

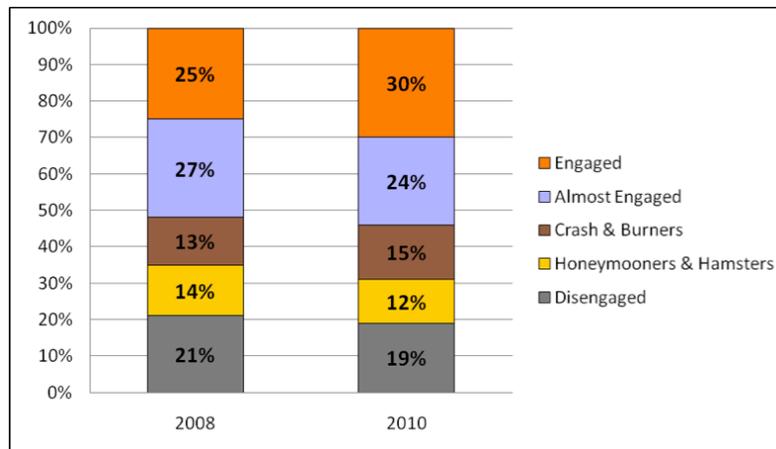
Regional analysis: Europe

Engagement levels

Europe overall

With just under a third (30%) of employees Engaged, the European workforce is ahead of Southeast Asia and China but less Engaged than their counterparts in India, Australia/New Zealand, and North America. However, 2010 boasts more Engaged in Europe than 2008 (30% vs. 25%).

Engagement in Europe 2008 vs. 2010

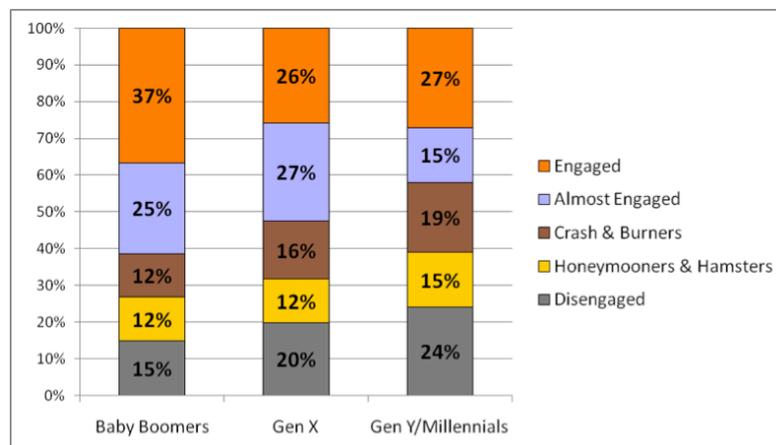


Similarities and differences

Engagement levels in Europe do not vary much across gender, organization size, or workplace structure (i.e., virtual, decentralized, or on-site teams). Variations are most noticeable across generations, role/level, and function.

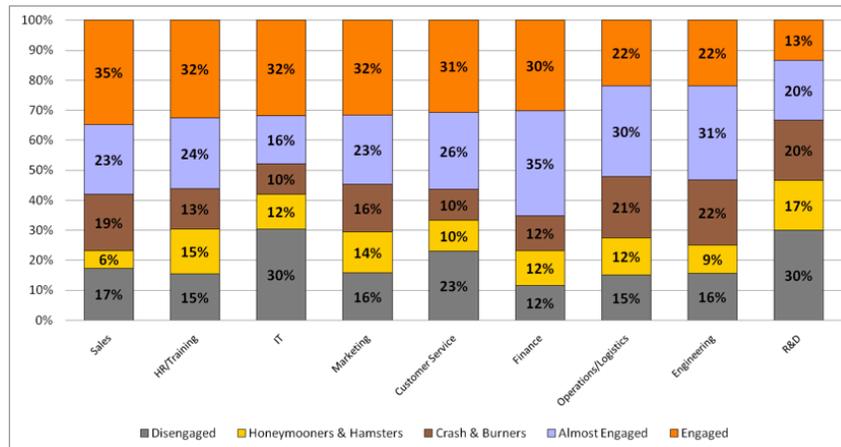
Baby Boomers in Europe are more likely to be Engaged than Generation X or Y employees (37% compared to 26% and 27% respectively). The most likely to be Disengaged? Generation Y (24%).

Engagement in Europe by Generation



The highly expert R&D population has the lowest percentage of Engaged employees in Europe (13%). Consistent with the global pattern, the function with the highest number of Engaged employees is the one with the most tangible priorities (sales). And although a number of regions feature more Engaged HR employees, Europe stands out with the comparatively large number of IT employees Engaged. IT employees in other regions are often among the least Engaged.

Engagement in Europe by Department/Function



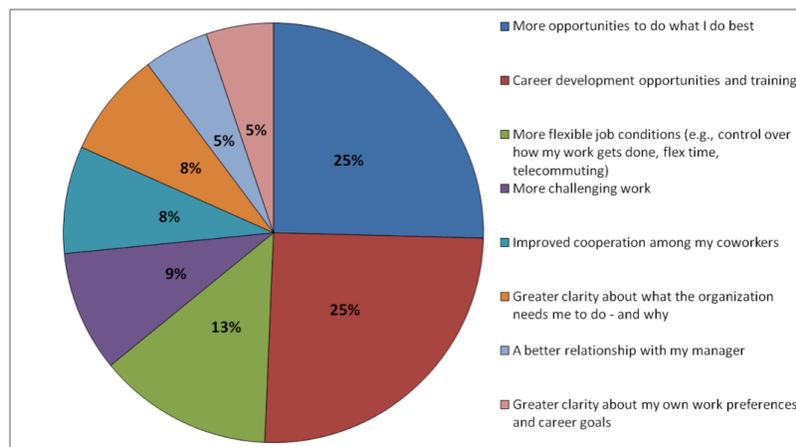
In terms of engagement levels by industry, HR consulting & training and government show the highest levels of engagement in Europe (50% and 35% respectively). Coming in last? Technology with 23% and manufacturing with only 17% of the survey respondents Engaged.

Engagement drivers

Satisfaction

In Europe, as in North America and Australia/New Zealand, the top two factors identified by respondents as **influencing job satisfaction** are “**more opportunities to do what I do best**” and “**career development opportunities and training.**” These tied for the top spot (25%), with “more flexible job conditions” (13%) a distant third. These top responses were pretty much consistent across engagement levels, generations, department, and role.

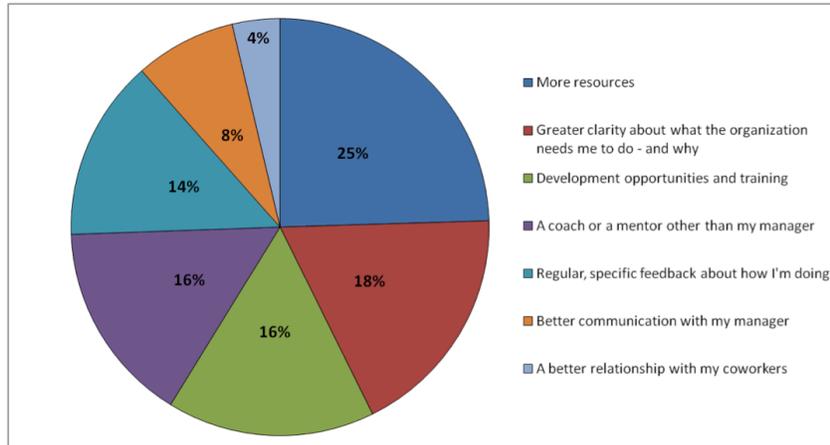
Satisfaction – Choose the item that would most improve your job satisfaction.



Contribution

“More resources” was selected by 25% of European respondents as the **most important factor for increasing their contribution** on the job. “Greater clarity about what the organization needs me to do” ranked second.

Contribution – Choose the item that would most improve your performance.



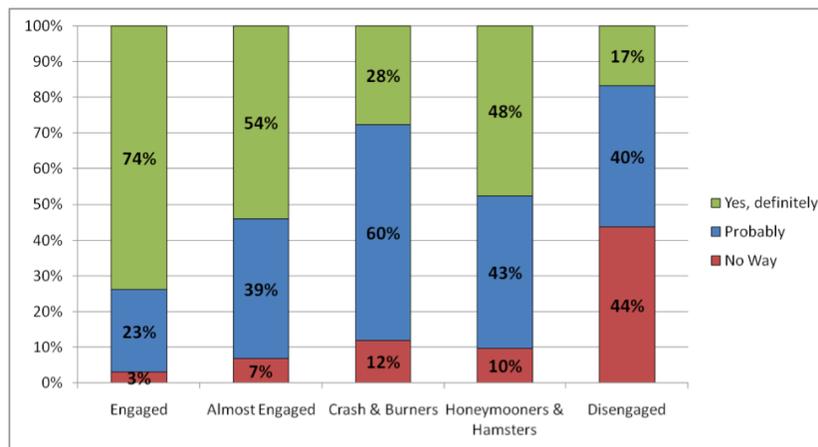
Respondents’ answers about contribution varied, however, across engagement level, age, department, and industry. For example, the low-contributing Honeymooners & Hamsters and Disengaged workers identified “greater clarity about what the organization wants me to do and why” as the factor that could most improve performance. In contrast the higher performers (the Engaged and Crash & Burners) selected “more resources.” Younger workers opted for “development opportunities and training” more often than their older colleagues.

Retention

Less than half (48%) of European employees **indicate that they will stay** with their organization through the next 12 months if given the chance. Furthermore, **the number of European employees determined to leave has increased since 2008 (from 10% to 14%).**

Not surprisingly, there is a positive correlation between engagement and intent to stay, with **74% of Engaged employees indicating that they plan to stay.**

Intent to Stay – Assuming you have a choice, do you plan to remain with your organization through the next 12 months?



It is still a concern that 23% of Engaged employees are ambivalent about their long-term commitment to the organization for which they work.

Reasons to leave

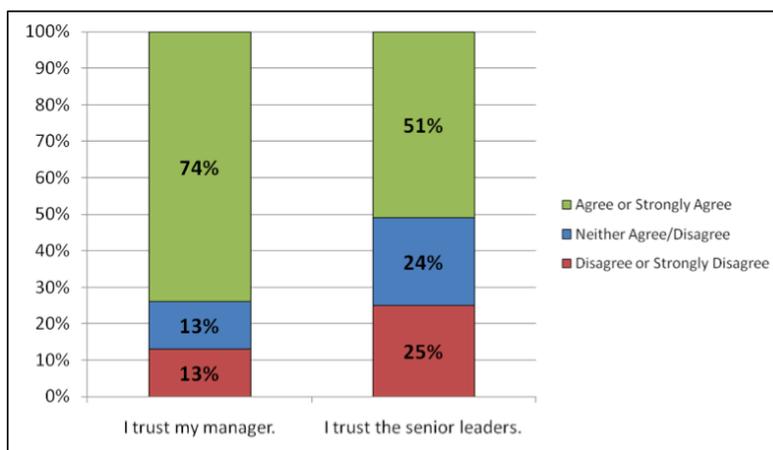
The top reason European employees overall **consider leaving is lack of career opportunities** (30%). An analysis of the secondary reasons for leaving indicates that the more Engaged employees are opportunistic, looking for increased financial rewards and a desire for change. Meanwhile, the less Engaged appear to be fleeing undesirable situations (work and managers they don't like).

The most at risk for flight? The youngest members of the workforce. 36% of Generation Y in Europe are on the fence (they'll "probably" stay), and 21% are planning their exit.

Trust in leadership

Only half (51%) of employees in Europe report that they trust their organization's executives. (In 2008 trust in executives was comparable, at 52%.) In contrast, **nearly 3 in 4 European employees (74%) trust their immediate managers.**

"I trust my manager" vs. "I trust the senior leaders of this organization"



The importance of trust is underscored by its correlation to engagement levels. In Europe, 80% of Engaged employees trust executives compared to just 17% of the Disengaged. The gap between the perceptions of Engaged and Disengaged employees is not quite as large when it comes to trust in managers. It is still substantial however: 88% of the Engaged trust their immediate managers compared to 52% of the Disengaged.

Managers' impact on engagement

Actions

All of the manager actions measured correlate to high engagement, that is, employees of managers who demonstrate these behaviors are more likely to be Engaged than those whose managers do not. However, the table below illustrates that **European managers fall short in some of the actions that correlate most with high engagement.**

Prevalence of manager actions compared to potential impact on engagement

Action	PREVALENCE % who agree or strongly agree their manager does this	CORRELATION % of those who agree or strongly agree who are also Engaged	POTENTIAL IMPACT gap when comparing to overall engagement of 30% in Europe
Asks for and acts on my input	70%	37%	7 pts.
Delegates assignments effectively without micromanaging me	69%	37%	7 pts.
Treats me like an individual with unique interests and needs	65%	36%	6 pts.
Encourages me to use my talents	64%	39%	9 pts.
Recognizes and rewards my achievements	53%	40%	10 pts.
Provides me with regular, specific feedback on my performance	48%	39%	9 pts.
Has built a sense of belonging in our department or team	47%	43%	13 pts.

It's not just what managers do, but also who they are. **More than a third (35%) of employees who know their manager well "as a person" are Engaged**, compared to 30% overall in Europe.

Executive leadership and engagement

All of the executive behaviors measured correlate to high engagement, that is, employees who indicate that their executives demonstrate these behaviors are more likely to be Engaged than those whose executives do not.

In Europe, executives received less favorable ratings than managers did. Yet the table below illustrates a pattern comparable to managers: **the most prevalent actions are not necessarily the ones that correlate most with high engagement.**

Prevalence of executive behaviors compared to potential impact on engagement

Action	PREVALENCE % who agree or strongly agree their executives do this	CORRELATION % of those who agree or strongly agree who are also Engaged	POTENTIAL IMPACT gap when comparing to overall engagement of 30% in Europe
Link the work of the organization to a larger purpose	52%	41%	11 pts.
Act in alignment with our organization's core values or guiding principles	49%	43%	13 pts.
Communicate honestly	44%	46%	16 pts.
Have created a work environment that drives high performance	40%	47%	17 pts.

The double-digit gaps suggest that executive behaviors in Europe, if exhibited more, have the potential of making a bigger impact on engagement than manager actions. In line with the global pattern, the greatest potential may be in creating a work environment that drives high performance. Only 40% of employees in Europe say their executives demonstrate this behavior.