

One in two US employees looking to leave or checked out on the job, says What's Working research

Potential spiraling retention costs, stalled productivity pose serious business threats, says Mercer

Press office contact

Bruce Lee

+1 212 345 0553

E-mail press team

United States

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Half of all US employees are **really** not happy.

That message comes through loud and clear in Mercer's new *What's Working™* survey, conducted over the past two quarters among nearly 30,000 workers in 17 countries, including 2,400 workers in the US.

Nearly one in three (32%) US workers is seriously considering leaving his or her organization at the present time, up sharply from 23% in 2005. Meanwhile, another 21% are not looking to leave but view their employers unfavorably and have rock-bottom scores on key measures of engagement, a term that describes a combination of an employee's loyalty, commitment and motivation (see Figure 1).

"The business consequences of this erosion in employee sentiment are significant, and clearly the issue goes far beyond retention," said Mindy Fox, a Senior Partner at Mercer and the firm's US Region Leader. "Diminished loyalty and widespread apathy can undermine business performance, particularly as companies increasingly look to their workforces to drive productivity gains and spur innovation."

Employee concerns about work are pervasive, reflecting an evolving employment deal that they have seen as a series of takeaways, plus further cuts made during economic tough times:

- Only 43% of US employees believe they are doing enough to financially prepare for retirement – down from 47% in 2005, and just 41% believe their employers are doing enough to help them prepare, up slightly from 38%.
- Sixty-eight percent of employees rate their overall benefits program as good or very good, down from 76% in 2005, while 59% say they are satisfied with their health care benefits, down from 66%.
- Base pay is the most important element of the employment deal, by a wide margin, but US workers show lower satisfaction with base pay (53% satisfied, down from 58% in 2005).
- Despite improvements, scores for career development and performance management remain low. Just 42% of employees today agree that promotions go to the most qualified employees in their organization, up from 29% in 2005, and 46% agree that their organization does an adequate job of matching pay to performance, up from 33%.

As a result, overall scores are down consistently across key engagement measures while intention to leave is up across all employee segments, with the youngest workers most likely to be eyeing a departure – 40% of employees age 25–34 and 44% of employees 24 and younger (see Figures 2 and 3).

According to Ms. Fox, an effective employment deal includes both how the deal is defined and how it is delivered. "Employees see a 'disconnect' between what employers are promising and what they are delivering," she said. "Organizations should re-examine their deals – both the traditional and non-traditional elements – then support them with effective administration and consistent, authentic communication that fosters a sense of belonging and helps employees make better rewards choices and career decisions."

Jason Jeffay, a Senior Partner and Global Leader of Mercer's talent management consulting, said, "Without question, employers face significant challenges in raising engagement but they can be overcome by making the right trade-offs and investments in the employment deal, while enhancing leadership skills and managerial effectiveness on the front line."

Mercer's survey also drives home the importance of knowing what is going on inside employee minds, which changes over time. "Often, a change in mood or sentiment is not spotted until it becomes a full-blown issue," said Pete Foley, PhD, a Principal at Mercer and employee research consultant. "Employers must periodically take the pulse of their own employees to identify their specific areas of concern and link employee opinion to outcomes such as productivity and retention."

The findings from Mercer's *What's Working* survey are part of a six-month client outreach campaign entitled, "Inside Employees' Minds: Navigating the New Rules of Engagement." The campaign will feature a dedicated website (www.mercer.com/insideemployeesminds), videos, podcasts and other intellectual capital, all designed to help employers better understand and create ways to increase employee engagement.

Note to editors: Mercer defines engagement as a psychological state in which employees feel a vested interest in the company's success and are both willing and motivated to perform to levels that exceed the stated job requirements. It reflects how employees feel about the overall work experience – the organization, its leaders, the work environment, and the recognition and rewards they receive for their efforts.

About Mercer's *What's Working* Survey™

Mercer's proprietary *What's Working™* survey, which examines employee views on work, was conducted among more than 2,400 US

workers in late 2010. The survey, last conducted in the US in 2005, includes more than 100 questions on a range of work-related topics and reflects the overall demographics of the US workforce in terms of age, gender and job level. This research also is being conducted in 16 other countries worldwide.

About Mercer

Mercer is a leading global provider of consulting, outsourcing and investment services. Mercer works with clients to solve their most complex benefit and human capital issues, designing and helping manage health, retirement, and other benefits. It is a leader in benefits outsourcing. Mercer's investment services include investment consulting and multi-manager investment management. Mercer's 20,000 employees are based in more than 40 countries. The company is a wholly owned subsidiary of Marsh & McLennan Companies, Inc., which lists its stock (ticker symbol: MMC) on the New York and Chicago stock exchanges. For more information, visit www.mercer.com.

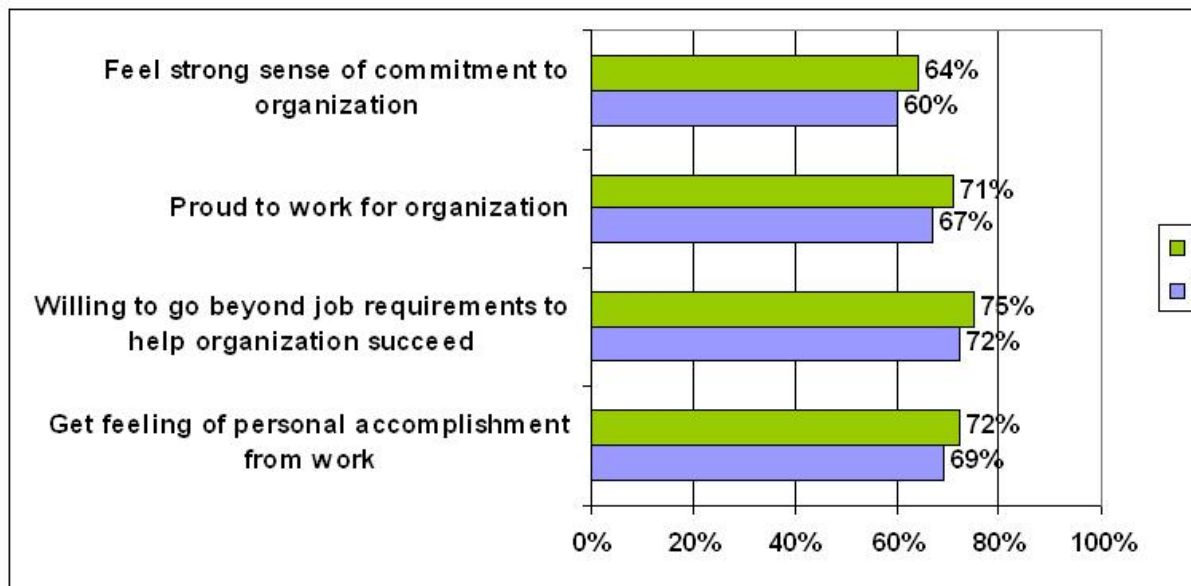
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Figure 1 – Disaffected workers post lowest engagement scores, views of employers

	Percentage who agree		
	Among those not seriously considering leaving (47% of all employees)	Among those seriously considering leaving (32% of all employees)	Among those who responded "neither" (21% of all employees)
Personally feel treated fairly by organization	83%	58%	50%
Proud to work for organization	82%	56%	48%
Get feeling of personal accomplishment from work	81%	63%	53%
Willing to go beyond job requirements to help organization succeed	81%	68%	58%
Would recommend my organization to others as a good place to work	80%	53%	46%
Feel strong sense of commitment to organization	76%	53%	34%
See a long-term future with organization	74%	49%	40%
Believe organization as a whole is well-managed	68%	50%	29%

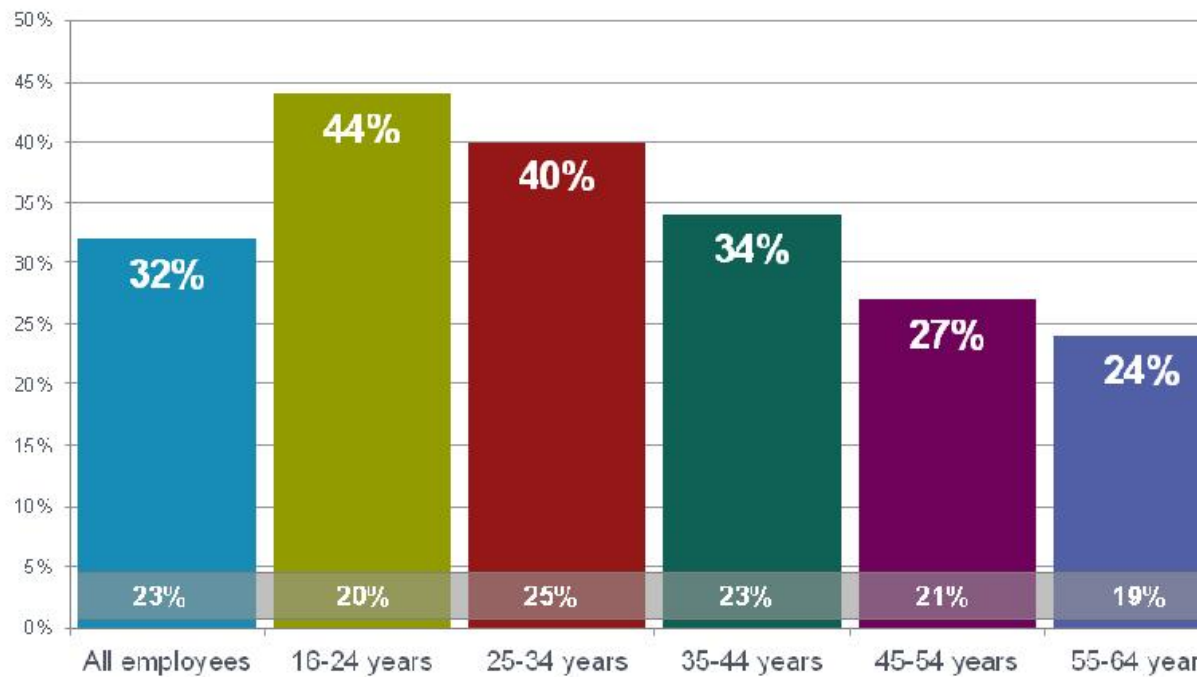
Source – Mercer's *What's Working*™ survey

Figure 2 – Key engagement measures show consistent decline among US workers



Source – Mercer's *What's Working*™ survey

Figure 3 – Youngest workers most likely to be 'seriously considering leaving' today



Source – Mercer's *What's Working*™ survey