



Randstad Employee Attachment Index

Executive Summary



Employee Attachment Index overview

The Randstad Employee Attachment Index provides insight into employees' degree of attachment along with valuable data on engagement, retention, quality, and productivity. Employee "attachment" is achieved by combining engagement and retention strategies to create a strong bond with employees, ultimately resulting in higher levels of motivation, productivity and profitability. Better understanding how employee engagement and retention work together to create attachment can ultimately drive business impact.

The index is important because engagement is often misinterpreted as an indicator of retention. As the Employee Attachment Index illustrates, there are many highly engaged workers who also are at serious risk of leaving. To better understand this, employers need to be able to more effectively measure their bond with employees. Because the Employee Attachment Index is a combination of both engagement and retention scores, it can help employers identify which segments of their workforce are engaged, retained and motivated to make a difference.

Based on employee responses to an online survey, the Randstad Employee Attachment Index comprises an overall Attachment score assigned each quarter which indicates where employees' sentiments, potential actions and attitudes are positioned. Survey findings also point to indicators to reduce potential employee volatility.

The quarterly survey was fielded in March and June 2011, among employees and employers. Additionally, employers will be surveyed annually to compare differences in perceptions and attitudes which may impact employee attachment.

Key Findings Snapshot:

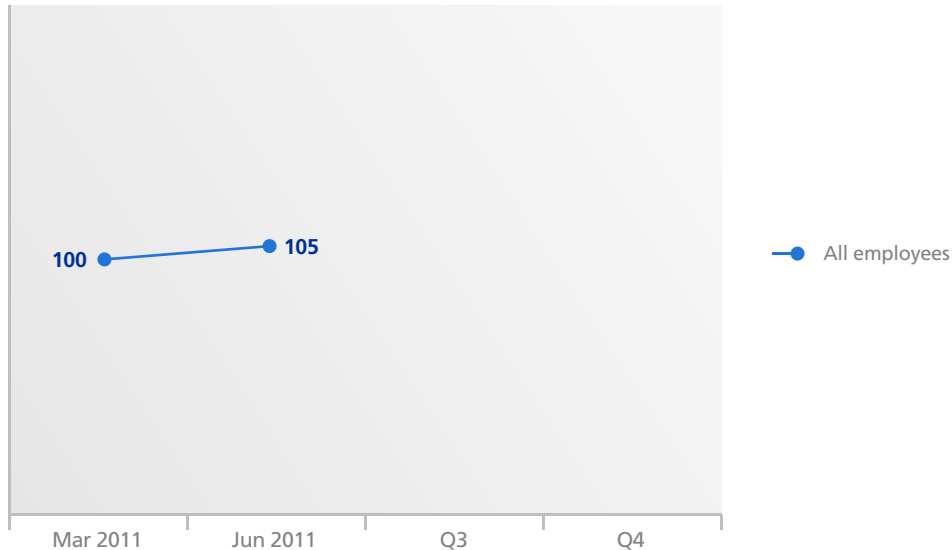
Attachment is on the rise and a majority of employees are staying on the job, expressing they are inspired, proud of their work and enjoy going to work every day. This is good news for employers. But employers also need to better understand what drives these sentiments. Being able to understand employee attachment and any cracks in the attachment bond are critical for employers trying to manage in a tumultuous economy with a war for talent predicted in the near future.

- Degree of attachment is on the rise, five points from March to June 2011
- Employee volatility is trending downward, indicating employees are less likely to seek, seriously consider or accept a job offer in the next six months
- 71 percent of employers have trouble finding the right people for the right positions
- When asked how employees feel about their current jobs, top three answers included: feeling inspired to do their best, proud to work there and enjoy going to work everyday
- 23-point gap exists between how important employees versus employers feel good pay and benefits are for organizations to show their commitment to employees
- 29 percent of the most highly engaged employees are likely to seriously consider a new job within the next six months
- 51 percent of employers report struggling to keep their best employees from leaving
- 26 percent of employees surveyed gave their company a “D” or “F” when it comes to motivating employees to go the extra mile and offering opportunities for advancement

Employee Attachment Index score

The current average attachment score is up 5 points between March and June 2011. The rise in Attachment can be attributed to increases in the engagement and retention scores of employees. More importantly, companies need to understand the drivers of attachment. What factors inside and outside of their companies are driving these increases among employees?

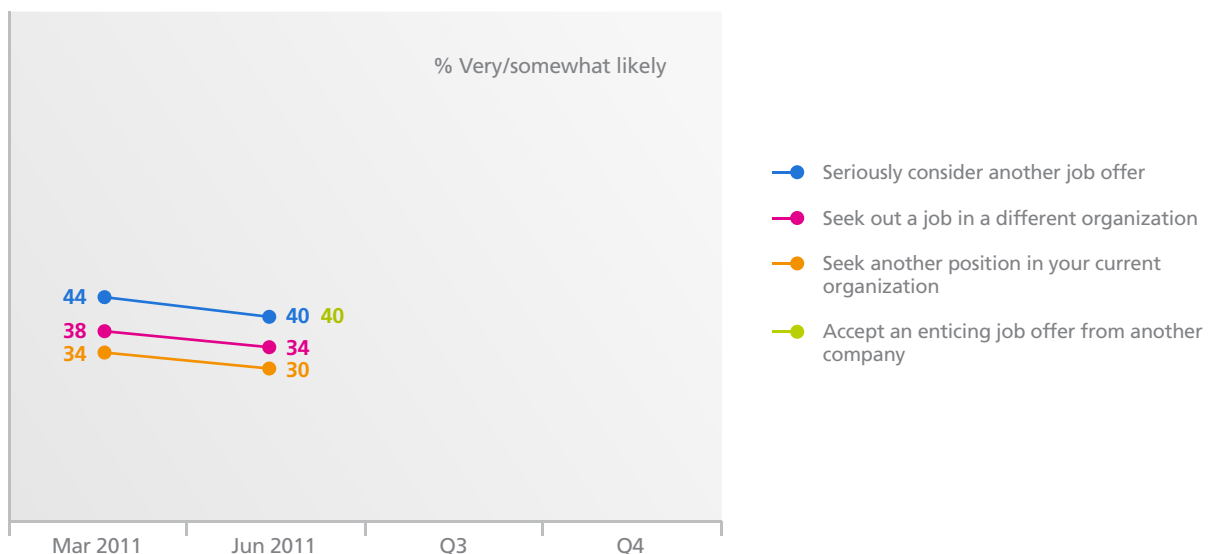
Employee Attachment Index



Employee volatility on the decline

In June, employees were less likely to say that they intend to consider or seek a new job, indicating lower levels of volatility. Employers can take advantage of employees' possible apprehension about the economy and job market to strengthen attachment with their most valuable talent.

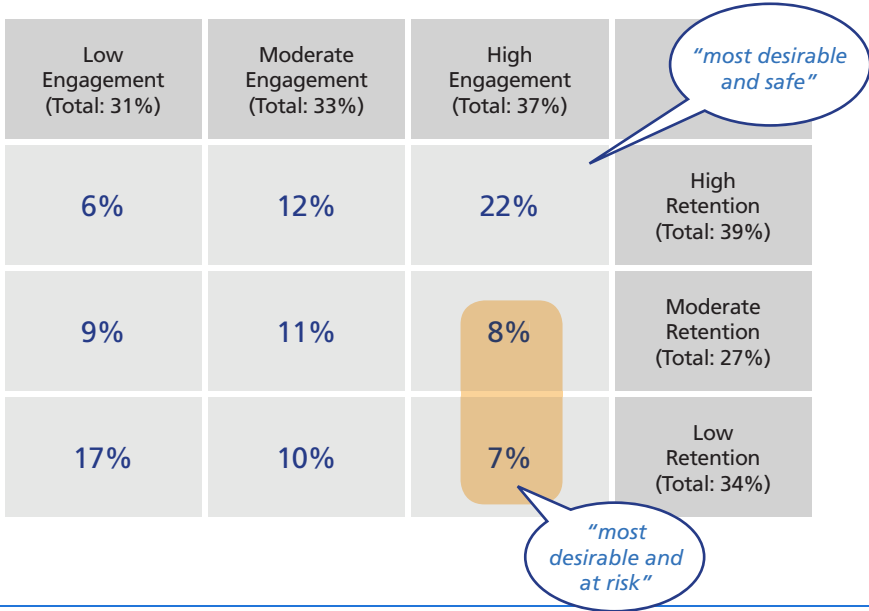
Likelihood of seeking, considering or accepting a new job in the next six months: Trended



Alert: Jeopardy for the highly engaged

With engagement and retention as key pillars of attachment, understanding the equations of all three is important. Employees that fall into the 'High Engagement' category make up 37% of the workforce while 15% fall into the 'Moderate' and 'Low Retention' categories. This represents a significant portion of the most desirable, highly engaged workforce that is at risk for leaving.

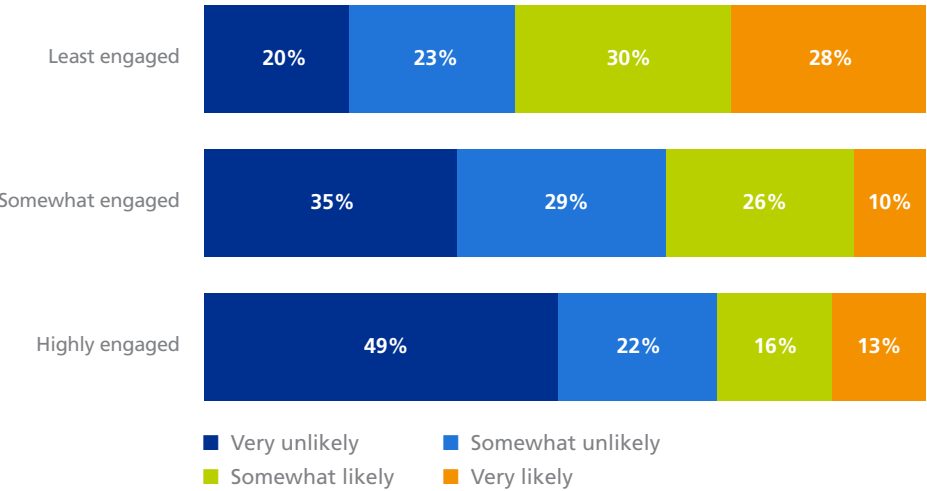
Retention by engagement



A quarter of the highly engaged, likely to leave

Twenty-nine percent of the most highly engaged employees are somewhat to very likely to seek, consider or accept a new job in the next six months. Employers need to identify their highly valued employees who are volatile, and find ways to keep them motivated, engaged and attached to their company.

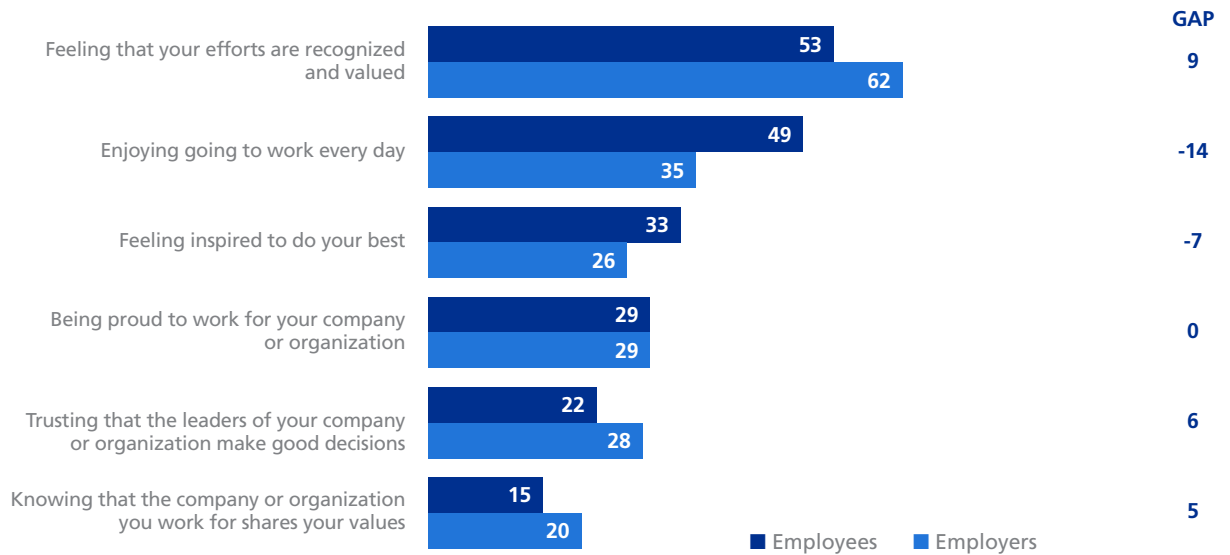
Likelihood of seeking, considering or accepting a new job in the next six months: by engagement level



Employer – employee disconnect

There are significant disconnects around what employers believe are important to employees and what employees actually find rewarding about their jobs. Understanding what is important to employees will help employers drive policies and programs that enhance and increase productivity and engagement levels, ultimately helping to drive retention. For employees, the two most important attributes are feeling their efforts are recognized and valued and that they enjoy going to work every day. The largest gap between employee perspective and how employers believe employees feel, also exist within these two attributes.

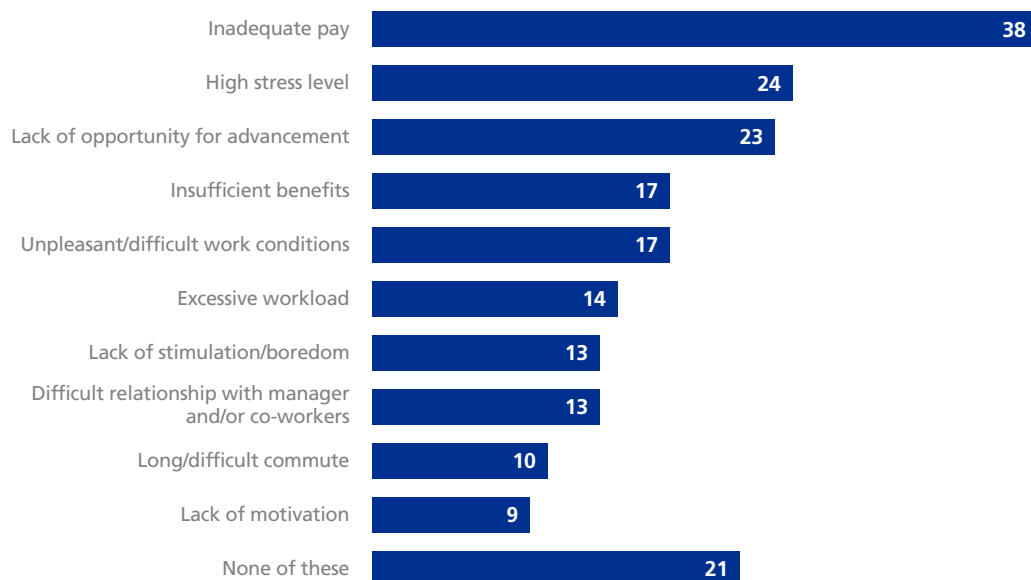
Important attributes that impact how employees feel about their jobs



Factors motivating employees to consider changing jobs

While inadequate pay is a top reason employees give for considering a new job, high stress and lack of career development are top complaints leading to job changes.

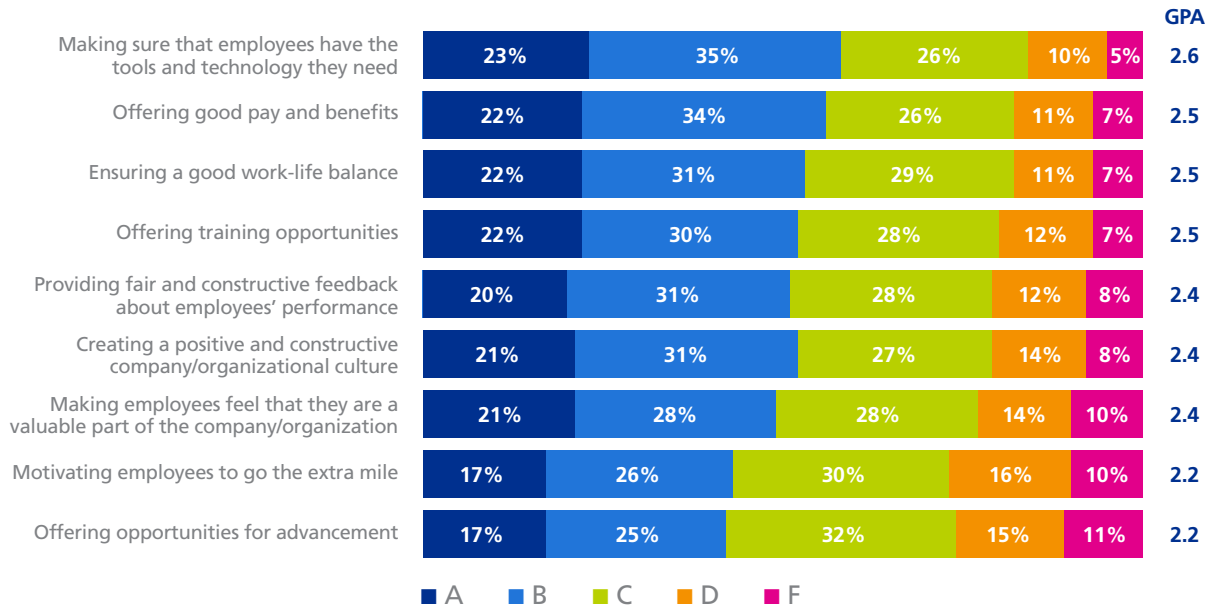
Reasons for considering changing jobs in the next six months



Commitment in question

With continued economic unrest, many employees continue to look inside their own companies for security. Many employers, however, are not making the grade when it comes to demonstrating employee commitment. Twenty-six percent of employees surveyed gave their company a “D” or “F” when it comes to motivating employees to go the extra mile and offering opportunities for advancement.

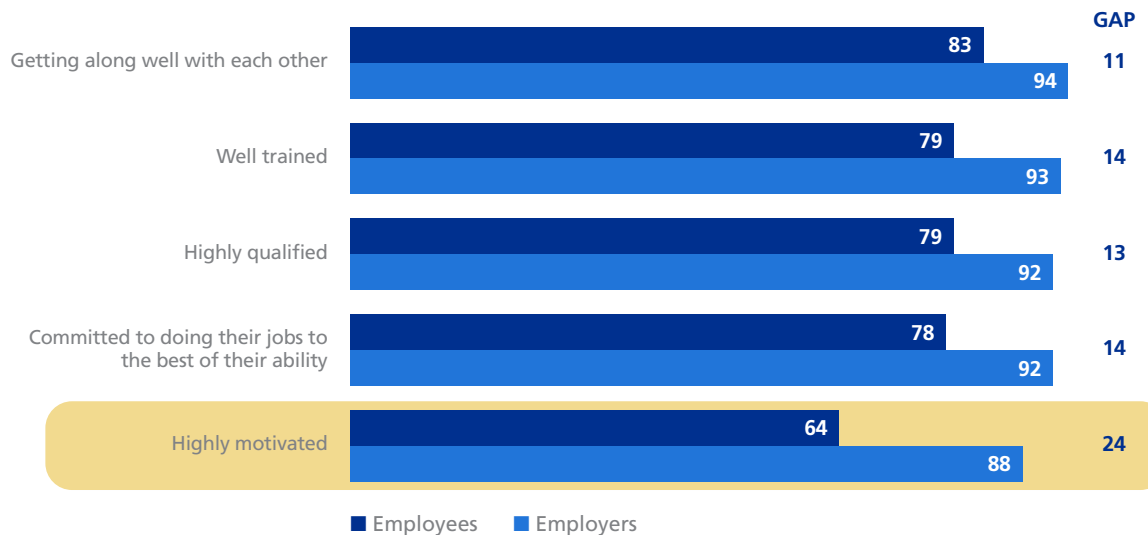
Employees grading their organization on commitment to employees



Employers optimistic around motivation

Employers tend to rate employees at their organization better than employees rate themselves. This is particularly true in the area of motivation, indicating that employers may be more confident in employees' levels of motivation than what they truly feel.

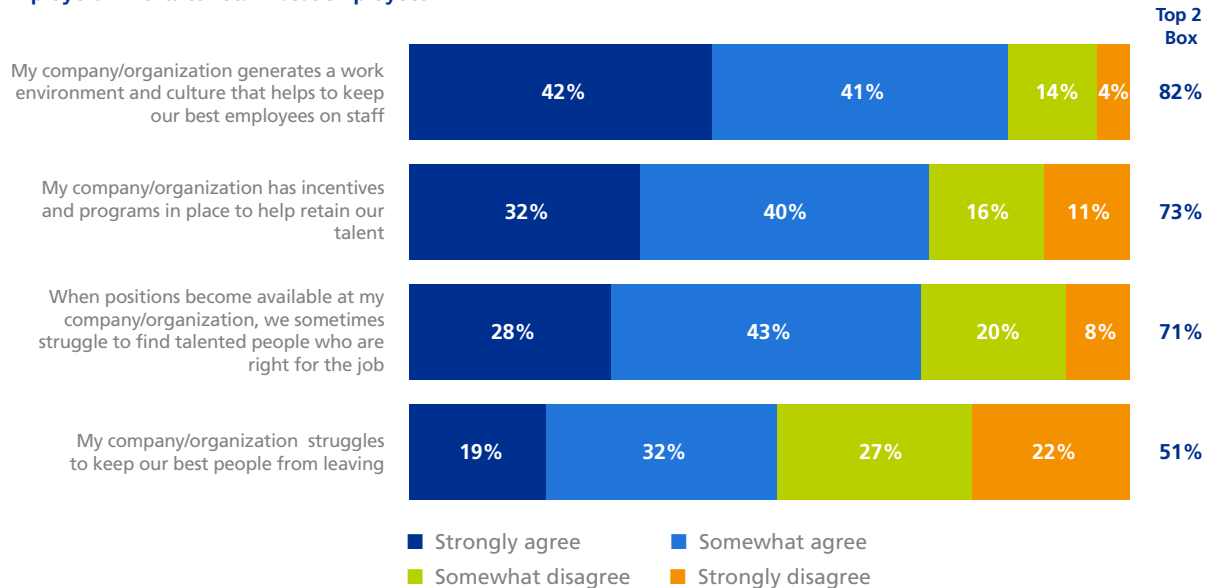
Employees vs. employers: Attitudes toward employees at their organization



Employers report mixed success in employee retention

Eighty-two percent of employers are confident they have the right environment and culture to retain their best workers and almost three-quarters report having the right incentives in place. However, more than half report they are struggling to keep their best people from leaving and 71 percent have trouble finding the right people for the right jobs.

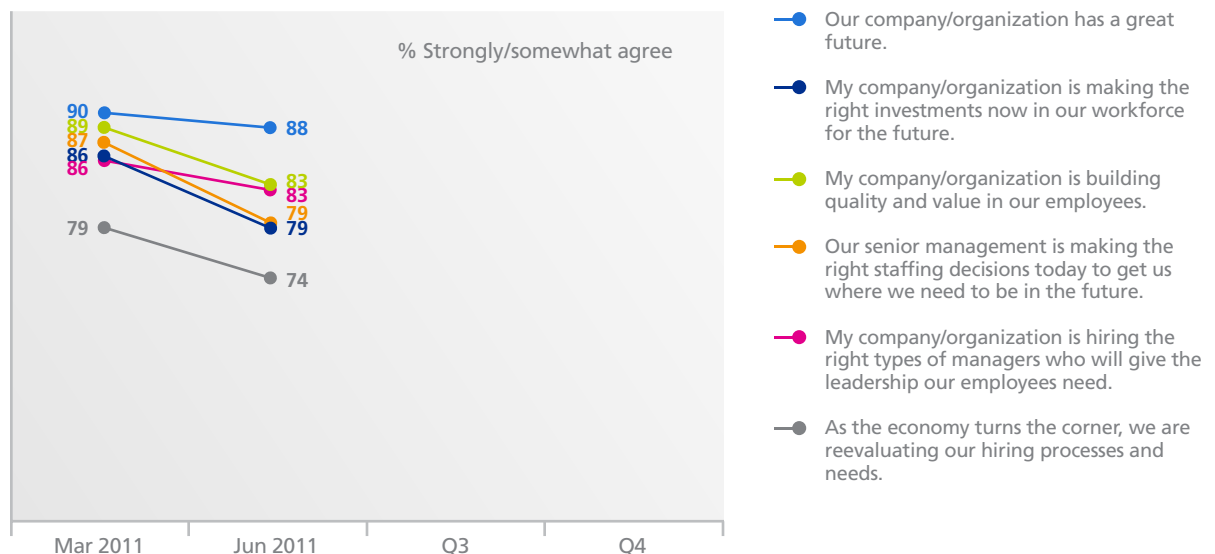
Employers: Efforts to retain best employees



Employer confidence dips around effective decisions for future

Employers express slightly lower levels of confidence around their companies' leadership and hiring in the second quarter versus first quarter survey results. Specifically, employers are less likely to feel their management is making the right staffing decisions and the right investments in their workforce for the future.

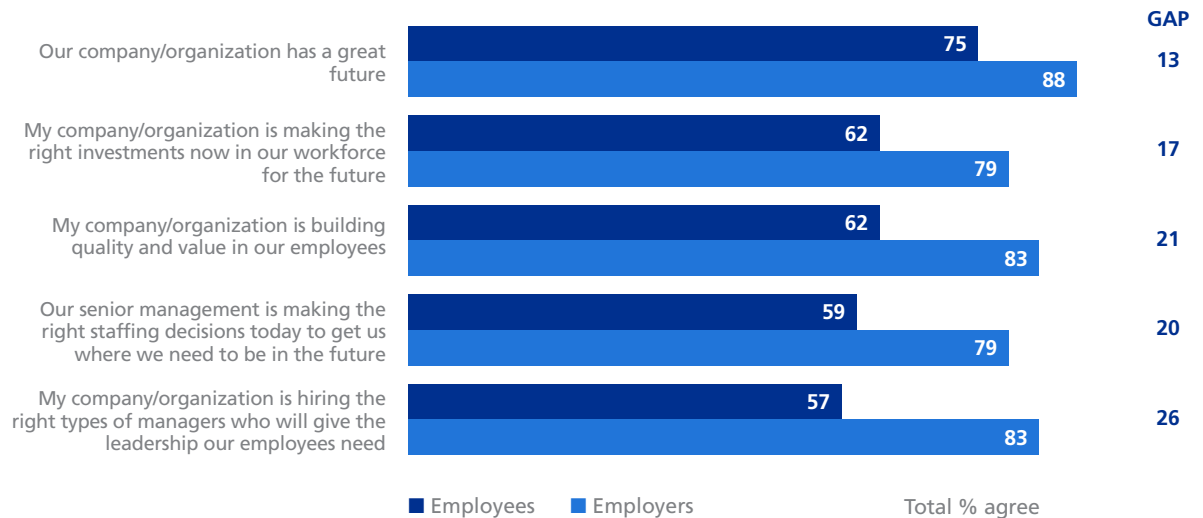
Employer attitudes about their organization's future: Trended



Optimism about the future prevails but there is room for improvement

Both employers and employees are optimistic about the future of their organizations. Employers tend to be more optimistic, while employees are unsure that organizations are hiring the right leaders needed to ensure a successful future. There is an opportunity for employers to close the confidence gap with more communication and engagement, which will translate into higher employee attachment.

Employees vs. employers: The future of their organization



Methodology

The Randstad Employee Attachment Index is comprised of findings from two waves of research targeting employers and employees. In the first employer wave, a national sample of more than 534 employers was interviewed online in March 2011. In the second wave, 546 employers were interviewed online in June. Participating employers work full-time at a company with at least 50 employees and are involved in hiring decisions.

In the first employee wave, a national sample of 1,010 adults who were employed full-time were interviewed online in March. In the second wave, a national sample of 3,436 full-time employed adults were interviewed online.

Weighting was used to balance demographics and ensure samples reflect the U.S. population of working adults. Employees and employers were surveyed to compare notable differences in perceptions and attitudes. Two separate waves of research allow for trending and to track changes in perceptions and attitudes over time. Research into employee attitudes and perceptions will be conducted quarterly. Research into employer attitudes and perceptions will be conducted on an annual basis.