

# WHAT MAKES A GREAT EMPLOYER?



**MANPOWER®**

**INTRODUCTION BY DANIEL KASMIR,  
HR AND CORPORATE AFFAIRS DIRECTOR, MANPOWER EMEA**

Motivated, committed employees drive business success; demotivated employees cost money.

For most enterprises today, no market is more competitive than the market for employees. The fast changing business world combined with external demographic trends will make being a Great Employer even more important over the coming decade.

That is why we have spent the last 12 months as part of a qualitative industry research consortium alongside Unilever, Prudential, BT and Zurich Financial Services. The aim of the consortium was to investigate how employees want to work in the future and the positive impacts of being a Great Employer on staff motivation, engagement, commitment and ultimately business profitability. The International Labour Organisation (ILO) validated the findings.

Additionally, we have conducted a survey with MORI ([www.mori.com](http://www.mori.com)) amongst 12,000 job-seekers across Europe, Middle East and Africa from June to August 2005. This data provides another dimension to the research and demonstrates what employees want from their employer, as well as highlighting current and future work trends across Europe.

The findings are compelling and provide valuable insight into how employees want to work and what employers must offer to succeed in future.

Concerns about job security across the region are widespread. Trust is low in organisations and socially aware employees are citing ethical behaviour as paramount when choosing their next employer. This report charts how these trends affect us all as employers and how, by embracing these trends and working to encourage an environment of engagement and trust, we can all become truly great employers.

Kind regards,

A handwritten signature in blue ink, appearing to read 'DKasmir', enclosed within a large, thin blue oval. There is a small circle above the signature.

Daniel Kasmir  
HR and Corporate Affairs Director, Manpower EMEA

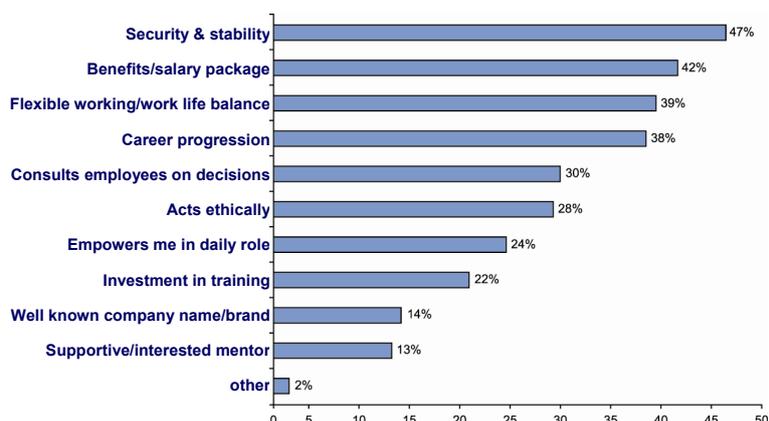


## TRENDS – WHAT DO EMPLOYEES WANT?

### QUESTION: What makes a Great Employer?

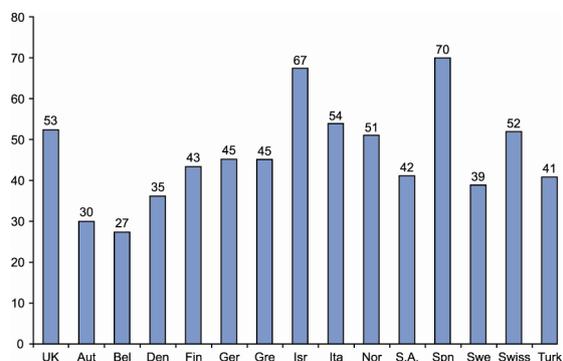
Security and stability (rated in the top three factors for almost half of respondents) and a competitive salary & benefits package head the list. Employers who support flexible working, encourage work-life balance and who provide the opportunity for career progression are most likely to be well regarded.

#### WHAT MAKES A GREAT EMPLOYER?



The prospect of unemployment in the next twelve months is a concern for almost half of all employees. By country the greatest levels of concern are in Spain, followed by Israel and Italy. Those in the health & medical sector, education, finance/insurance/recruitment/admin & business services and utilities & energy are least concerned about becoming unemployed, as are those in Belgium, Austria and Denmark.

#### CONCERNED ABOUT BECOMING UNEMPLOYED IN THE NEXT 12 MONTHS



Employees that are engaged with their role, their manager and their organisation are much more likely to feel secure and stable in their position. There are also huge benefits for the organisation in terms of employee engagement, with research showing that high levels of employee engagement produce annual share price increases 10% above the industry average.<sup>1</sup>

<sup>1</sup> The Enthusiastic Employee: How Companies Profit By Giving Workers What They Want; Wharton School Publishing/Pearson



Low employee engagement produces annual revenue growth 1% or 2% below industry average.<sup>2</sup>

Manpower's definition of employee engagement is in three parts: The first part describes someone who is **willing**, who will put discretionary effort into their work, applying extra time, brain-power and energy in their role. The second part draws attention to the fact that employees must also be **able**. It would be hard to achieve success with employees who are very keen to do well, but who lack the skills, abilities and knowledge required. The third part of the definition concerns the matching of the individuals' talents to the right jobs, tasks and challenges. There is no point in having willing, able employees and then asking them to do work that bores them. Engaged employees need to be willing, able and their capabilities must be **matched** to their role so that they can feel confident in delivering the excellent performance that drives customer satisfaction to ensure good business results.

#### CONSORTIUM FINDINGS – CHANGING DEMOGRAPHICS

- The factors that drive engagement are varied
- Company culture, education and other factors such as the stage in life cycle have a more significant impact on what drives an employee's engagement than geography
- The role of the leader, whether at the top of the organisation or in a supervisory role, is crucial for organisations aspiring to be Great Employers
- Identifying what drives engagement requires a thorough understanding of each individual, which is where the role of the immediate manager or supervisor becomes of great significance
- Individual employee-manager relationships are key
- Companies that understand this and support managers are more likely to be the Great Employers of the future

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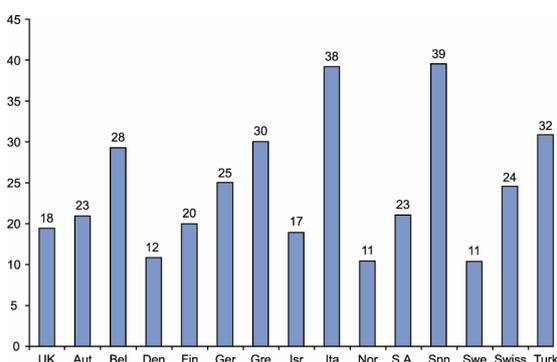
<sup>2</sup> Working today: Understanding what drives employee engagement, Towers Perrin



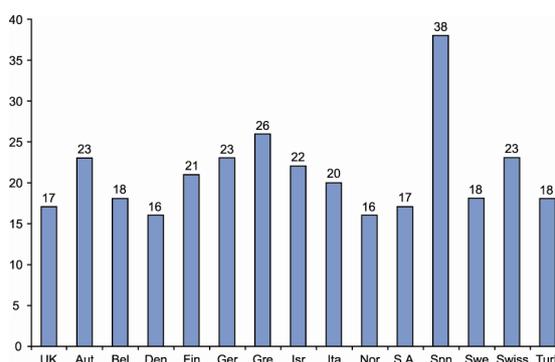
## EMPLOYEE CONCERNS

One in five jobseekers (21%) express concern about the negative effects of having children on their careers and over a quarter (27%) feel that they or their partners are unable to take time out of their careers to have children. The financial/insurance/recruitment/admin & business services, public, social, personal and community services and wholesale/retail sectors show particular concern about taking time out to have children. Job seekers in Spain and Greece show by far the greatest concern on both counts, with Italians also feeling relatively unable to take time out.

CAN'T AFFORD TO TAKE TIME OUT TO HAVE CHILDREN

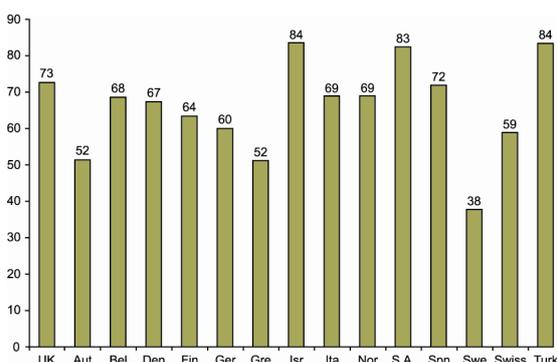


CONCERNED THAT HAVING CHILDREN WILL NEGATIVELY AFFECT CAREER

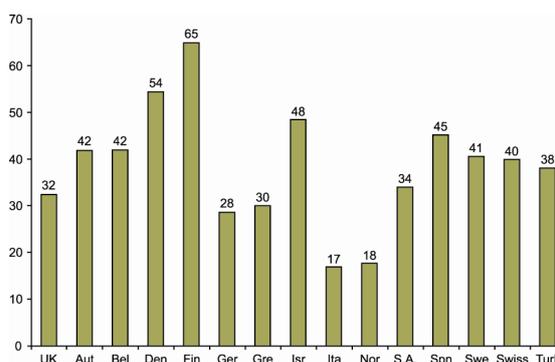


However well led they may be and even with the most highly engaged staff, businesses are not immune to the impact of external forces. It is therefore essential to understand the key external trends and their potential implications.

I WOULD BE HAPPY TO WORK LATER IN LIFE IF I COULD WORK FLEXIBLY



I WILL BE FINANCIALLY SECURE TO RETIRE AT THE NORMAL RETIREMENT AGE



The concept of flexible working is popular; with seven in ten saying they would be happy to work later in life if they could work flexibly, and over half agreeing that they would work a longer working week if the hours were flexible. Propensity to work later in life increases with age, peaking at the 55-64 age group. By country, Israel, Turkey and South Africa are the most interested in working later in life (this being an extremely unattractive prospect in Sweden, and also fairly unappealing in Austria, Greece and Switzerland).



Worryingly, more disagree than agree that they will be financially secure enough to retire at the average retirement age. This belief peaks at the 35-44 age group, where over half are concerned. Health & medical job seekers are the most concerned, whilst those in mining are least bothered. Around a fifth of job seekers have no strong feelings on this subject. South Africans, Italians and Germans harbour the greatest concerns, whilst the Finns are the least worried, followed by the Danes, Israelis and the Spanish.

The most predictable external trend and one that will have a huge impact on our future workforces is demography. The structure of the world's population growth is changing. Demographic differences as well as widening economic differences between the developed and less developed world are increasing the flow of people towards the developed world. Look at the facts:

- 50% of the world's workforce of 2013 will be in India or China
- There will be about 400 million new entrants into the world's labour market by 2013
- Only 5% of these will be in the industrialised nations
- Between 2000 and 2010 the population of Europe will have declined by over 14 million to just over 712 million people
- By 2020, the proportion of children in Europe will have slumped to 13.7%
- The EU's active labour force will be 20 million short of the levels required to sustain growth and pay for an ageing population by 2030
- 80% of Europe's workforce of 2013 are already out of education and in work
- 1 in 5 UK workers will be mothers and 25% of UK families will be single parent

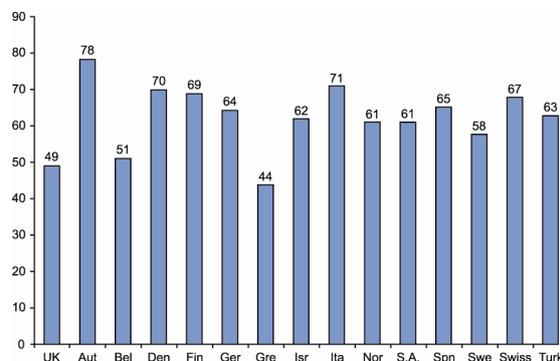
#### CONSORTIUM FINDINGS – CHANGING DEMOGRAPHICS

- More flexible working regimes – childcare, elderly care, part-time, job-sharing
- Learn-work-retire cycle to be replaced by lifelong learning and periodic opt-in and opt-out
- Greater participation by women – especially in developing countries
- Skills mismatches – in Europe only care and knowledge worker occupations will grow
- Young people will be at a premium – as will attracting, retaining and engaging them
- Workforces will be more geographically diverse – management skills must embrace this

## LIFELONG LEARNING

Aside from salary and bonus package, paid courses and education (62%) is the most valued employer benefit.

### PAID COURSES AND EDUCATION



Learning and training for work are central to the development of a lifelong learning culture that underpins a knowledge-based economy and society, and ensures that all people have access to learning opportunities throughout their lives.

Many unemployed workers need new skills and competencies that will enhance their chances of re-entering stable employment. Women and others who are discriminated against need education and training to give them access to more and better jobs, and to overcome the syndromes of poverty and social exclusion.

The knowledge economy is creating a demand for a more highly skilled and adaptable workforce. The need for higher skills that are currently available in the labour force is not just a Western phenomenon. The demand for highly qualified workers is growing faster than for the less skilled throughout Asia.

In Europe as elsewhere, the workplace is becoming a major source of lifelong learning. Workplace learning is now being facilitated by online learning opportunities made accessible to employees. In addition, many new “soft skills” such as teamwork, initiative, and communication skills are increasingly demanded in today’s flatter organisational structures. These are better learned at work, often informally, than in formal education and training settings.

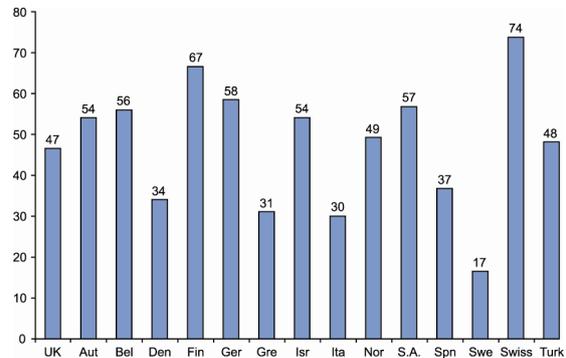
### CONSORTIUM FINDINGS – CHANGING DEMOGRAPHICS

- Employers will need to work with education institutions to devise relevant training
- Companies will need to offer more training and retraining to keep workforce skills up-to-date
- Jobs will have to be designed around available skills and competencies
- Careers will be interrupted by training periods
- Funding will have to be negotiated – employer/employee/government

## GETTING THERE AND STAYING THERE

What attracts people to join an organisation differs from what keeps them there and, more importantly, from what generates their full engagement and commitment in the work they do. People are generally attracted by brand and a good package including training and development opportunities.

### JOIN/STAY WITH A COMPANY THAT ADDRESSES SOCIAL ISSUES



Almost half say they are more likely to join or stay with an organisation that addresses social issues. By country, this aspect is very important to the Swiss, with Finland, Germany, South Africa, Belgium, Austria and Israel - all ranking higher than other countries. Countries for whom this is least important are Sweden, Italy, Greece, Denmark and Spain. Once inside the organisation, gaining rational commitment requires a competitive package, reasonable supervision arrangements and scope for development and training. If that is available, employees will turn up and do a fair day's work for a fair day's pay.

To gain the emotional commitment of employees, the job has to genuinely interest them; there must be enough mutual trust and respect between them, their manager and their immediate colleagues to allow for some autonomy. Those who are emotionally engaged will be enthusiastic about their work and will strive to help customers and colleagues.



## IMPLICATIONS FOR EMPLOYERS

Against a backdrop of increasing economic slowdown, the relative importance of job security and stability among job seekers is perhaps not surprising, but has significant implications for employers hoping to attract and retain talented and productive workers – developing a truly committed workforce.

The impact of corporate social responsibility on job seekers' views continues to send a clear message to those employers wishing to be regarded as “employers of choice”. This theme is further supported by additional research data from MORI, where by advocacy levels are highest among those who are aware of or involved in an employer's social responsibility activities.

In the context of an ageing population, in many European countries the apparent desire among job seekers to work longer, more flexible hours, to work later in life and (for some) to relocate to other countries for work, can be levered to the advantage of employers in meeting their business needs, with greater fluidity in the workforce likely to be the norm for the future. This also supports the case for reassessing the potential that lies in wider talent pools, both across Europe and beyond.

Given the significant proportion of job seekers expressing concern about the prospect of unemployment, employers would be wise to manage such expectations, taking steps to reassure and re-engage their workforce where appropriate.

At the highest level of commitment - engagement - employees are passionate about their work. They are ambassadors for the company, singing its praises to anyone who will listen, and will do whatever it takes to deliver and over-deliver for customers and colleagues alike.

To win the prize of true engagement requires superb management and leadership. Highly engaged employees know that their manager understands what makes them tick and really cares about them.

Understanding what customers want and what will make them satisfied is critical in determining what kind of employees are required. Companies need to be alert to individual customer needs and work hard to fulfil them wherever possible. Regardless of industry sector, this hard work will be rewarded by satisfied customers who in turn drive business success. Engaged employees deliver customer satisfaction, which is in itself very rewarding, and so the loop is mutually reinforcing.

However, the converse is also true: disengaged employees find themselves dealing with dissatisfied customers, making them feel even less engaged and so a downward spiral results. This of course produces disastrous results for business performance. Ironically, the most engaged employees - usually the senior team - have the least customer contact and vice-versa. It is therefore essential that employee engagement is present at all levels within the organisation.



Building on the results of the research and the consortium findings, Manpower has identified the following guide to becoming a great employer:

#### **BEING A GREAT EMPLOYER IN THE FUTURE**

A Great Employer will understand and anticipate the future and prepare to attract, retain and motivate excellent employees to deliver customer satisfaction. A Great Employer will:

- Develop excellent leaders at all levels, especially at middle management
- Engender trust by open, honest and transparent behaviour consistently demonstrated
- Genuinely involve staff in decision-making and provide continuous feedback
- Ensure communities of employees to create a sense of belonging
- Allow for social interactions in the workplace as long as targets are delivered
- Connect the HR strategy to a clear, prioritised, long-term business plan
- Provide efficient HR processes, accommodating diverse and changing requirements
- Treat all those who can impact the customer experience as if they are employees
- Give high priority to understanding and meeting customer needs
- Choose collaborating partners with care to preserve company values and reputation

## ABOUT THE RESEARCH

The Great Employer project is composed of two research elements: firstly a quantitative survey looking at work trends amongst jobseekers in the EMEA region and secondly amongst a group of leading companies and the International Labour Organisation, looking at what the benefits are to business and what employer's need to focus on in order to become Great Employers.

The quantitative component – an EMEA work trends survey – was conducted across 15 countries (Austria, Belgium, Denmark, Finland, Germany, Greece, Israel, Italy, Norway, South Africa, Spain, Sweden, Switzerland, Turkey and the UK) from June until August 2005. The survey was conducted online through a pop-up link on each participating country's Manpower homepage and was managed by international research company, MORI ([www.mori.com](http://www.mori.com)).

Manpower also spent the last 12 months as part of a qualitative industry research consortium alongside Unilever, Prudential, BT and Zurich Financial Services. The aim of the research was to investigate how employees want to work in the future and the positive impacts of being a Great Employer on staff motivation, engagement, commitment and ultimately business profitability. The findings of the survey, which were validated by the International Labour Organisation, have formed a core part of the overall analysis. Full findings are available upon request from [manpowerpressoffice@ruderfinn.co.uk](mailto:manpowerpressoffice@ruderfinn.co.uk).

Find out more about Manpower at [www.manpower.com](http://www.manpower.com).

