
News and Information

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Breaking the spiral: how to keep employees engaged during the economic downturn

BUDAPEST – Hewitt Associates, a global human resources consulting and outsourcing company, today announced the results of its annual Best Employers Study for Central and Eastern Europe, sponsored by The Wall Street Journal Europe. The study, which surveyed nearly 160,000 employees, 4,000 senior leaders in 11 countries, shows that Best Employers with highly engaged teams can break the spiral of falling motivation.

Based on Hewitt's research, 31% of organisations experienced a decrease in employee engagement – compared with just 15% in previous years. Employee engagement is dramatically endangered in an economic downturn - just when companies need their employees to be most productive.

Rita Veres, leader of Hewitt's engagement practice in Europe said:

"The good news is that this downward spiral of de-motivation can be prevented. Hewitt's latest research has confirmed some practical steps that Central and Eastern Europe's Best Employers are already taking to improve engagement and to regain employees' commitment and trust."

The Study's list of large companies was topped by Ceva Logistics Turkey, with Ritz Carlton Turkey heading the list for small and medium size companies. Five companies also received a special recognition for demonstrating regional excellence as a Best Employer. Microsoft, Hilti, DHL, McDonald's and GlaxoSmithKline were ranked as Best Employers in at least three countries. A listing of Hewitt's top 15 Best Employers for small and medium scale companies, and for large scale companies follows in this news release.

Trends in employee engagement and motivation

Rita Veres said:

"We know that anxiety and uncertainty about the future are powerful influencers of employees' attitudes and we certainly know that in many organisations, these factors increase during difficult times. This increased anxiety and uncertainty leads to confusion in employees and an increase in unproductive behaviours, with employees focusing their discretionary effort on themselves rather than on the organisation and customers. The opposite outcome to what leaders are wanting during this critical time."

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There are some warning signs that indicate when companies are not able to mobilise their employees to do their very best in these turbulent times:

- **'We want to be heard!'** While employees want to be heard, involved and consulted, only 38% of them believe that their suggestions and ideas matter to the leaders
- **'Do leaders care about us?'** 19% of employees think that leadership does not consider them as a valued asset of the organisation and 14% criticise their leaders because they do not consider employees' interests when making critical decisions.
- **'What's happening?'** Only 46% of employees feel that they are well informed during organisational changes and 45% believe that senior leaders are communicating openly and honestly about the organisation's future.

How can companies respond to the new challenges and keep their employees motivated? Best Employers are living proof that it is possible to maintain or even improve engagement during turbulent times and workforce reductions. Below are some of the key steps taken by these organisations.

- **Increase leadership visibility and communication.** Employees look to their leaders to set the right direction and to mobilise the workforce. Employees need information and leaders must communicate the reality of the business, how it will impact the organisation and its employees, and also recapture employees' 'hearts and minds.' While leadership and communication are always important, they become more important during uncertainty. Transparency, good dialogue and some clarity about the future engender trust and reduce anxiety. Employee trust can either be managed and solidified or broken during this time.
- **Focus engagement initiatives on critical employee segments.** Whatever the economic situations, organisations always depend on their top talent. During the current uncertainty, immediate action is required to make sure that the very best are on board, motivated and focused on the things that matter. These individuals need to continue to feel special and more than ever need to contribute to your success.
- **Ensure leadership, HR and line managers are aligned.** In the best of times we see misalignment across an organisation. During a time of turmoil, employees will look for answers and will pick up on inconsistencies in communication. Rumours will infiltrate the messages and add to confusion. Organisations have to make sure that different management levels in the organisation understand the message, are aligned and the message is delivered consistently.
- **Continue to listen to employees.** During this time it is important to continue to understand the viewpoint of employees, to continue to connect with them to reinforce the key messages and the importance that employees have in the organisation. This will create value by supporting the business in driving performance and sustaining engagement.

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Best Employers in Central Eastern Europe

Small and Medium Scale Company Category				Large Scale Company Category			
RANK	COMPANY	COUNTRY	INDUSTRY	RANK	COMPANY	COUNTRY	INDUSTRY
1	The Ritz-Carlton, Istanbul	Turkey	Hospitality	1	Ceva Logistics	Turkey	Logistics
2	Abbott Slovak Republic	Slovakia	Innovation-driven health care	2	Avendi	Bulgaria	Marketing and Distribution of FMCG
3	Quintiles Hungary	Hungary	Clinical research	2	McDonald's Russia	Russia	Food Service Retailer / Quick Service Restaurants
4	Adobe Romania	Romania	IT	4	Quintiles Poland	Poland	Clinical research
4	Syngenta Romania	Romania	Materials/ Chemicals	5	McDonald's Romania	Romania	Food Service Retailer / Quick Service Restaurants
6	Miklos Radnoti Primary School	Hungary	Education	6	ZPC Mieszko	Poland	FMCG
7	Wrigley Hungary Ltd.	Hungary	FMCG	7	Pramerica	Poland	Finance and Insurance
8	EMC Computer Systems Poland	Poland	IT	8	GlaxoSmithKline (Hungary) / Pharma division	Hungary	Pharmaceuticals
9	Tuca Zbarcea & Asociatii	Romania	Legal Consultancy	9	Mars Sales	Hungary	FMCG
10	ComAp	Czech Republic	Electro technical industry	9	Mirgorod Plant of Mineral Water	Ukraine	Production of mineral waters
11	Toyota Katowice	Poland	Motorisation	11	McDonald's Bulgaria	Bulgaria	Food Service Retailer / Quick Service Restaurants
12	Starcom	Poland	Media and Advertising	12	Microsoft Hungary	Hungary	IT
13	Johnson & Johnson MD&D sector	Hungary	Healthcare	13	Mediaedge:cia Hungary	Hungary	Media
14	LLC "Mary Kay (Ukraine) Limited"	Ukraine	Direct Sales	14	DHL Express Turkey	Turkey	Transportation and Logistics
15	EKOPLON	Poland	Production	15	Microsoft Russia	Russia	IT

And special recognition goes to...

Microsoft, Hilti, GlaxoSmithKline, DHL and McDonald's

This year five companies received a special recognition for demonstrating excellence as Best Employers across the region. These organisations entered the competition in at least three countries and achieved excellent results across the region.

Microsoft achieved the most outstanding results as they have been awarded for the third time with the regional special recognition. Microsoft entered the competition in seven countries and became Best Employer in all of them. They claim that "their priority is their people", this has been the founding principle for Microsoft and they incorporate it across every level of the organisation.

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About the Best Employers Study

Methodology

Hewitt surveyed 160,000 employees, 4,000 top leaders, and employees out of 700 companies who joined the Study in 11 Central and Eastern European countries –Austria, Bulgaria, Czech Republic, Hungary, Slovakia, Slovenia, Turkey, Poland, Romania, Russia and Ukraine. The survey covered workplace quality, with organisations eligible if they employed more than 50 people, with operations in the given country for at least two years.

The ranking is based on an objective, independent scoring methodology. 60% of the score depends on employees' opinion and 40% comes from the "alignment score" (showing how closely the leaders' perspective, employees' needs and HR practices are aligned). The study examines three aspects:

- **Hewitt Employee Engagement Survey**: completed by a representative sample of employees. 80 questions on: the work environment, career and development, salary and compensations, top management, internal relations, work/life balance, HR practices and company processes. Opinions are measured on a six-level scale with the opportunity to explain opinions.
- **Leadership Team Survey**: completed by the business leader (CEO) or equivalent to indicate his/her opinion on the companies' HR strategy and philosophy, and their companies as employers. It focuses on: leadership engagement, internal conformity of leadership, company strategy and business priorities, HR priorities, and leadership communication.
- **HR Audit Questionnaire**: completed by the HR manager plus department. It focuses on: employer branding, talent management, HR activity and practice efficiency, compensation/perks, performance management, work/life balance, HR strategy, HR effectiveness.

About Hewitt Associates

Hewitt Associates (NYSE: HEW) provides leading organisations around the world with expert human resources consulting and outsourcing solutions to help them anticipate and solve their most complex benefits, talent, and related financial challenges. Hewitt consults with companies to design and implement a wide range of human resources, retirement, investment management, health management, compensation, and talent management strategies. As a leading outsourcing provider, Hewitt administers health care, retirement, payroll, and other HR programmes to millions of employees, their families, and pensioners. With a history of exceptional client service since 1940, Hewitt has offices in 33 countries and employs approximately 23,000 associates who are helping make the world a better place to work. For more information, please visit www.hewitt.com.