



# Global Perspectives 2015: worldwide trends in employee engagement

## Introduction

With the global economy looking like it has returned to pre-recession levels, 2015 has brought with it a shift in emphasis. In our recent HR Reflections<sup>1</sup> survey over half of organisations say their organisational performance is better than a year ago and that their focus is now on growth over recovery or stability. But with a healthier economy comes more mobility in the labour market. A quarter of HR professionals say turnover is up this year and 75% report difficulties in finding the right people. Indeed, talent attraction is the third greatest challenge facing HR professionals this year.

But talent attraction isn't the only issue. Engaging employees is an increasing problem for organisations. Turnover is up, essential skills remain elusive, multi-generation workplaces are the new norm and a technology-obsessed world has created opportunities and demand for a variety of new working set ups, ergo employers have a lot to deal with. How organisations engage their employees under these evolving conditions goes some way to identifying who wins the war for the best talent. A strong and effective leadership has never been more important to guide the way and provide focus in this time of flux. But the development of leaders is the number one headache for HR professionals.

In this year's Global Perspectives Report we examine the employee perspective of these HR challenges. Through a global survey of 7,295 employees across 20 countries we have gathered perceptions of the employee experience in a range of workplaces. We have measured employee engagement levels and identified what is driving engagement, we have identified differences in the perceptions between key demographic groups and compared the views of leaders with the front-line. Our report provides a comprehensive narrative of the findings, including insight into strategies for addressing the pertinent issues and viewpoints from our specialist thought leaders.

***Kate Pritchard***  
*Director of Employee Research*  
*ORC International*

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<sup>1</sup>ORC International **HR Reflections** survey 2014: global survey of more than 1,000 HR Professionals from 20 industry sectors

## Employee engagement trends

At ORC International we measure employee engagement using the 'say, stay and strive' model (figure 1).

Our engagement index is based on the average score respondents give to six engagement questions (two each relating to "say", "stay" and "strive").

Global employee engagement is 61% this year, up two points since last year and breaking the 60% barrier for the first time since our survey began.

Figure 1: ORC International model of employee engagement

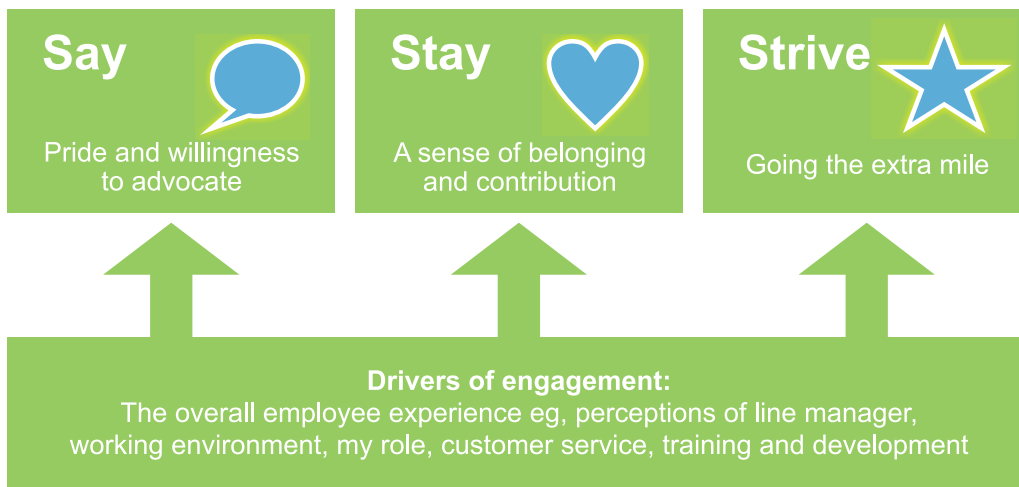
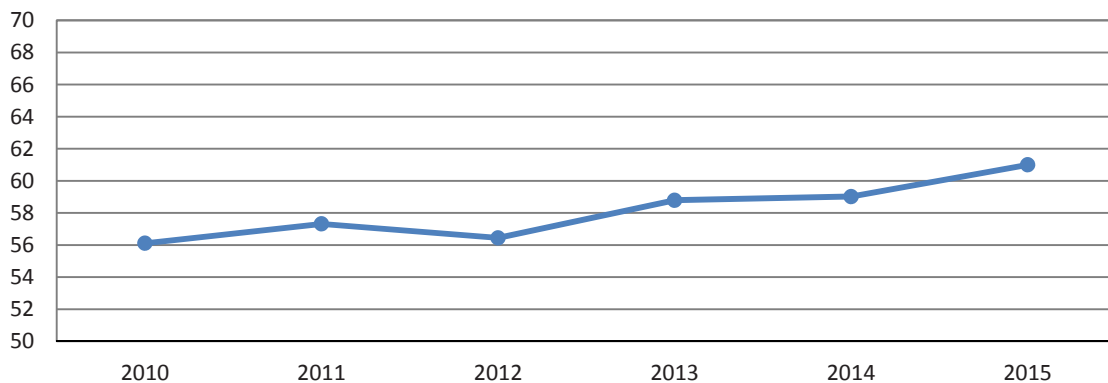


Figure 2: Global trend in employee engagement index



This improvement has been mirrored in all countries except Switzerland and Singapore (both down two points), Netherlands (down four points), Sweden (down five points) and Austria (down ten points).

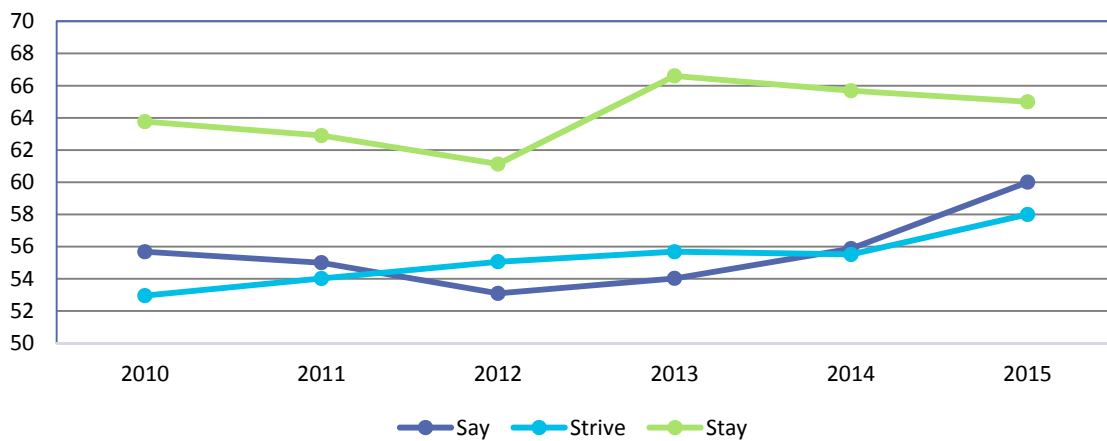
India still leads with employee engagement at 78%, Brazil has leapt into second place with 71%, shifting China (69%) down to third equal place with Turkey (which has climbed up nine points and seven ranking places this year). The US stays in fifth place with a score of 68% whereas Australia remains level on 65% but falls four places in the rankings. The UK sees considerable improvement this year moving six places in the rankings to twelfth, with an engagement score of 58% but despite a three point improvement, Hong Kong stays second bottom with an engagement score of 51%.

Figure 3: Employee engagement index rankings by country

Rank 2015	Country	Engagement Index 2015	Engagement Index 2014	Change in rank
1	India	78%	74%	0
2	Brazil	71%	62%	5
3=	China	69%	66%	-1
3=	Turkey	69%	60%	7
5=	USA	68%	64%	0
5=	Russian Federation	68%	65%	-2
7=	Canada	65%	61%	2
7=	Australia	65%	65%	-4
9=	Italy	62%	59%	3
9=	Switzerland	62%	64%	-4
11	Germany	60%	58%	2
12=	UK	58%	49%	6
12=	France	58%	55%	4
12=	Spain	58%	53%	5
15	Netherlands	56%	60%	-5
16	Singapore	54%	56%	-1
17=	Austria	52%	62%	-10
17=	Sweden	52%	57%	-3
19	Hong Kong	51%	48%	0
20	Japan	45%	42%	0

Improvement in engagement is led by a continued rise in the say and strive components but is held back by a downwards trend in stay, most likely reflective of the increase in talent mobility.

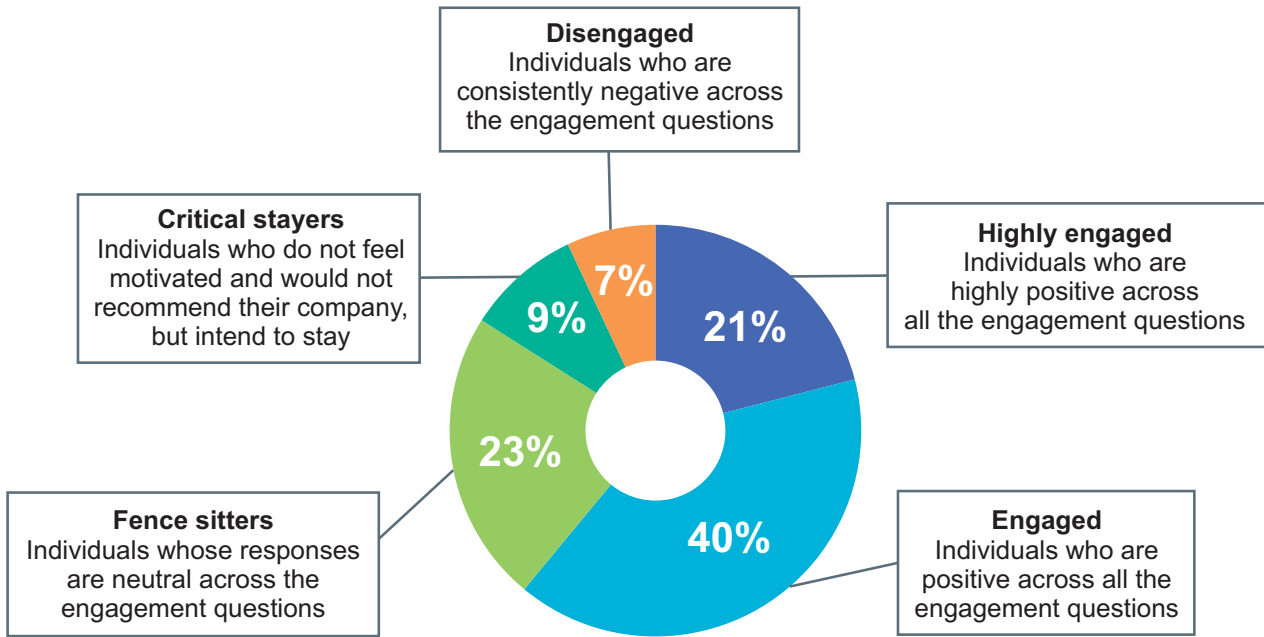
Figure 4: Global trends in say, stay and strive



## Employee engagement segmentation

As part of our analysis this year we drilled down further into the say, stay and strive scores to understand how engagement differs across employee groups. Using a segmentation analysis we produced a profile of engagement at the global level (figure 5).

Figure 5: Global profile of employee engagement



Of the 61% of employees who are engaged, we find 21% are highly engaged ie, responding very positively to all engagement questions. In this group, our analysis finds a skew towards Millennials (classified in this report as 18–30-year-olds), senior managers, those working in a head office or corporate role, those working in a role with direct customer contact, primary carers of young children or a dependent adult and people with a long-term illness or health condition.

The analysis sections out those employees who respond neutrally to all engagement questions, the “fence-sitters”. Their scoring pattern means their engagement score is only 20%. This grouping is skewed towards non-managers and line managers, part-time employees, those with five years’ service or less and those who are neither a carer nor in a role with direct customer contact. Providing a neutral response to employee survey questions often indicates an inconsistent employment experience, or poor internal communication making a clear-cut response difficult to give. Yet, when we see neutrality in response to engagement questions specifically, it does suggest apathy. To some extent that neutral, indifferent attitude is more concerning than a negative response but these people do present an opportunity. It is easier to turn a neutral response positive than it is to turn around someone who is already feeling negative, so giving attention to the demographic groups to which this segment is skewed may help prevent people from becoming actively disengaged in the future.

Making up 9% of the respondent population are what we term the “critical stayers”. This segment scores the say and strive questions negatively, yet provides a positive response to the stay questions. These employees may also be termed “hostages” – people who are not particularly happy with their work or their employer but are unable to move, perhaps there are limited job opportunities for their role or their personal situation makes it hard to change job. As such they are held hostage in an organisation they are not happy with. Whatever the reason, these people will not be contributing positively to the organisation and ways to re-engage them should be considered. Our survey finds a skew towards Baby Boomers and long-servers, non-managers and people without direct customer contact, employees working in the largest organisations and government. Some of these skews are perhaps not surprising; people may be feeling a bit faceless or unappreciated in a large workplace, or if they are nearing the end of their career moving elsewhere probably doesn’t make sense so they are just “sitting out their time”. It doesn’t mean to say we cannot alter their perceptions; throughout this report we discuss areas where demographic groups are more or less satisfied and how taking action to change some of the specific issues they face will help to improve their perceptions.

The disengaged segment represents only 7% of respondents; employees that score all engagement questions negatively. Indeed their average engagement index score is only 3%. The skews in this segment are mainly towards non-managers and non-customer facing employees, and the perceptions that set this group apart relate to feeling treated unfairly or unequally, a lack of enjoyment of day to day tasks, poor relationships between staff and management and a lack of supportive policies.

## Drivers of engagement

The key themes driving engagement at the global level are: “the way we work”, “job role”, “equality and feeling valued” and “wellbeing”<sup>2</sup>. Within these themes, the key questions are:

Figure 6: Global key drivers of employee engagement

Theme	Key questions	Score (% change)	Was question a driver in 2014?
The way we work	My organisation as a whole is well managed	58% (+6)	Yes
	The policies at my organisation support me with my work	59% (+6)	No – new this year
Job role	I am satisfied with my physical working conditions	64% (+2)	Yes
	I feel secure in my job	64% (+2)	Yes, but more significant this year
Equality and feeling valued	I believe I am valued for what I can offer my organisation	60% (+5)	Yes
Wellbeing	I think my organisation cares about my health and wellbeing	51% (+2)	No – new this year

These driver themes give us a picture of the underlying issues impacting employee engagement. Employees’ propensity to say, stay and strive is sensitive to these issues and taking action to improve perceptions of the key questions will provide an environment in which employees feel more supported and enabled to commit and invest in their organisation.

*“Whereas many of the questions within these driver themes remain consistent with 2014 and previous years’ drivers, this year there has been a shift in focus away from senior management to a more general concept of management. Most critical to engagement seems to be whether employees perceive the organisation as being well managed and having strong policies and procedures in place that provide support and structure for effective working practices. Both these aspects perform better than last year, but still some four employees in ten feel this form of supportive structure is lacking.”*

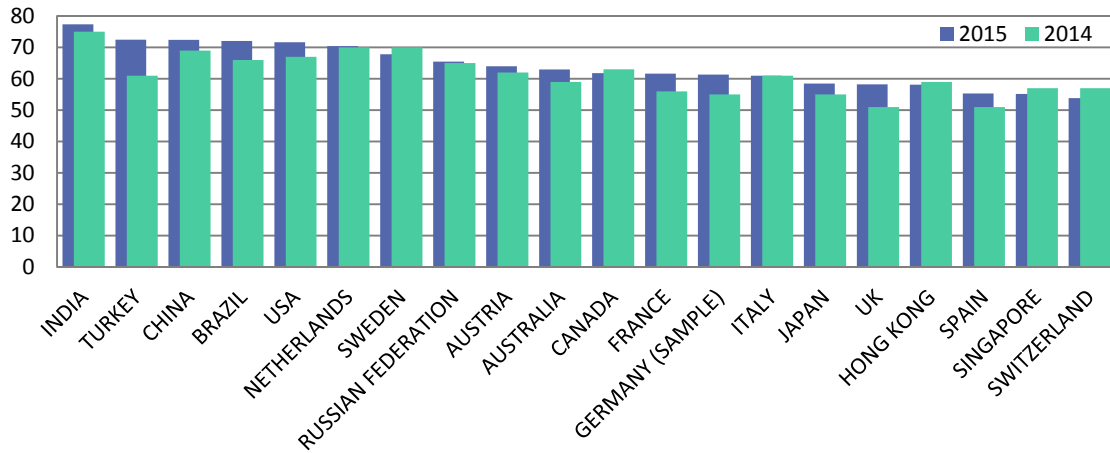
**Diana Allen, Statistics Manager, ORC International**

Following this pragmatic need for support come more emotional factors which relate to employees’ perceptions of security, wellbeing and esteem.

<sup>2</sup>Statistical techniques of factor and analysis and regression analysis applied to identify the key themes and questions driving engagement.

Job security has become significantly more important in driving engagement this year. Almost two thirds of employees do feel secure but there is notable variation across the regions from India where 77% of employees feel their job is secure, to Switzerland where only 54% do.

*Figure 7: Percentage of employees feeling secure in their job, by region*



Wellbeing is a new driver this year. Only a little over half of employees feel their organisation cares about their health and wellbeing at work; it seems changes in workplace dynamics have brought wellbeing to the fore. Wellbeing is discussed in more detail in the Sustainable Engagement section of this report.

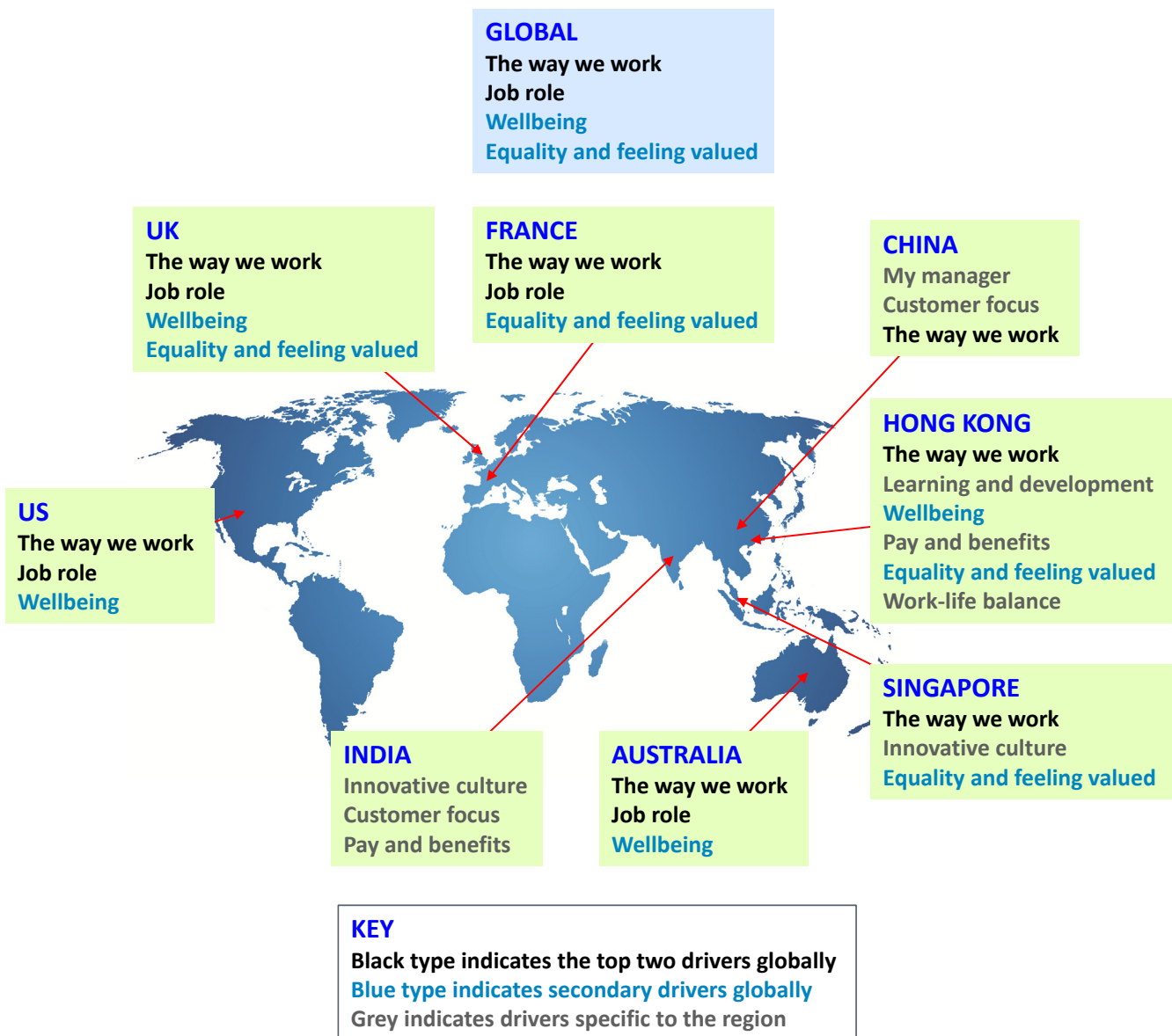
“I believe I am valued for what I can offer my organisation” once again appears as one of the key drivers of engagement. We homed in on the topic this year, asking employees to tell us a little more about what it is that makes them feel valued and we were not surprised to learn that of most importance is being recognised. This topic is discussed in more detail in the Inclusive Engagement section of this report.



When we look at the regional drivers of engagement, there is more consistency than last year, particularly regarding the roles played by the organisation and job. As with last year, equality and feeling valued is particularly key in the UK but this year the theme is also important to employees in Singapore. Hong Kong, as with last year, has a large number of questions driving its engagement. Despite this range, the majority of the most significant questions relate to policies and processes that facilitate work – eg, “the policies in place support me with my work”, “the tools and resources we have in place allow me to be as productive as possible”, “the work processes we have in place allow me to be as productive as possible”, “there are policies/practices in place to support me if I experience stress or pressure”.

India and Singapore drivers have changed this year and, unlike other regions, both have Innovative Culture as their top driver.

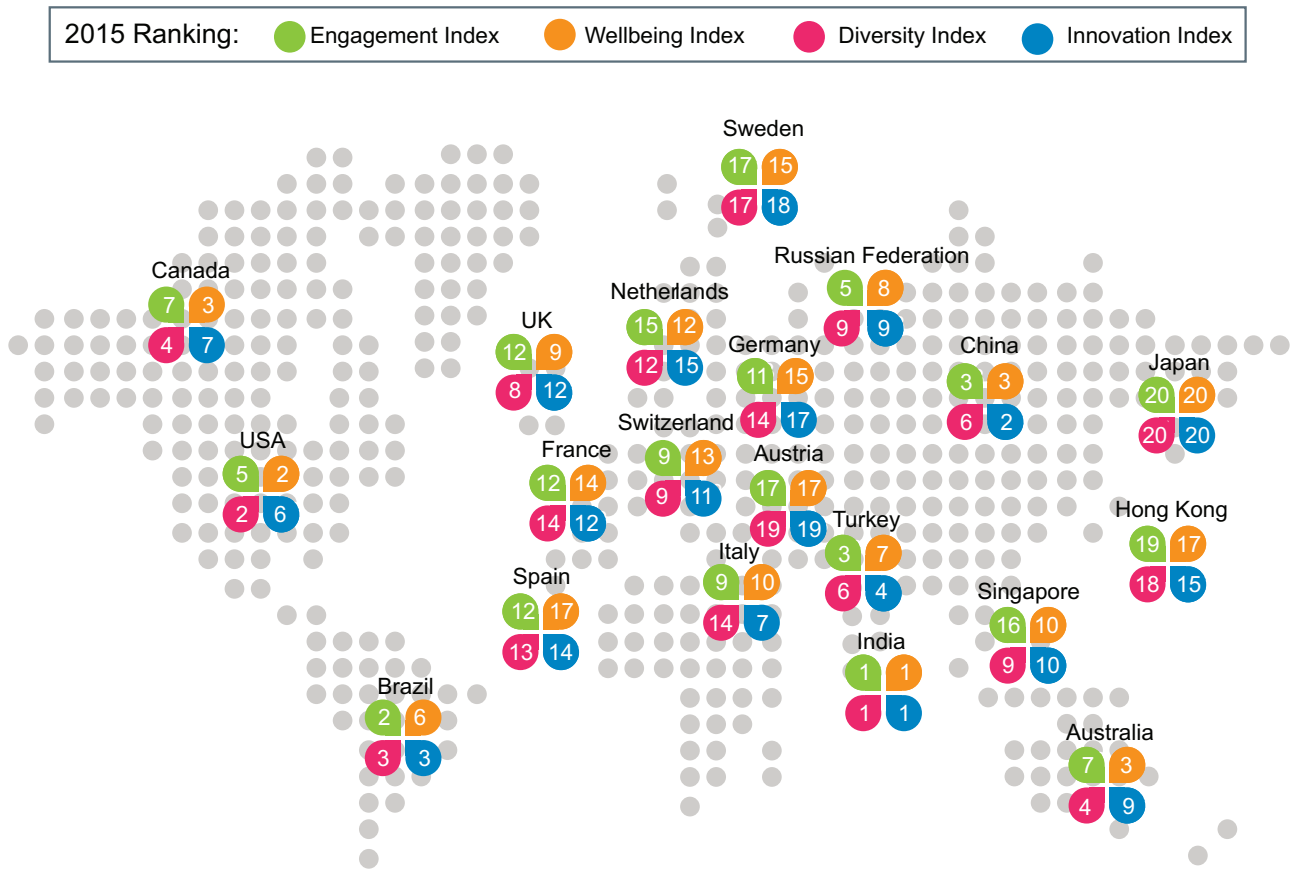
Figure 8: Key drivers of engagement by country



## Enhanced engagement indices

With workplaces evolving in line with advances in technology and in response to the competing needs of different generations, engagement as a concept has had to evolve too. It is no longer always sufficient to have a workforce that just says, stays and strives. We need to take into account the sustainability of that workforce; ensure our workplaces are representative of the wider marketplace profile and that these diverse views, experiences and skills are respected and considered; and we need to have confidence employees are motivated and empowered to think creatively and constantly look for new and better ways of working. With these needs comes an enhanced model of engagement that incorporates sustainability, creativity and inclusivity.

Figure 9: Enhanced engagement indices scores and rankings by country



Country	Score difference from 2014							
	Engagement		Wellbeing		Diversity		Innovation	
Australia	65	-4	65	-1	69	-2	56	1
Austria	52	-10	48	-4	53	-11	40	-5
Brazil	71	5	62	6	72	3	64	1
Canada	65	2	65	0	69	0	57	5
China	69	-1	65	2	68	4	69	0
France	58	4	50	3	59	2	50	4
Germany	60	2	49	0	59	0	46	0
Hong Kong	51	0	48	2	55	-1	47	-1
India	78	0	75	0	81	0	76	0
Italy	62	3	56	3	59	3	57	5
Japan	45	0	37	0	39	0	37	0
Netherlands	56	-5	54	-6	63	-7	47	-8
Russian Federation	68	-2	60	2	64	2	61	-1
Singapore	54	-1	56	-3	64	2	55	-7
Spain	58	5	48	1	60	4	49	4
Sweden	52	-3	49	0	57	-9	45	-7
Switzerland	62	-4	53	-3	64	-2	52	-4
Turkey	69	7	61	1	68	9	63	0
UK	58	6	58	-1	65	3	50	7
USA	68	0	67	2	73	1	60	1

## Creative engagement



Creative engagement is all about innovation. The term innovation conjures up images of creatives brainstorming ground-breaking ideas behind closed doors, of high-tech and manufacturing industries, and of big budgets. But actually innovation is far simpler and more accessible than that. Innovation is about doing things differently to produce better, more efficient and valuable outcomes for the evolving needs of your business and your customer base. As such innovation is something everyone, regardless of industry, job role or level of seniority, can and should be involved in.

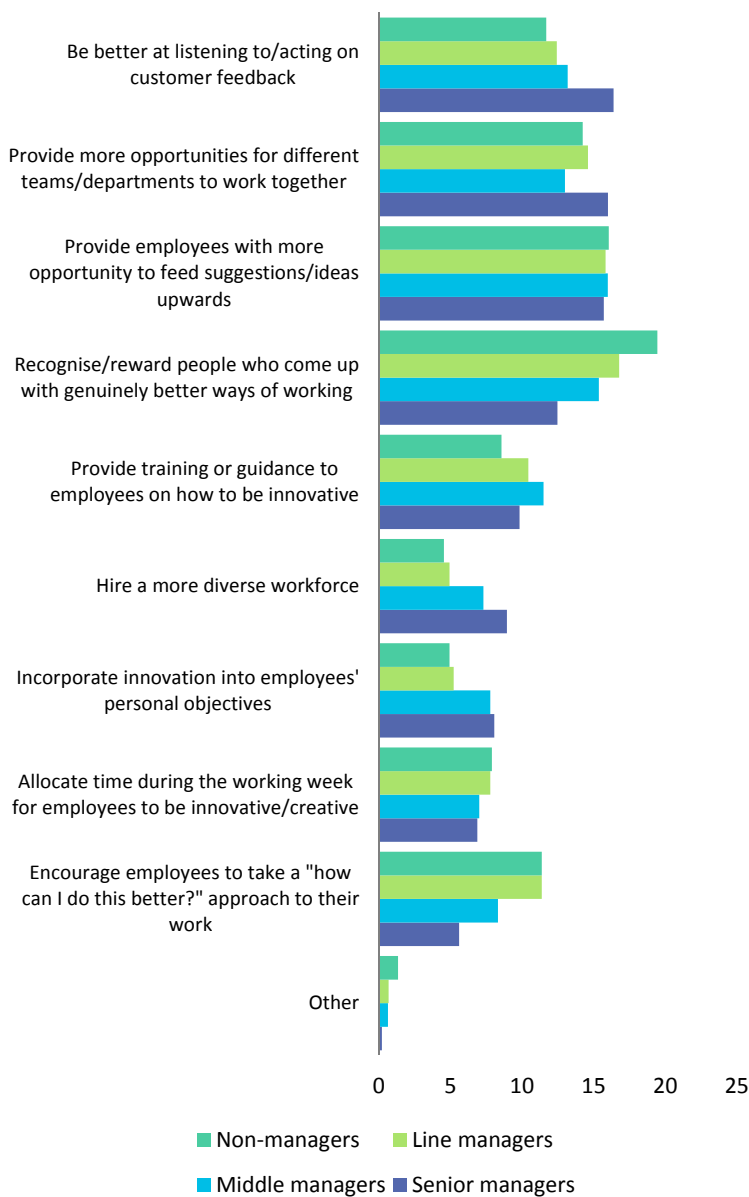
This is the third year we have included innovation in our global survey, and for the first time we have seen notable improvements at the global level. This year, the innovation index climbs five points to 54%. In the rankings, there is little change in the top six countries but Canada and Italy have moved up five places to joint seventh place. The UK has also shifted upwards seven ranking places with an index score of 50%. Singapore's index score remained level at 55% but it has been overtaken by more innovative nations, resulting in a fall of seven places to sit at tenth. The Netherlands, Switzerland, Sweden and Austria also dropped down the rankings mirroring the trend in their engagement index.

The aspects of innovation holding organisations back are still related to the approach taken to failure and mistake making. Despite improvements, only around 50% are doing this constructively. Yet it is these aspects which are critical to innovation. From psychologists working with top sports players, to leaders of some of the most creative businesses, one of the shared values is the importance of making mistakes, and learning from them. Without the courage to take managed risks and the confidence to deal with failure, organisations are not truly innovating.

*"Failure is only an opportunity to begin again more intelligently."*

**Henry Ford**

Figure 10: How can we improve innovation? By managerial status



To probe further into the issues relating to innovation we asked respondents what they feel organisations can do to build a stronger internal culture of innovation.

Overall we found recognising and rewarding people who come up with genuinely better ways of working was the most popular way of encouraging innovation.

When we separated out the views of different tiers of management we found senior managers had a different view. For them, listening more acutely to and acting upon customer feedback was key.

There was unanimous agreement between management levels that providing employees with opportunities to feed their suggestions upwards and facilitating better cross-team working is important.

Rated least important by senior management, but proportionally more important by non-managers, is encouraging employees to take a "how can I do this better?" approach to their work. Perhaps something that is overlooked but is actually an easily addressed issue.

Employees don't necessarily know how to innovate. The term is often perceived as something bigger and scarier than it actually is. Breaking it down into a simple question applicable to every day work, will make it a much more tangible subject.

Action planning, following an employee survey, is a good example of how employees from all parts of the organisation can be encouraged to innovate.

*"Following the release of employee engagement survey results ORC International worked with a central government department in the UK to design a series of workshops to discuss the results and brainstorm areas for action. The colleagues were placed into mixed groups – different backgrounds, varying levels of seniority and a range of role and contract types – and an inclusive and creative environment was used to take people away from their day-to-day tasks. Abstract examples were used to understand the underlying truths, have fun and (re)establish informal networks that have supported a broader increase in organisational resilience. By looking at the big picture and asking far-reaching questions, colleagues became involved. The mix of opinions, experiences and perspectives all highlighted the breadth of expertise within in the organisation. The potential was always there but by bringing different teams together, we enabled that potential to shine through. We listened to the diversity of voices and opinions and through that we learnt how much more could be achieved by joining together."*

**Alice Streatfeild, Associate Director, ORC International**

## Sustainable engagement



High engagement is a sensible goal, but it should not end there. Organisations need to ensure that when employees are engaged that engagement can be sustained. That is where the measurement of health and wellbeing comes in. Sustainable engagement takes into account the reciprocal nature of the relationship between engagement and wellbeing: high levels of wellbeing prevent the burnout of highly engaged employees, and high levels of engagement bolster health and even help employees to recover from illness more quickly. Good work, it seems, is important for good health.

Wellbeing remains fairly stable this year, with the index increasing by only one point to 56%. Whereas individual questions within the index have shown some improvement, many questions remained stable or have declined this year. It is therefore interesting to see wellbeing emerge as a key driver of engagement.

Looking at the wellbeing index across the regions we see there has been little change in the countries sitting in the top ranks, the most notable changes being the US rising five points to second place with a wellbeing index of 67% and China rising four points to joint third place with Australia and Canada (65%). Although slightly further down the ranks, Brazil has moved six places with a wellbeing index of 62% (up seven points). Continuing the trend highlighted earlier in the report, the Netherlands, Switzerland and Austria see their wellbeing index decline and they drop down the rankings.

When it comes to demographic differences, senior and middle managers are most satisfied with the health and wellbeing support their organisations provide, as are employees working in a head office/corporate role (particularly IT and HR) and people describing themselves as a primary carer of young children or dependent family members. At the other extreme, non-managers and people without direct customer contact have the lowest wellbeing index (49%) as do people working in the Accommodation and Food Services industry (51%).

The most critical wellbeing question to engagement is "I think my organisation cares about my health and wellbeing". Currently 51% of employees agree with this, an increase of two points this year. So that means that virtually half of employees globally are not fully satisfied with the support received from their employer around health and wellbeing. If we are striving to push engagement to ever increasing heights we need to be mindful of this statistic. Part of the problem is awareness, for we see high neutral scores in response to questions relating to wellbeing policies and practices, indicating uncertainty. In organisations that have policies in place, and surely most do, it may be as simple as communicating them better. However, for many employees the support they want to stay healthy and well may not be there at all.

To understand this issue further we asked respondents what their organisation could do to better support their health and wellbeing (figure 11).

At the global level suggestions focused on health and fitness benefits such as health insurance, healthcare and gym membership. These present relatively tangible and cost effective solutions which may even be provided via salary sacrifice schemes. But benefits are age-specific and there are generational differences that would need to be considered.

Generations X and Y are more inclined to comment about benefit-related improvements, whereas Baby Boomers are more likely to say they want better communication and information about health and wellbeing (eg, listen to their concerns and provide advice on healthy living) or commented about equality and fair treatment (eg, treating everyone equally and respecting age) than younger generations.

Analysing the comments by region we found the US was more likely to mention health and safety related issues (eg, taking better safety precautions in the workplace) and were looking for more vacations and time off – the latter is not surprising considering the US typically has a lower holiday allowance compared to other countries. The comments made by UK employees were skewed towards communication of information relating to health and wellbeing (largely being better at listening to employee concerns) and also the work environment and facilities. Australian respondents placed greater emphasis on teamwork and interpersonal issues, mainly in terms of the support provided by managers and colleagues. Indian employees, who are the most satisfied with their health and wellbeing were more likely than others to mention improved sick pay, and Singaporean employees placed a preference on work life balance, socialising and gym and fitness benefits.

*Figure 11: Word cloud illustrating frequency of mentions of significant words relating to improving health and wellbeing at work.*

Analysis identifies the words mentioned most frequently in response to the open comment question “In what ways could your employer better support your health and wellbeing?” relative to their typical occurrence in everyday conversation.



## Inclusive engagement

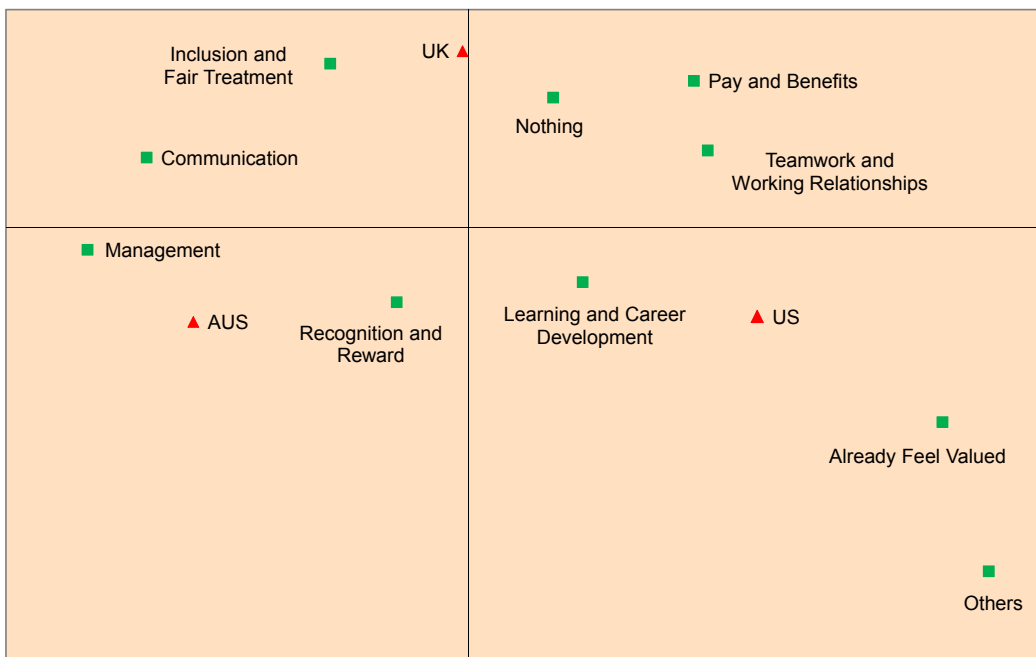


Over the last decade we have watched diversity change from being an issue only our public sector clients were concerned about, to a topic that more of our private sector clients are looking to explore. Organisations as diverse as government departments, large retailers and utility companies are jumping on the bandwagon and racing to understand how they can get the best out of all their people, not just the social majority. Born from this interest has been our diversity index and inclusive engagement measure.

Diversity continues to improve this year with the index sitting at 63% at the global level, an increase of four points. There are some significant improvements by region with India and the US both improving by seven percentage points to secure first and second place in the rankings respectively. Australia’s index score remains level at 69% but is pushed down the rankings as Brazil overtakes with a huge improvement in score (72%, up nine points). Turkey also makes a considerable improvement this year climbing to sixth place with a 12 percentage point improvement to 68%. Once again it is the Netherlands, Sweden and Austria that are left behind, falling seven, nine and 11 places in the rankings respectively (figure 9).

*Figure 12: Perceptual map charting the patterns of response to open comment question “what would help you feel more valued at work?” by region*

*The themes closest to a region indicate that region made proportionally more mentions of those themes than other respondents. Where no region lies close to a theme, that theme was mentioned equally by all regions.*





Perceptions improve in response to all questions in the index, yet still over 10% of the employee population believe their organisation does not offer equal opportunities and, should they be treated unfairly at work, would not take appropriate action. One quarter are unsure. Our latest HR Reflections survey found that diversity is a topic low down organisations' priority list of areas to focus on in the coming year, so perhaps the policies are in place but are just not being communicated effectively.

An important aspect of equality and diversity is whether employees feel they are valued for what they can offer their organisation, regardless of who they are and what they do. This is one of the top drivers of engagement again this year and positive perceptions have improved by five points to 60%. This is an encouraging shift yet the constant status of "feeling valued" as a driver of engagement makes us question whether 60% rating the topic positively is still too low. If being valued is so important to employees then why do we still struggle to push it beyond that level? Analysis of the comments made in response to "what would help you to feel more valued at work?" gives us some insight.

Greater recognition and performance-based reward is what the majority of employees said would make them feel more valued. Recognition is a very personal subject, what motivates one person may not have the same effect on another, so employers need to get to know their employees to understand what form of recognition works for each. With recognition big is not always best. Sometimes it is just a simple "thank you" or "well done" that employees are after. If given in a timely and genuine way this can provide more motivation than lavish awards ceremonies. Performance related reward is a proven strategy for motivating employees and comments in our survey show that many employees are keen to see more use of this approach.

But it isn't just performance based reward that employees are after, an increase in basic pay was the second most mentioned theme that employees thought would make them feel more valued.

The third area that employees feel demonstrates their value is in the effectiveness of two-way communication. On one level employees want to know their views are listened to and that there is a channel for them to feed ideas upwards and make a difference. But they also want to receive constructive feedback from their managers, co-workers and seniors on their performance. Generally speaking communication needs to be more effective both in terms of frequency of conversation, but also quality of conversation. A face to face conversation was seen as a rare but meaningful way of demonstrating value.

A further way of demonstrating value was career development. Whereas some people see this as a pathway to more pay, for others they see a promotion or career move as a tangible way of identifying the value the employer places on them.

*"One of the most interesting trends observed this year relates to perceptions of employees with caring responsibilities (either primary carers of young children or a dependant relative). With an aging population more Generation X and Baby Boomers are becoming carers for elderly parents and with skills shortages still rife, organisations are actively recruiting returning mothers. These employees are carers, holding down a career and juggling a stressful and busy home life, therefore the findings from this year's survey might come as a surprise. Carers were significantly more engaged than non-carers and scored virtually all survey questions more positively. Discussion around working mothers often highlights the greater productivity and performance they bring to their organisation as they are more skilled in juggling competing priorities and use their time more efficiently – new research from Ernst and Young has found that working mothers are the most productive in the workplace. And this could be generalised to carers of dependant relatives too. For many, work provides an opportunity to take time out for themselves away from home pressures making them appreciate their work more. As such, this research demonstrates an opportunity for employers to recruit carers and in doing, benefit from committed, positive employees."*

**Wendy McInnes, Managing Director of Employee Research Australia, ORC International**

## Hot topics

This year we are focusing on three topics which we have explored in detail in our survey: generations, leadership, and customer centricity.

### Generations

With at least three generations of employees co-existing in most workplaces, managing differing and often conflicting needs is a major organisational challenge. In our 2014 HR Reflections survey we found that 74% of HR professionals believe Millennials are different to the generations that precede them and 62% report difficulty in retaining them. Understanding the views different generations have of the employee experience and what motivates each group is a first step to making that challenge a little easier. The Perspectives survey analysed data by the core generations: Millennials (classified as 18–30-year-olds), Generation X (classified as 31–50-year-olds) and Baby Boomers (classified as 51 years old and above).

The general trend we observed was that Millennials are the most positive and Baby Boomers are the least positive, with Generation X sitting in the middle. This trend prevails across perceptions of leadership, innovation, learning and development, pay, health and wellbeing policies and performance management. Millennial employees however hold a lower perception of job related issues than their older colleagues, particularly around clarity of what they are expected to achieve in their job and how their work contributes to the success of their organisation.

Organisations may be right to feel concerned about retaining Millennials since the group is the least positive in response to the stay component of engagement and, when asked how easy it would be for them to find a new job currently, 29% felt it would be easy compared to just 16% of Baby Boomers.

When it comes to things that employees look for in an employer, Boomers are more likely to look for a company that treats them with respect, a supportive manager and a company that acts with integrity and ethics compared to Millennials and Generation X. Millennials place proportionally greater importance on a company that provides good long term career prospects, looks good on a CV and has a fun, sociable work environment than their older colleagues. However for all generations the top priorities are work-life balance and job security.

**Matt Roddan, Head of Employee Research US, ORC International, provides some top tips for getting the best from each generation:**

#### 1. Play to each generation's strengths

- Baby Boomers feel more comfortable with some of the job related issues and they understand how they fit better than Generations X and Y, so use their experience to help the younger employees understand the big picture. This could be done in the form of one-to-one mentoring or by giving Boomers responsibility for keeping a team up to date with corporate messages.
- Younger generations can have a maverick streak that makes them want to spurn senior management. Recent research finds they are less likely to aspire to becoming leaders and many rate entrepreneurship as more desirable, so give them opportunities to innovate and lead projects.

#### 2. Support managers

- Generation X and Baby Boomer managers may need more support and training on how to manage Millennials. Some may find it tough to deal with their pre-conceived perceptions of Millennials – regardless of whether these perceptions are based on reality or not – and put aside recollections of how the workplace differed when they were starting out in their career.

- But Millennials are also rising up the ranks and bring with them their own styles of leadership. Helping them to understand the concerns and preferences of the older generations will be equally important. We see Baby Boomers are significantly less positive about leaders and managers. They want a supportive manager, they want to be treated with respect and they place more importance on integrity and ethics.

### 3. Communicate appropriately

- To really engage and get the best out of Millennials, organisations need to be prepared to give more feedback than in the past. Set clear goals and expectations and have open discussions about training and development.
- The preference of older generations tends to be for face-to-face communications, and they place importance on having managers that take time to listen to their concerns.

### 4. Manage development opportunities

- Our research has shown that Baby Boomers place lower emphasis on career development as an attribute attracting them to an employer, but we also see a significant proportion feel career opportunities are not based on merit and are not satisfied with their opportunity to get a better job in their organisation. As retirement is postponed, people will be working for longer and to avoid them falling into that “critical stayer/hostage” segment, consider how career development can be tailored to their needs.
- Companies need to position themselves as places for Millennials to develop a long-term career. Provide ambitious career roadmaps but be clear on what is expected along each step of the way. Be clear about what “good” performance looks like. Break down the barriers that prevent the right people moving into the right roles.

## Leadership

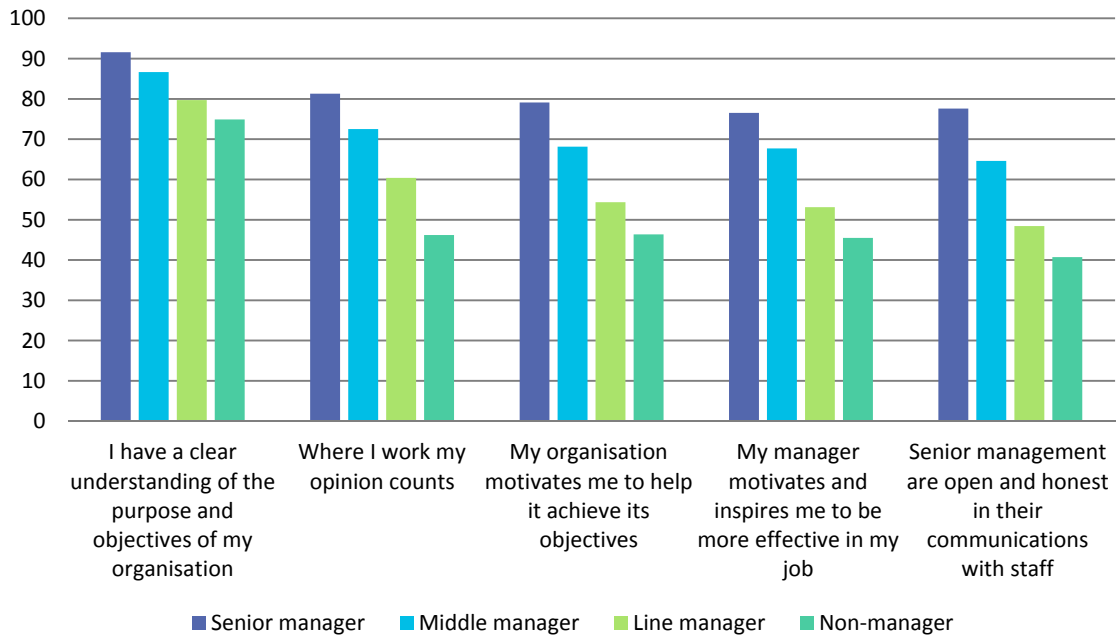
According to our most recent HR Reflections survey<sup>3</sup>, leadership development remains the greatest challenge facing HR professionals, with 86% saying it is going to be a key focus for them this year – no wonder, considering the pace of organisational change and the increasing expectation placed on leaders to be responsive to it. Early indications suggest efforts may be paying off as our Perspectives survey shows perceptions of leadership have improved significantly this year. Positive ratings of the top key driver of engagement “my organisation as a whole is well managed” increases by 6 points to 58%. Senior leaders are trusted more and are believed to demonstrate greater openness and honesty in their communications compared to last year, but still some 20% of employees disagree, particularly Baby Boomers, employees working in government and the largest organisations (10,000+) and those with over 20 years of service.

Across all questions in the survey there are large variations in positive perceptions held by senior managers, middle managers, line managers and non-managers. Whereas we would always expect some variation, the perception gaps are so great between the top and the bottom of the organisational hierarchy that this in itself is indicative of problems.

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<sup>3</sup>ORC International *HR Reflections* survey 2014: global survey of more than 1,000 HR Professionals from 20 industry sectors

Figure 13: The differing perceptions between managers and non-managers



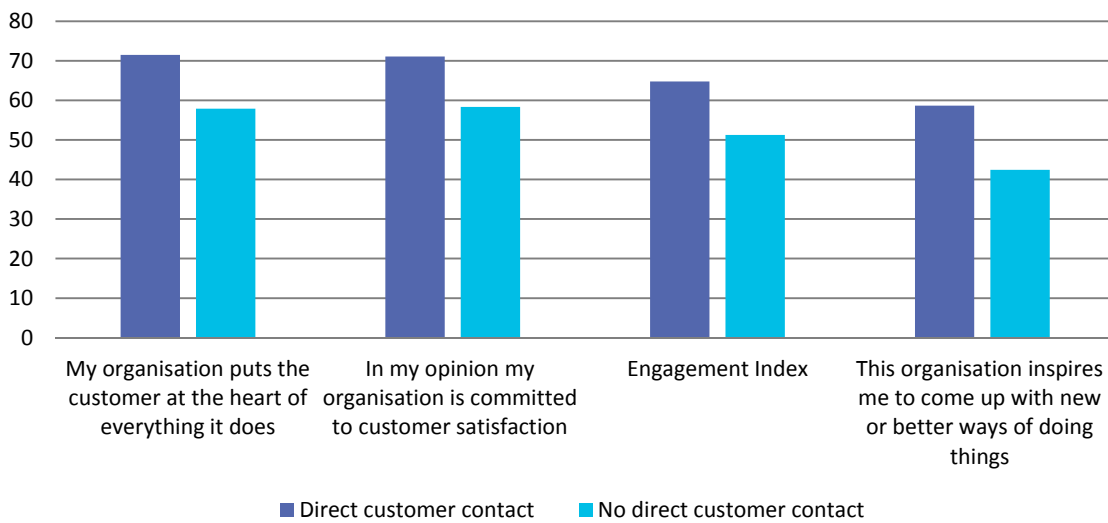
Leaders have a huge influence on the employment experience. They are responsible for the strategic narrative – communicating to employees what the organisation is trying to achieve, its value proposition, how it is unique and how it wants to better the world. These messages should be delivered in an authentic way that inspires employees and connects them to the organisation. Figure 13 shows that people do seem to have a good understanding of the purpose and objectives of their organisation but managers and leaders are struggling to inspire and motivate employees, and employees are not feeling communication is two-way. Furthermore, despite year on year improvements, communications from senior management are still perceived to be open and honest by fewer than half of line managers and non-managers. Whereas the responsibility for the strategic narrative sits with the leadership team, managers further down the organisation need to be consistently reinforcing the messages it conveys and translating them at the local level so they resonate with all employees. Figure 13 shows that perceptions held by line managers are almost as low as those of non-managers so the breakdown in communication appears to be from the top and middle management.

*“The danger when we have line managers that are either disengaged or dissatisfied with elements of their employment experience, is that they can influence the perceptions that non-managers hold. Leaders and middle managers therefore need to be vigilant of communicating strong, positive messages to their line managers and provide guidance and support around how these messages can be passed on in a motivating and engaging manner to the front line.”*

**Sally Winston, Head of Employee Research Strategy and Insight, ORC International**



Figure 15: Perceptions of employees with direct customer contact, versus those without



It is not so much due to employees without customer contact being more negative (although on some questions they are, such as those relating to leadership and management) but rather the group rates questions more neutrally. Neutral responses are usually indicative of lack of clarity on the topic, or of an inconsistent experience, which may well be the case here. Employees without direct customer contact are perhaps not receiving as detailed, or as frequent information about their organisation or not receiving information relating to how their role contributes to the “big picture”.

But their low engagement levels are revealing. Overall there is a 14 point difference in score between employees with customer contact and those without. When we break down engagement into its constituent parts, it is the strive question “my organisation motivates me to contribute more than is normally required” that performs most poorly; only 42% of employees without customer contact agree and 21% disagree. It suggests organisations are struggling to link their non-customer facing staff to the organisation’s strategy and objectives.

We spoke earlier about the strategic narrative and the importance of corporate messages being translated at the local level. When conveying these messages to employees who do not have direct customer contact, linking employees’ personal objectives, role and purpose to the customer will be particularly important, so they can see how their contribution fits in to the big picture. For example, recent research we undertook<sup>4</sup> found that employees who had the customer experience (eg, NPS, CSat, customer loyalty) as part of their objectives and/or a bonus plan, were notably more positive about their organisation’s approach to the customer, had a far clearer view of the customer strategy and had more faith in their senior leaders acting as if they truly care about the customer.

When we looked at employees working in a role that did not have direct customer contact but who had their objectives linked to the customer experience we also found this trend, particularly when the employees had the customer experience as part of their bonus plan. In the context of customer centricity it implies that all employees, regardless of their role, benefit having personal objectives and incentive clearly linked to the organisational objectives. But beyond this, it suggests that reinforcing the business strategy (be it customer centricity or some other focus) could be a tactical way to better connect employees that do not work in the front line to the organisation.

<sup>4</sup> Customer centricity survey 2014: global survey of 1,100 employees in customer facing and non-customer facing roles to understand how customer-centric they believe their organisation to be

## Conclusion

- This year's Global Perspectives survey has shown a step change from 2014. Engagement has improved, along with many perceptions of the employee experience. These improvements are replicated across most countries surveyed. But with a more mobile talent market – reflected in the decline in stay scores – organisations cannot become complacent.
- We see organisational management issues being critical in driving engagement, along with helping employees to feel valued and promoting strong policies around health and wellbeing. We need to pay heed to this if we are to maintain the uplift in engagement and retain our high performers.
- With an evolving workplace certain people challenges are becoming proportionally more important.
- Leadership must step up to the mark and demonstrate its agility in the face of change. Employees demand greater authenticity from their leaders, seek more collaboration and need to be inspired by those that manage and lead them.
- The multi-generation workplace is the new norm, but the survey shows the differing needs of each generation are not being met. With Baby Boomers likely to remain in work for some time to come, and the newest generation, “Z”, looking to join the workforce soon, clarity on what motivates and engages different employee profiles should be a priority.
- Serving customers is the reason most employees come to work, and whereas this can be a strong motivator for those on the front line, our survey has found that employees further removed from the end user are far less engaged. Connecting all employees with the organisational objectives, particularly those related to the customer, is a powerful way to embed that motivation across the organisation.

## About ORC International

At ORC International, we are leaders in the art of business intelligence. We help you explore, navigate and integrate insights to uncover what truly engages people around the world. With a focus on improving business performance and growth, we combine quality data, smart synthesis and a best in class digital platform to deliver transformative business insights across your customers, employees, markets and products.

Our Employee Research division was officially established in 1998 and is one of the leading providers of employee attitude research worldwide.

All of the consultants in the Employee Research division are specialists in the field, with backgrounds that include occupational psychology, organisational development, change management, HR and training. As a team, our consultants work on more than 200 surveys per year with our clients ranging in size from small not-for-profit organisations of fewer than 150 staff, to large scale public and private sector employers with more than 500,000 staff.

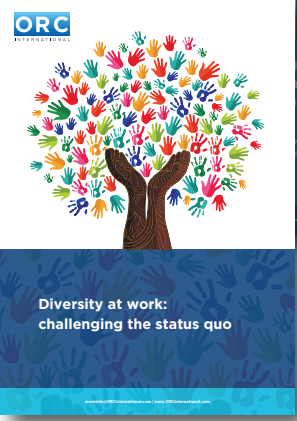
Our overriding philosophy when delivering employee research is that stakeholders and managers should be provided with actionable, concise and easy to understand reports that can be used to identify employee opinion and action plan appropriately. We have a long history of delivering high-impact employee survey programs for a range of public and private sector organisations.

ORC International is a collaborative and consultative research partner to hundreds of organisations around the globe. We maintain the highest standards in the collection of technical, business, and competitive intelligence as evidenced by our membership in The Strategic and Competitive Intelligence Professionals (SCIP), the Council of American Survey Research Organizations (CASRO) and the European Society for Opinion and Marketing Research (ESOMAR). In addition, ORC International is ISO 20252 certified. Adherence and certification to such standards provides a basis of confidence for clients and other constituencies that the work produced is being executed with quality processes and controls in place.

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