, Japan's growth and consumer confidence has steadily improved. But the lingering impact of the global financial crisis could endanger this country's fragile economy. At a time when employers are relying on a highly engaged and productive workforce to help them compete, the findings of Towers Perrin's 2007-2008 Global Workforce Study suggest that organizations in Japan face a host of daunting challenges.

Faced with a continuing influx of grim economic data, a record number of companies are replacing full-time employees with part-time and temporary workers and implementing other across-the-board cost-cutting initiatives. These organizations are also shifting from traditional Japanese compensation and promotion strategies, based on employee loyalty, personal relationships and years of service, to performance-based reward models. As a result, younger workers, no longer bound to their employers for life, have few qualms about jumping from one company to the next in search of challenging work, fair compensation and improved quality of life.

Yet another challenge employers are grappling with is the record number of baby boomers heading out the door — and leaving behind less experienced, lower-paid workers expected to pick up the slack of demanding workloads. Bumping up against this trend is an overall shortage of qualified managers with the know-how and expertise to shift from traditional autocratic command-and-control models to new managerial approaches based on coaching, collaboration and teamwork.

Against this backdrop, it comes as little surprise that workers in Japan are not engaged.

- At just 3%, Japan has the lowest percentage of engaged workers, in our survey.
- Almost three out of four workers (72%) are what we call disenchanted or disengaged.
- Of the enrolled employees, 42% are “passive job seekers” — not actively looking, but open to considering another offer.
- Most organizations in Japan score poor marks on key engagement drivers, including career advancement opportunities and managers' understanding of what motivates direct reports.

Despite these troubling findings, the results of our Global Workforce Study suggest that employees in Japan:

- want challenging work and career advancement opportunities
- recognize the importance of having a good relationship with their supervisor
- set high professional standards
- care deeply about work/life balance.

What's more, Japan's changing demographics may provide newfound opportunities for employers to make innovative changes to age-old traditions — such as older workers' grip on senior management positions — that have long stymied career progression for younger workers.

To take advantage of these possibilities and up the ante on employees' level of engagement, our research findings suggest that attributes like leadership, career and professional development, and the kind of work culture and reputation a company creates can play a significant role. The rest of this report examines our insights in more detail.

**FACT:** Engaged employees are not born, but made. Our study provides new insights into what organizations can do to create the right conditions to nurture engagement and drive performance.

## About the Study

Towers Perrin's 2007-2008 Global Workforce Study, the largest of its kind, identifies the drivers of attraction, retention and engagement through the eyes of more than 88,000 employees at midsize to large organizations worldwide. Administered in local languages via the Web, the study focuses on what influences people to join a company, stay with that company and fully engage in their jobs. The survey and its findings can become a road map for organizations and their leaders in shaping the work environment, practices and programs that will bring in the right talent, retain that talent and, most critically, drive higher levels of engagement across all segments of the employee population.

Our research encompassed the U.S., Canada, Latin America, 10 European countries and five Asian countries. In Japan, more than 4,000 employees working full time in organizations with 250 or more employees were polled. Some of the conclusions contradict deeply held perceptions and offer valuable new insights into the dynamics of the modern-day workplace.

In all, the study represents a statistically valid cross section of the global workforce and provides a helpful guide for companies by identifying the elements of the work environment that are essential to attracting, retaining and engaging employees.

Respondent demographics appear in Appendix B.

## THE ENGAGEMENT GAP: WHAT IT IS AND WHY CLOSING IT MATTERS

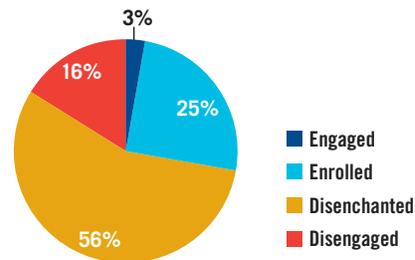
At 3%, Japan had the lowest percentage of engaged workers in our survey, similar to our findings in the 2005 Global Workforce Study. Just 25% of respondents are enrolled, perhaps best described as capable but not fully committed. The largest segment, almost three-quarters (72%), are either disenchanted — likely doing the minimum to get by — or completely disengaged (*Exhibit 1*).

Looked at another way, 97% of employees are not living up to their full potential or doing what it takes to help their organization succeed. While the enormity of this engagement gap would be disturbing at any time, in today's uncertain global economy, when employers depend on the knowledge, skills, energy and dedication of their people to boost performance and sharpen their competitive edge, it is especially troubling.

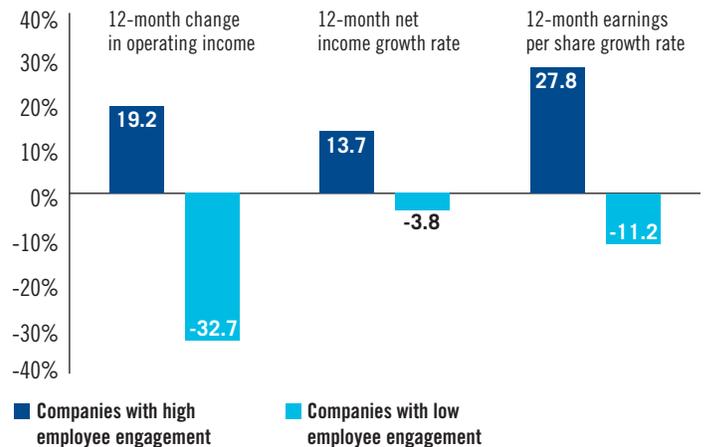
**THE ENGAGEMENT GAP:** The difference between the discretionary effort employers need for competitive advantage and their ability to elicit this effort from a significant portion of the workforce.

Why is engagement so important? In a nutshell, because it correlates to better performance at both the organizational and individual level. Indeed, a large body of research — our own and others' — confirms the strong relationship between employee engagement and company performance. For example, one such study compared employee engagement with the financial results of 50 global companies over a one-year period. As *Exhibit 2* shows, companies with high employee engagement had a 19% increase in operating income and almost a 28% growth in earnings per share. On the other hand, companies with low levels of engagement saw operating income drop more than 32% and earnings per share decline more than 11%.

**EXHIBIT 1**  
**Employee Engagement Levels**



**EXHIBIT 2**  
**How Engagement Affects Financial Performance — One-Year Study**



What's more, engaged employees are significantly more likely to believe they can impact their organization's products and service quality, customer satisfaction, revenue growth and profitability, as shown in *Exhibit 3*.

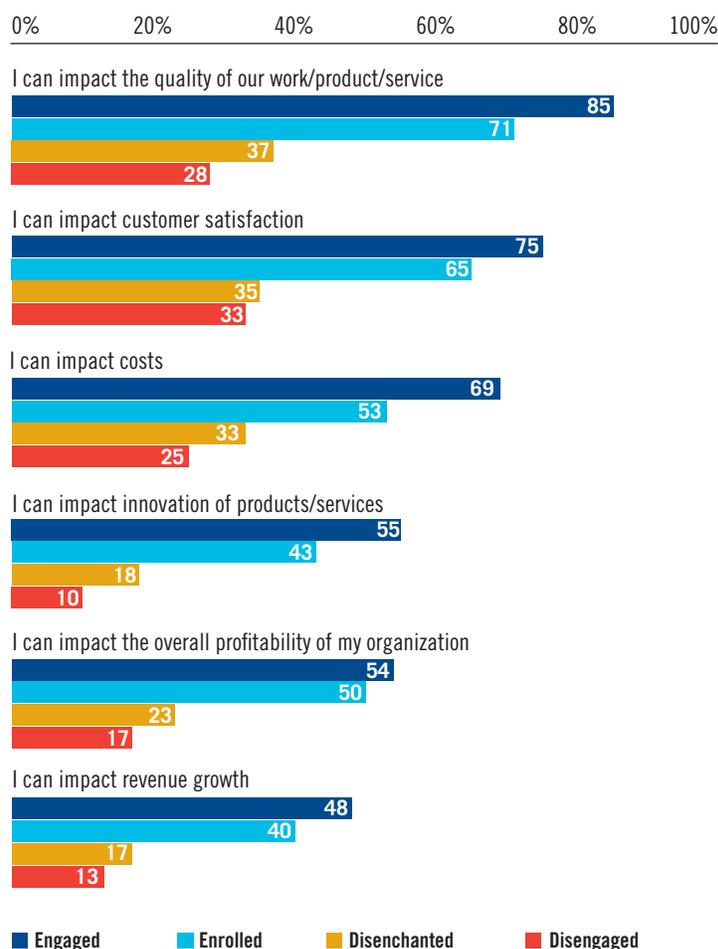
A similar picture emerges regarding retention, although the relationship is far from straightforward. In Japan, 59% of engaged employees are fully committed to staying with their employer, versus just 45% of enrolled employees. Of this enrolled group, 42% are “passive job seekers” — not actively looking, but open to considering another offer. So what's the good news? These enrolled employees — given the right workplace conditions — could move over to the engaged group, which would likely decrease their chances of leaving.

On the flip side is the large proportion of disengaged workers who are “checked out,” but intend to stay.

Simply stated, engagement alone does not assure retention. What's more, disengaged workers will not necessarily self-select out of the organization. Worse yet, Japan's strict labor laws make it difficult to fire employees for seemingly justified underperformance issues. That's why savvy employers need to find ways to both increase employee engagement and address the corrosive impact of disengaged workers on the business and their colleagues over time.

### EXHIBIT 3 How Engagement Affects Employees' Views of Their Contribution to the Company

% of respondents agreeing with statement



## ENGAGEMENT: DEBUNKING THE MYTH

If engagement is the prize, why has capturing it proved to be so elusive? Our research and client experience confirm that in many (if not most) organizations, senior leaders don't fully understand the powerful role they can exert in the engagement equation. Indeed, their distant vantage point — removed from the day-to-day work of employees at all rungs of the corporate ladder — may lead senior leaders to make assumptions about their workforce that, for the purpose of this study, we refer to as myths.

**MYTH:** *Workers themselves are the problem.* Most employees have an entitlement mindset and try to get away with doing as little work as they possibly can. Therefore, whether a company's workforce is engaged or not all boils down to the attitudes of the employees.

**REALITY:** If a company is fortunate enough to have a highly engaged workforce, it's due in large part to having an experienced management team. In Japan, senior leaders and frontline managers play a key role in driving results by nurturing and sustaining employee engagement.

### KEY FINDING: EMPLOYEES WANT TO BE ENGAGED

What our research findings bring to bear is that employees in Japan want to join and stay with an organization that allows them to grow and develop in their career. Rather than indicating a desire to slack off, *Exhibit 4* shows the real picture of what respondents in Japan truly want: a good balance between work and life, security, stability and opportunities to build their technical skills and take on challenging assignments. In short, employees want to join a trusted company where they can invest more of themselves to help the organization succeed.

### EXHIBIT 4

#### What Employees Want

	Ranked in the top 5
Having a good balance between work, family, hobbies, etc.	73%
Maximizing the amount of money I earn	48%
Building deep technical skills in a chosen area	47%
Doing exciting/challenging work	46%
Having adequate benefit protection for myself and/or my family	41%
Building broad skills across a variety of areas	41%
Having a secure position I can count on for the long term	41%
Working with a successful organization with a strong future	25%
Doing work with a lot of variety	23%
Working primarily in teams	19%
Having broad decision-making responsibility in my functional area	18%
Having regular promotions up a defined career ladder	18%
Having input into key decisions that affect the direction of the business	15%
Working primarily on my own	14%
Managing/coaching/mentoring other people	13%
Having a position of power/influence/status	11%
Managing a budget and/or profit center	9%

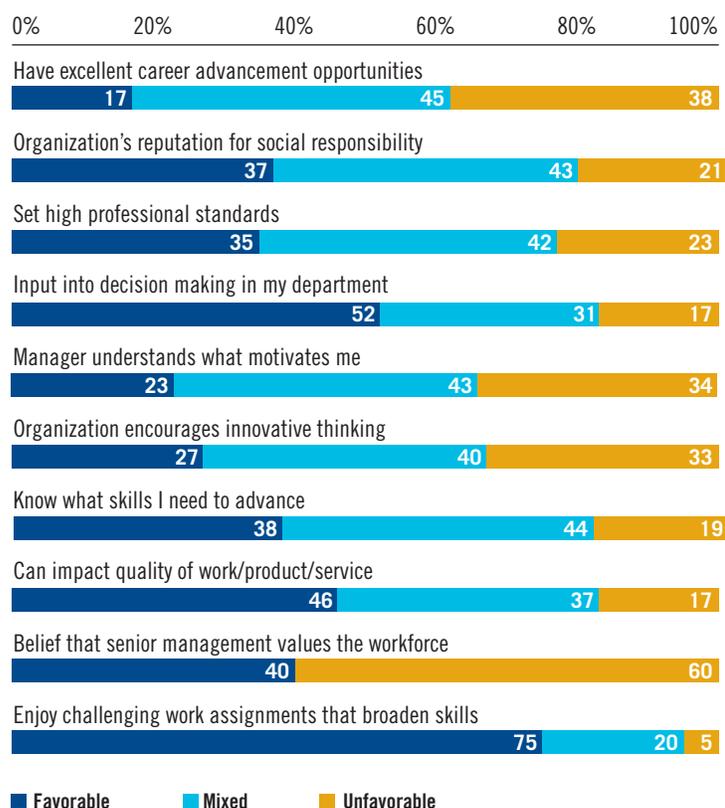
## SENIOR LEADERSHIP PLAYS A PIVOTAL ROLE IN DRIVING ENGAGEMENT

As *Exhibit 5* illustrates, nearly half of the top 10 drivers of engagement take shape at the organizational level, particularly career advancement opportunities, the company's image and reputation, customer service and the extent to which senior leadership encourages innovation.

Though engagement typically varies by country, as well as by demographics like age and career level, senior management's ability to demonstrate interest in employees is the top global engagement driver. In Japan, a variation on this theme — belief that senior management values the workforce — is among the top 10 engagement drivers.

### EXHIBIT 5 Top Drivers of Engagement

Drivers are shown in descending order of importance



Clearly, employees want to believe that senior leaders truly care about them. In fact, CEOs are famous for crediting their company's success to the hard work and dedication of their employees. But from employees' perspective, the old adage, actions speak louder than words, says it all. As *Exhibit 6* shows, a scant two out of every 10 employees agree that senior management is sincerely interested in their well-being. Indeed, only 25% of respondents — or less — give senior management favorable marks on key attributes that closely correspond with having a positive perception of their organization's top team.

### EXHIBIT 6 Top Drivers of Overall Perception of Senior Management

Drivers are shown in descending order of importance



To close the gap, Japanese employers need to shift from an old-world, autocratic management style to a modern-day model driven by leaders who inspire creativity and innovation, take actions that support the company's long-term success and are in sync with customers' best interests. Over the long term, these findings have broad-reaching implications for future leadership selection, development and succession. This can take the form of a hybrid system incorporating positive elements from the West while maintaining important local cultural components.

## Opening the Talent Pipeline

While career advancement is the number one driver of engagement in Japan, only 17% of respondents give their organization favorable marks on this front, which may also account for this country's dismal proportion of disengaged workers.

Despite these findings, a light at the end of the tunnel may be in sight as increasing numbers of Japan's older workers head for retirement. Since employees at large Japanese companies are typically hired straight out of universities and viewed as inexperienced assistants for as many as 30 to 40 years on the job, this practice has long stymied the career progression of talented, young workers.

Shifting demographics could provide more opportunities for less senior workers and women. Indeed, foreign companies are already opening their doors to an increasing number of qualified women, who represent a treasure trove of largely untapped talent.

## THE SECRETS OF ATTRACTION

As was the case in 2005 when we last studied the Japanese workforce in depth, the key drivers of attraction, with a few minor exceptions, are heavily weighted toward the work environment. For example, in *Exhibit 7*, which divides the top 10 drivers of attraction into four categories of a total rewards framework (pay, benefits, learning and development, and work environment), respondents once again said that challenging work, typically reserved for older workers with more seniority, is the leading consideration in their decision to join a company.

At the same time, Japanese respondents have lower expectations for learning and development, which may be due in part to Japanese employers' long-standing tradition of linking career progression to an employee's years of service and age. This finding is in stark contrast with China, Hong Kong and India, where learning and development are among the top three attraction drivers.

### EXHIBIT 7 Overview of the Three Sets of Drivers by Reward Quadrant

ATTRACTION	RETENTION	ENGAGEMENT
<b>Pay</b> 2. Competitive base pay	<b>Pay</b> 6. Competitive bonus/incentive pay	<b>Pay</b>
<b>Benefits</b> 3. Vacation/paid time off 6. Competitive benefits	<b>Benefits</b>	<b>Benefits</b>
<b>Learning and Development</b> 10. Learning and development opportunities	<b>Learning and Development</b> 4. Have effective job training	<b>Learning and Development</b> 1. Have excellent career advancement opportunities 7. Know what skills I need to advance 10. Enjoy challenging work assignments that broaden skills
<b>Work Environment</b> 1. Challenging work 4. Reasonable workload 5. Convenient work location 7. Business/industry of the company 8. Flexible schedule 9. Organization's financial health	<b>Work Environment</b> 1. Good relationship with supervisor 2. Organization's reputation for social responsibility 3. Ability to balance my work/personal life 5. Input into decision making in my department 7. Organization quickly resolves customer concerns 8. Satisfaction with the organization's people decisions	<b>Work Environment</b> 2. Organization's reputation for social responsibility 3. Set high professional standards 4. Input into decision making in my department 5. Manager understands what motivates me 6. Organization encourages innovative thinking 8. Can impact quality of work/product/service 9. Belief that senior management values the workforce

Given the depth and breadth of workforce diversity, employees' needs and expectations differ both within and across national boundaries and vary by gender, age, tenure, education, lifestyle and experience. While the top five drivers of attraction are roughly the same across different age groups, there are slight variations, as shown in *Exhibit 8*.

## Understand Employees as Well as You Understand Your Customers

Given today's increasingly diverse workforce, most employers well know that a one-size-fits-all approach to rewards simply doesn't work. But many companies don't customize reward strategies to the full extent needed. What's critical for companies in Japan and elsewhere is to understand their employees as well as they understand their customers by using surveys and tools to gauge employee needs at different stages of the employment cycle.

**EXHIBIT 8**  
**Top Drivers of Attraction by Age Group**

RANK	JAPAN OVERALL	AGES 18 TO 24	AGES 25 TO 34	AGES 35 TO 44	AGES 45 TO 54	AGE 55 AND OLDER
1	Challenging work	Vacation/paid time off	Challenging work	Challenging work	Challenging work	Challenging work
2	Competitive base pay	Challenging work	Competitive base pay	Competitive base pay	Competitive base pay	Convenient work location
3	Vacation/paid time off	Reasonable workload	Vacation/paid time off	Vacation/paid time off	Reasonable workload	Competitive base pay
4	Reasonable workload	Convenient work location	Reasonable workload	Reasonable workload	Vacation/paid time off	Reasonable workload
5	Convenient work location	Competitive base pay	Convenient work location	Convenient work location	Convenient work location	Vacation/paid time off

## THE RETENTION PARADOX

Despite the need for top-notch talent to drive performance and boost results in Japan's highly sensitive economy, the fact that roughly six out of 10 respondents are open to other job offers and opportunities, or are actively looking for another job, speaks volumes about employers' mounting retention problems.

Consistent with our findings related to attraction and engagement, with few exceptions, the leading retention drivers in Japan are related to the nature of the workplace environment (*Exhibit 9*). Indeed, the top retention driver for employees is having a good relationship with their supervisor, which is unique in comparison to the findings of our global workforce study. What's also noteworthy is the growing importance of working for a reputable, socially responsible organization, the number two driver of both engagement and retention.

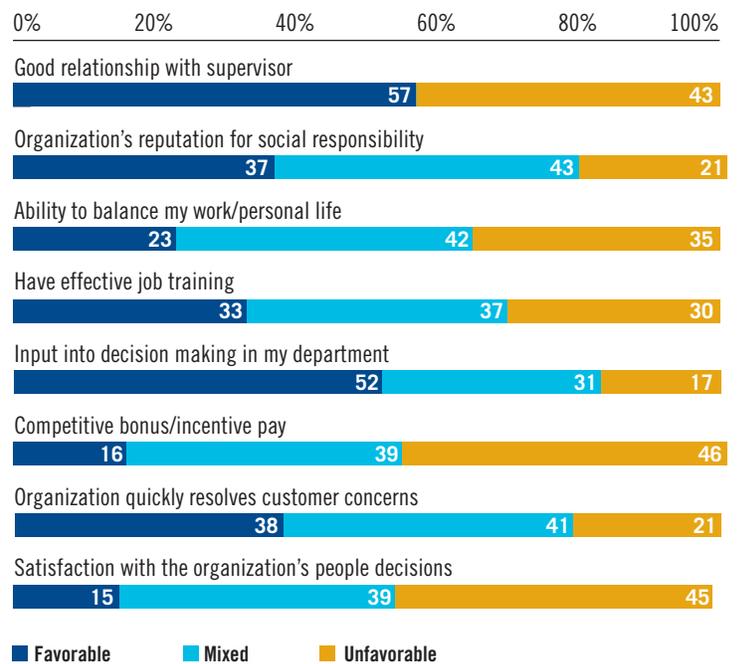
The ability to balance work and family life is another key retention driver — over half of respondents (56%) are frustrated by stress. This may be reflective of the increased workloads and pressure experienced by people in a dramatically downsized workforce.

Consistent with a theme found throughout this report is the notion that underneath almost every employer challenge is a potential “golden” opportunity. One of the ways innovative companies are tackling the work/life balance issue — while also setting themselves apart from the pack — is by developing strategies to attract more women with the skill sets employers need. How? By making working conditions more flexible (e.g., allowing employees to work part time, providing on-site child care and family leave benefits). These best practice companies are also helping employees reduce stress by providing on-site health and fitness centers or subsidizing the cost of membership in a local gym, and even sponsoring “leave work by 5:00 p.m.” days.

### EXHIBIT 9

#### Top Drivers of Retention

Drivers are shown in descending order of importance



Salary linked to performance is yet another key retention driver. This marks a significant shift in a country where semi-annual bonuses (primarily based on the company's performance) have historically comprised a large portion of employees' compensation.

## Managers Matter, Too

Although it's well known that the organization itself is a key to unlocking engagement, as previously noted, employees' relationship with their managers is a leading driver of retention. It is also a key stumbling block in Japan. Only about half of the respondents have a good relationship with their supervisor. What's more, the fact that few employees give their immediate managers favorable ratings in areas critical to creating the type of work environment that makes people want to stay with an organization — treating people with respect, inspiring enthusiasm, communicating openly and creating a sense of teamwork — is particularly troubling (*Exhibit 10*).

While these findings raise a cautionary flag, the good news is that companies that invest in leadership development — and provide frontline managers with the right training and experience — can distinguish themselves as employers of choice and make inroads toward retaining high-performing talent.

### EXHIBIT 10

#### Drivers of Overall Perception of Immediate Managers

Drivers are shown in descending order of importance



## CONCLUSION

Although there isn't one simple recipe for creating the enhanced levels of engagement companies in Japan sorely need to compete in today's rapidly changing global business environment, our findings suggest key insights employers may want to consider:

- Strong, effective leadership at the top is key to closing the engagement gap. The organization's top team needs to convey, through their words and deeds, a genuine interest in employees' well-being and the company's long-term success. Equally important, senior management must reinforce the company's mission, vision and values by creating a culture that inspires fairness and respect, and engages employees in delivering the discretionary effort needed to achieve competitive advantage.
- As the current generation of baby boomers retires, priming the talent pipeline with skilled, younger workers could provide employers in Japan with a much-needed infusion of energy and innovation, and positively impact attraction, retention and engagement. While some companies are already training and developing the next generation of future leaders, most employers in Japan need to do more. They should reevaluate career options and advancement opportunities for younger employees. Japanese companies need to rethink the way they groom and promote high-potential employees outside the traditional age-based hierarchical systems of the past in order to replace the retiring baby boomers who currently run Japan's organizations.
- Managers and supervisors matter, too. Companies that provide frontline managers with the training and experience needed to inspire mutual respect, enthusiasm, individual empowerment and teamwork — and open two-way communication — can distinguish themselves as an employer of choice and make inroads toward attracting and retaining engaged employees.
- Attraction, retention and engagement issues vary for different segments of the workforce and across the generations, especially employees age 18 to 24, who have a distinct set of priorities. That's why employers in Japan and elsewhere need to understand their employees as well as they understand their customers. What's critical? Tailoring rewards to different employee needs at different stages of the employment cycle.
- One of the ways innovative companies can tackle work/life balance issues is by making working conditions flexible and amenable to combining work and family, such as allowing employees to work part time, from home, and providing on-site child care and family leave benefits. This strategy is also aimed at attracting qualified women, a largely under-utilized pool of talent.

While the current state of attraction, retention and engagement in Japan is troubling, it is by no means bleak. Perhaps the most important advice for turning things around is to start now. Companies that do so will be in a better position as the war for talent continues to build.

### CONTACT US

For more information on this topic, please contact:

#### **Keiko Okada**

Leader of Change Implementation Consulting Group and Towers Perrin-ISR (Employee Research) Group

Towers Perrin  
Imperial Hotel Tower, 6th Floor  
1-1-1, Uchisaiwai-cho  
Chiyoda-ku, Tokyo 100-0011  
Japan

Phone: 03-3581-6742

Fax: 03-3581-5719

E-mail: [keiko.okada@towersperrin.com](mailto:keiko.okada@towersperrin.com)

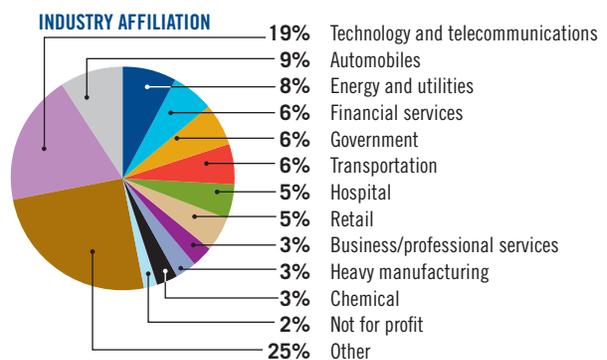
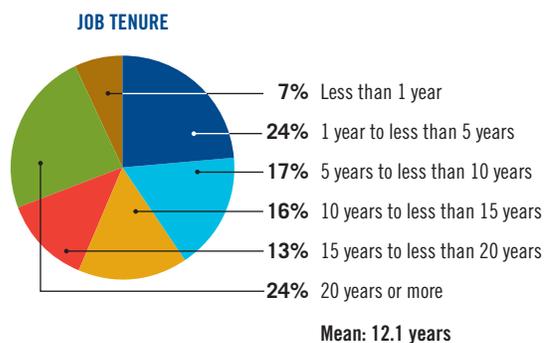
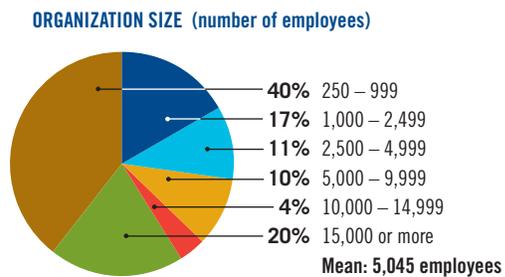
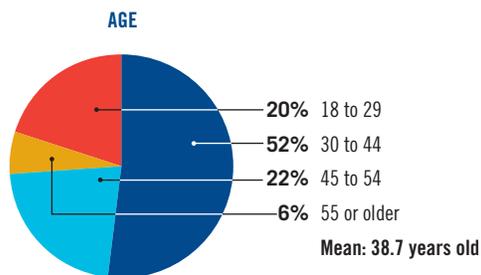
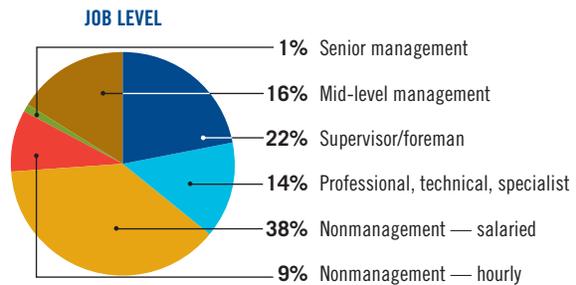
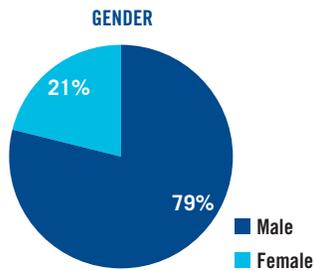
or contact your Towers Perrin relationship manager.

## APPENDICES

### APPENDIX A: Market Areas Covered

Asia	Europe	Latin America	North America
China	Belgium	Brazil	Canada
Hong Kong	France	Mexico	United States
India	Germany		
Japan	Italy		
South Korea	Netherlands		
	Poland		
	Russia		
	Spain		
	Switzerland		
	United Kingdom		

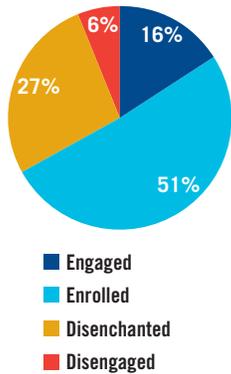
### APPENDIX B: Key Demographics — Japanese Respondents



## APPENDIX C: Key Drivers of Attraction, Retention and Engagement — Select Countries

### China

#### ENGAGEMENT LEVELS

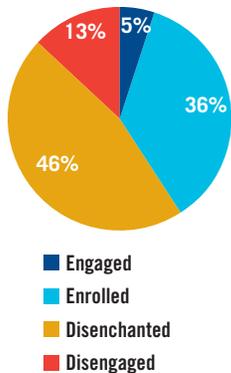


#### TOP FIVE DRIVERS

TOP ATTRACTION DRIVERS	TOP RETENTION DRIVERS	TOP ENGAGEMENT DRIVERS
Learning and development opportunities	Organization's reputation as a great place to work	Have excellent career advancement opportunities
Career advancement opportunities	Good relationship with supervisor	Organization encourages innovative thinking
Competitive base pay	Work environment where new ideas are encouraged	Organization's reputation for financial stability
Competitive benefits	Satisfaction with the organization's business decisions	Good collaboration across units
Vacation/paid time off	Competitive career development	Senior management sincerely interested in employee well-being

### Hong Kong

#### ENGAGEMENT LEVELS

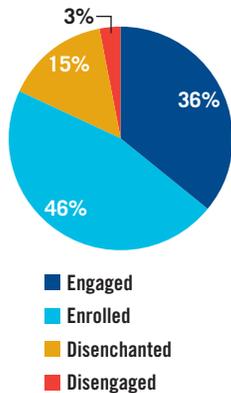


#### TOP FIVE DRIVERS

TOP ATTRACTION DRIVERS	TOP RETENTION DRIVERS	TOP ENGAGEMENT DRIVERS
Career advancement opportunities	Senior management sincerely interested in employee well-being	Organization encourages innovative thinking
Vacation/paid time off	Positive impact of technology on work/life balance	Have excellent career advancement opportunities
Learning and development opportunities	Understand potential career track within organization	Appropriate amount of decision-making authority to do my job well
Competitive base pay	Satisfaction with the organization's business decisions	Senior management communicates openly and honestly
Reasonable workload	Unit has skills needed to succeed	Organization supports work/life balance

### India

#### ENGAGEMENT LEVELS

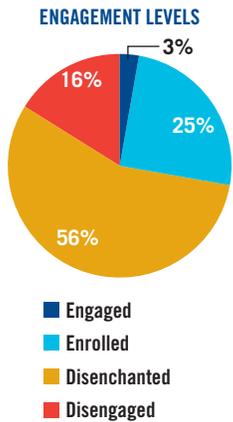


#### TOP FIVE DRIVERS

TOP ATTRACTION DRIVERS	TOP RETENTION DRIVERS	TOP ENGAGEMENT DRIVERS
Career advancement opportunities	Manager inspires enthusiasm for work	Input into decision making in my department
Challenging work	Satisfaction with the organization's business decisions	Senior management's actions consistent with our values
Learning and development opportunities	Positive impact of technology on work/life balance	Organization's reputation for social responsibility
Competitive base pay	Competitive performance management	Seek opportunities to develop new knowledge/skills
Reputation of the organization as a good employer	Can impact quality of work/product/service	Have excellent career advancement opportunities

**APPENDIX C: Key Drivers of Attraction, Retention and Engagement — Select Countries (cont.)**

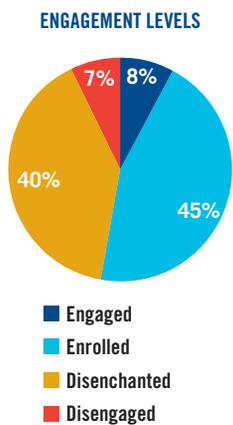
**Japan**



**TOP FIVE DRIVERS**

TOP ATTRACTION DRIVERS	TOP RETENTION DRIVERS	TOP ENGAGEMENT DRIVERS
Challenging work	Good relationship with supervisor	Have excellent career advancement opportunities
Competitive base pay	Organization's reputation for social responsibility	Organization's reputation for social responsibility
Vacation/paid time off	Ability to balance my work/personal life	Set high professional standards
Reasonable workload	Have effective job training	Input into decision making in my department
Convenient work location	Input into decision making in my department	Manager understands what motivates me

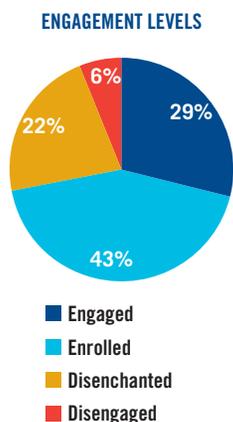
**South Korea**



**TOP FIVE DRIVERS**

TOP ATTRACTION DRIVERS	TOP RETENTION DRIVERS	TOP ENGAGEMENT DRIVERS
Competitive benefits	Organization strives to be innovative in marketplace	Senior management acts to ensure organization's long-term success
Competitive base pay	Satisfaction with the organization's people decisions	Unit has skills needed to succeed
Reputation of the organization as a good employer	Have effective job training	Organization supports work/life balance
Career advancement opportunities	Ability to balance my work/personal life	Manager supports teamwork
Competitive retirement benefits	Good collaboration across units	Organization's reputation for social responsibility

**United States**



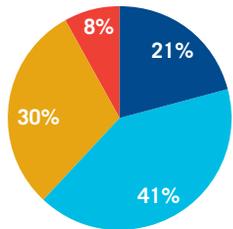
**TOP FIVE DRIVERS**

TOP ATTRACTION DRIVERS	TOP RETENTION DRIVERS	TOP ENGAGEMENT DRIVERS
Competitive base pay	Have excellent career advancement opportunities	Senior management sincerely interested in employee well-being
Competitive health care benefits	Satisfaction with the organization's business decisions	Organization's reputation in community
Vacation/paid time off	Good relationship with supervisor	Improved my skills and capabilities over the last year
Convenient work location	Organization's reputation as a great place to work	Appropriate amount of decision-making authority to do my job well
Flexible schedule	Ability to balance my work/personal life	Organization quickly resolves customer concerns

**APPENDIX C: Key Drivers of Attraction, Retention and Engagement — Select Countries (cont.)**

**Global**

**ENGAGEMENT LEVELS**



- Engaged
- Enrolled
- Disenchanted
- Disengaged

**TOP FIVE DRIVERS**

TOP ATTRACTION DRIVERS	TOP RETENTION DRIVERS	TOP ENGAGEMENT DRIVERS
Competitive base pay	Organization's reputation as a great place to work	Senior management sincerely interested in employee well-being
Career advancement opportunities	Satisfaction with the organization's people decisions	Improved my skills and capabilities over the last year
Challenging work	Good relationship with supervisor	Organization's reputation for social responsibility
Convenient work location	Understand potential career track within organization	Input into decision making in my department
Flexible schedule	Ability to balance my work/personal life	Organization quickly resolves customer concerns

#### ABOUT TOWERS PERRIN

Towers Perrin is a global 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, insurance and 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](http://www.towersperrin.com).

