

2012

Global Workforce Study

At a Glance

Background

The 2012 Towers Watson Global Workforce Study provides a comprehensive snapshot of the attitudes and concerns of roughly 32,000 workers around the world, following a decade of sharp economic swings, intense global competition, increasing financial pressures and political turmoil. It is designed to shed light on how employees' views affect their behavior and performance on the job and, ultimately, their level of engagement in their work and commitment to their employers. As such, it offers companies and their leadership teams important insights into the elements of the work environment that help shape employee behavior and performance in positive ways to support business growth goals.

The big picture: Imperative for change

The study shows a global workforce struggling with the impact of financial pressure and constant change. While there are clear variations in attitudes across the regions, influenced by local economic conditions, employees broadly are anxious, worried about their futures and, at least in some parts of the world, risk-averse — arguably at the very time employers can least afford that trait. The result for employers is heightened performance risk — from lower productivity to higher inefficiency, to greater rates of absenteeism and turnover, to increased costs for chronic illnesses.

The data suggest we are reaching a tipping point in companies' ability to sustain high engagement across their workforces. Globally, just over a third (35%) of employees are highly engaged — a particularly disturbing fact given the strong relationship that exists between high levels of sustained engagement and company financial results.

With two-thirds of employees feeling unsupported, detached or completely disengaged, the study is a wake-up call for employers that continue to rely on practices and programs designed for an era that's rapidly disappearing. Below are just some of the key concerns that resonate worldwide, transcending location, age, job level and gender:

- Technology continues to escalate the pace of change and alter the nature and structure of work itself, but the work environment and experience aren't keeping pace.
- Cost pressures are intense and increasing in many parts of the world, putting even more pressure on already busy workers to do more with less.
- Companies continue to shift costs and risk to employees, especially in developed countries with high labor cost structures.
- Employees, even at entry levels, are showing more interest in security and express doubts about their future in terms of retirement preparedness, career growth and advancement, and the rewards available to them for their efforts on behalf of their employers.
- Employees everywhere are working more hours, taking less time off and experiencing higher levels of stress.

In a study of 50 global companies, those with workforces with high sustainable engagement had one-year operating margins three times that of the companies with disengaged workforces.

An evolution in employee engagement

The 2012 Global Workforce Study breaks new ground in our understanding of employee engagement and how to sustain it over time. This concept recognizes that employees' perspective on and dedication to their work depends on more than their ability and willingness to help the company succeed. Put simply, engagement is fragile, especially in an era that is putting so much pressure on both employers and employees.

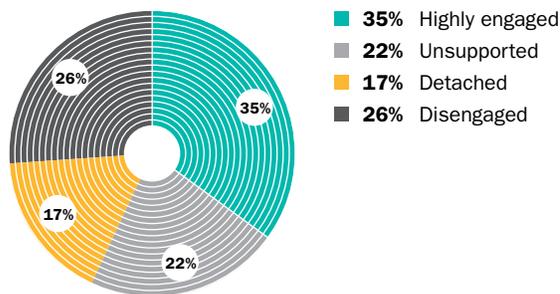
Through the study, we can measure three elements that are critical to sustaining engagement in the workplace over time. These are:

- **Traditional engagement:** Employees' willingness to expend discretionary effort on their job
- **Enablement:** Having the tools, resources and support (typically through direct-line supervisors) to do their job effectively
- **Energy:** Having a work environment that actively supports physical, emotional and interpersonal well-being

Based on how the study respondents answered a particular set of questions, we grouped employees into four distinct engagement segments:

- **Highly engaged:** Employees who scored high on all three elements of sustainable engagement
- **Unsupported:** Employees who are traditionally engaged but lack the enablement or energy for complete engagement
- **Detached:** Employees who feel supported and/or energized but lack a sense of traditional engagement
- **Disengaged:** Employees with less favorable scores for all three aspects of sustainable engagement

Distribution of global respondents by sustainable engagement segments



Drivers of attraction, retention and sustainable engagement

Through employees' responses to key questions in the study, we can also identify what it takes to attract people to the organization, to keep them there and to foster higher levels of sustainable engagement. As the table shows, there are very different workplace drivers involved in these phases of the employment life cycle. Understanding what's involved at each phase and how to shape the right practices and programs can make an enormous difference to employers in ensuring they have the right talent in place — and engaged — to deliver on their business goals.

Top five global drivers of attraction, retention and sustainable engagement

	Attraction	Retention	Sustainable engagement
1	Base pay/Salary	Base pay/Salary	Leadership
2	Job security	Career advancement opportunities	Stress, balance and workload
3	Career advancement opportunities	Relationship with supervisor/manager	Goals and objectives
4	Convenient work location	Trust/confidence in senior leadership	Supervision
5	Learning and development opportunities	Manage/limit work-related stress	Image

About the study

The Towers Watson Global Workforce Study covers more than 32,000 employees selected from research panels that represent the populations of full-time employees working in large and midsize organizations across a range of industries in 29 markets around the world. It was fielded via an online questionnaire between February and March 2012.

The study is designed to help companies better understand their diverse employee segments and the factors that influence employee performance on the job by gauging changing attitudes that affect attraction, retention, engagement and productivity. Through its focus on the total work experience and employee value proposition — from views on leadership and management, to communication, rewards and benefits, and career development — the study offers employers a rich vein of insight to inform their workplace decisions and maximize their return on their sizable investments in their workforce.

For more information, please visit towerswatson.com/sustainable-employee-engagement. #2012gws

About Towers Watson

Towers Watson is a leading global professional services company that helps organizations improve performance through effective people, risk and financial management. With 14,000 associates around the world, we offer solutions in the areas of employee benefits, talent management, rewards, and risk and capital management.

Participating markets for the study

Asia Pacific

Australia, China, Hong Kong, India, Indonesia, Japan, Malaysia, Philippines, Singapore, South Korea, Taiwan

Europe and the Middle East

Belgium, France, Germany, Ireland, Italy, Netherlands, Russia, Spain, Sweden, Switzerland, Turkey, United Arab Emirates, United Kingdom

Latin America

Argentina, Brazil, Mexico

North America

Canada, United States