

# TNS Hong Kong

## *Employment Commitment Study*

### **Management Leadership makes the difference in 2006**



NEEL BANERJEE

March 2006



# Objectives of the study

- Gain a detailed understanding of factors that motivate employee commitment.
- Diagnose strengths and weaknesses in organisations' delivery against key employee needs.
- Deliver insights to help manage human resources.
- Understand the relationship between employee commitment and the organisation's customer orientation.

# Why the interest?

- As Hong Kong's journey towards becoming a knowledge-based service economy continues, few would argue that human capital is an organisation's most valuable resource.
- The economic rebound that started in 2005 is expected to continue to bring many new opportunities for the workforce in 2006, especially for the more skilled and experienced.
- At this juncture therefore, it becomes critical to continue to motivate and retain employees and ensure that this significant asset is optimally managed and leveraged to bring success to organizations.

At TNS we have a deep appreciation of how  
**better management** of this human capital  
can **bring benefits** to clients' businesses.



**TRIM**  tns

Measure, Manage, Monitor.

# How did we do it?

- This survey is the 3<sup>rd</sup> wave of our bi-annual survey of HK Employees.
- The survey of n=1,000 full-time employees in Hong Kong was conducted via the TNS 6<sup>th</sup>dimension on-line access panel from Dec 15 – Dec 23, 2005.
- Results are presented with a maximum margin of error of +/- 2.8% at a 95% confidence level.
- The study applied the TNS proprietary TRI\*M system, used by leading global organisations to measure and manage relationships with their stakeholders.

>> To know more about the TNS 6<sup>th</sup>dimension on-line access panel, click here or visit our website at [www.tns-global.com.hk](http://www.tns-global.com.hk)

# Key Findings

- **Comparison between ranks.** As the economy continues its upswing the overall levels of employee commitment rise further. This movement is noticeable particularly in the junior ranks whose general levels of commitment rise significantly over the last half year period.
- **Comparison between sectors.** Higher levels of employee commitment are observed in the financial services and other service led industries, while manufacturing, construction, transportation and utilities continued to score lower.
- **Loyalty vs. satisfaction.** All the same, Hong Kong workforce continues to be characterised by a high proportion of Detached employees, who have limited involvement with the companies they work for and would move when presented with new opportunities.
  - While two in three full-time workers fall into the Detached category, it is noteworthy that more employees moved into the Residents category in the last half of 2005 → while employees' attitudes to loyalty appears to remain unchanged, satisfaction levels are definitely up! (Please refer to slides 16 and 17)

# Key Findings (cont.)

- **Perceptions of management** has a key impact on employee commitment. The role of senior management in being seen as role models - motivating and inspiring employees, instilling an inclusive and involving organisational culture, sharing information.
- **Employees expect immediate managers to deliver better** on leadership behaviour, communication of clear expectations, support for initiatives, transparent evaluations and being accessible to discuss issues... all critical areas which perform at average levels.
- Importantly, **professional development** of employees – seeing a clear career path and opportunities for training and development are important, yet underperforming issues for the workforce.
- Hand in hand, having **interesting work** and the **freedom to make one's decisions independently** are regarded as important drivers of motivation and commitment to employees.
- Surprisingly, contrary to popular assumption, **balance between work and personal life** (or lack thereof) does not appear to be as powerful an influence on employee commitment as compared with other factors.
- It is interesting to note that **pay** as a key motivator of employee commitment driver diminishes in importance.

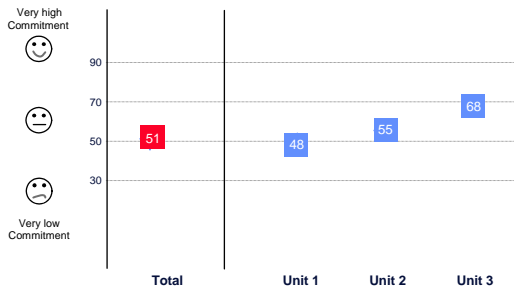
# Detailed Findings



# Overview of Analyses

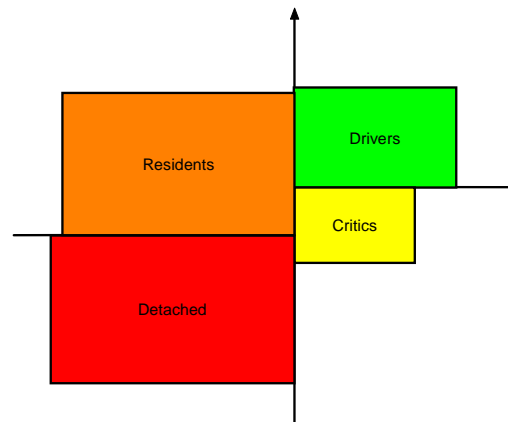
## TRI\*M Index

Employee commitment performance figure for internal, external benchmarking and comparison over time



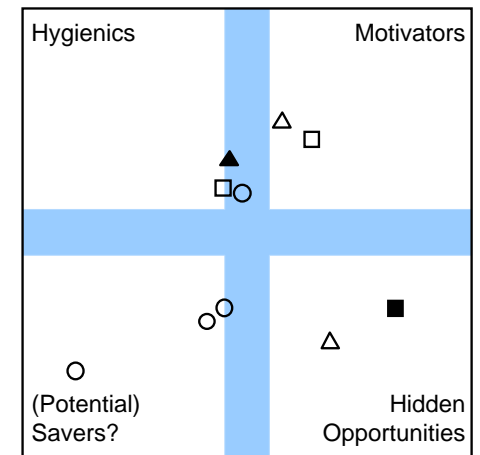
## TRI\*M Typology of Employee Situation

Analysis of employees' situation with regard to satisfaction and motivating environment



## TRI\*M Grid

Strengths-Weakness-Analysis for identification and prioritization of actions



# TRI\*M Index

## Explanations

**The TRI\*M Index shows by a single number the degree of employee Commitment.**

The TRI\*M Index is based on the answers given to the following questions:

- ◆ How satisfied are you with your employment at [Company] in general?
- ◆ Would you apply for a job at [Company] again?
- ◆ Would you recommend [Company] as an employer to your friends and acquaintances?
- ◆ How would you rate the motivation of your close colleagues within your department?
- ◆ How would you rate [Company]'s overall competitiveness in the market?

**Overall Satisfaction**

**Rejoining**

**Recommendation**

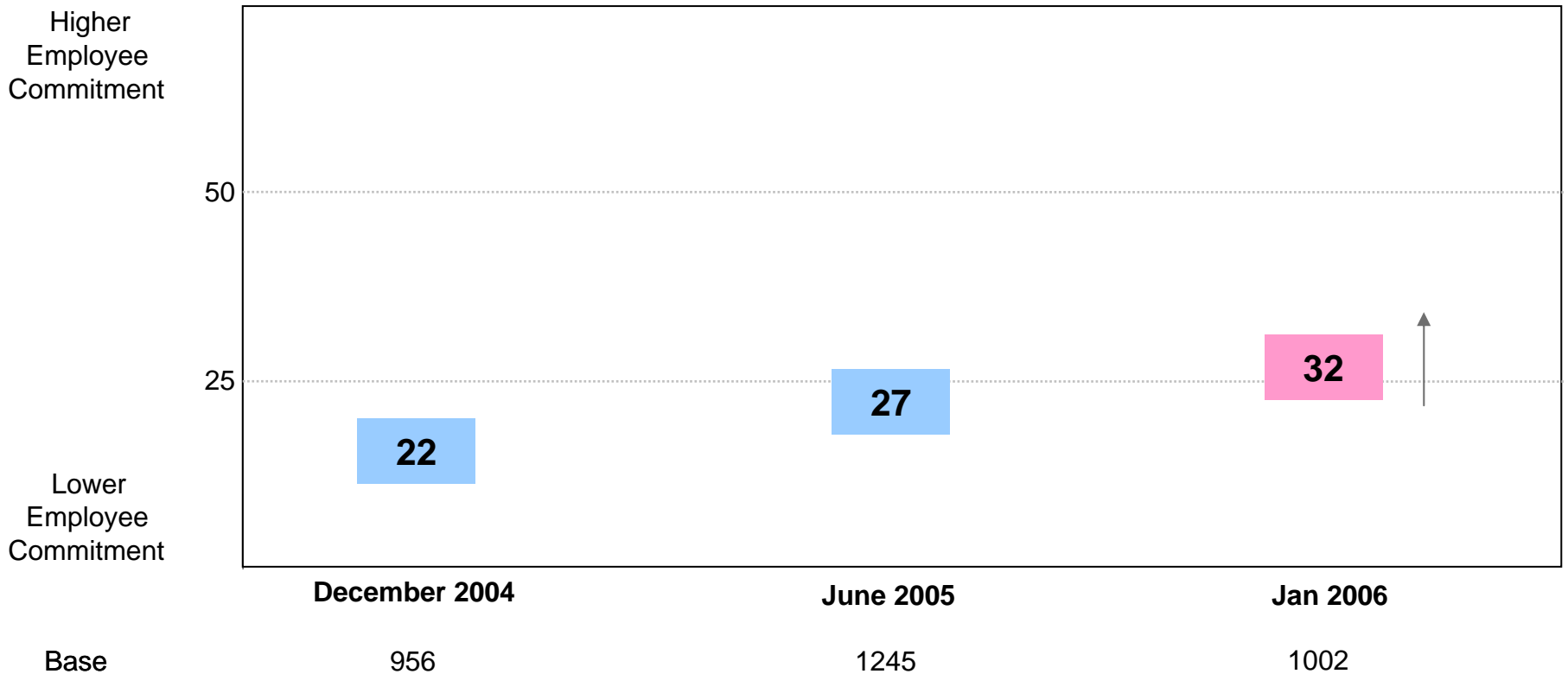
**Motivation of Colleagues**

**Market Strength**

**TRI\*M  
Index**

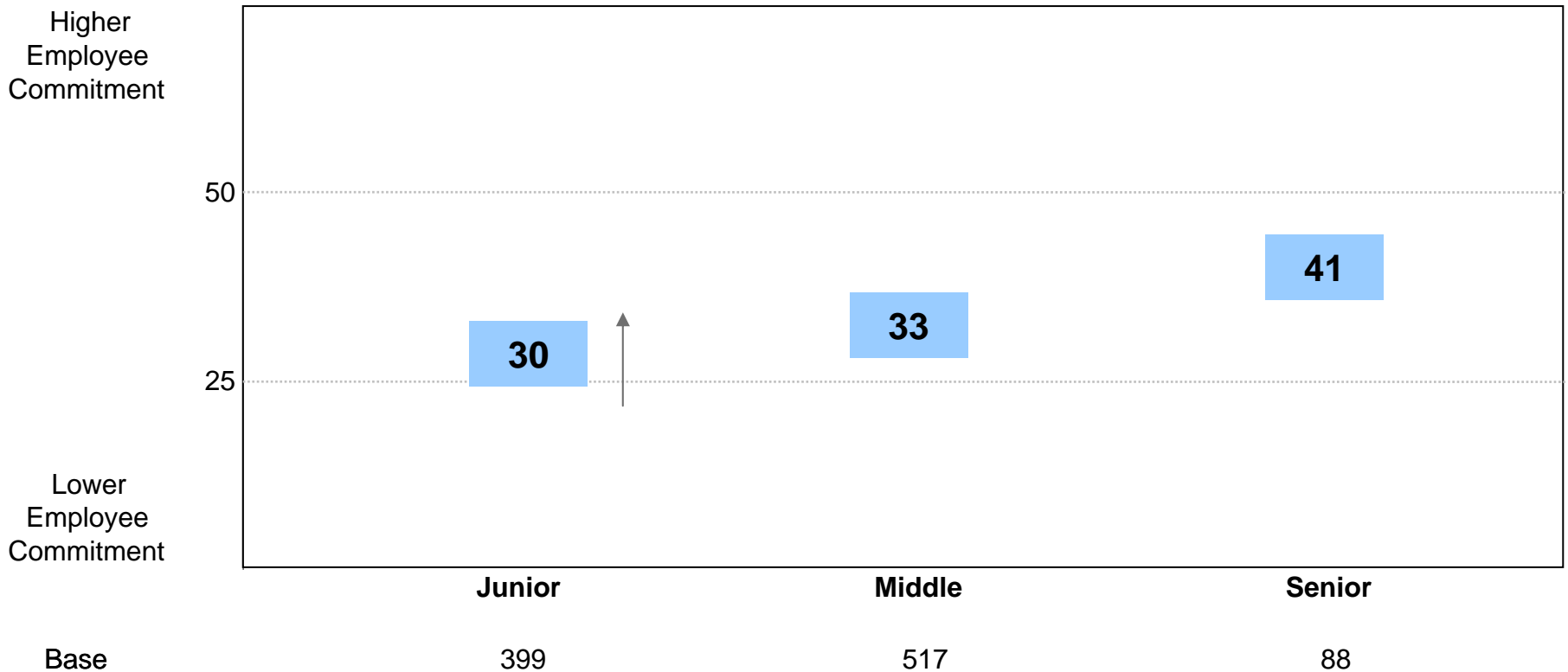
# Hong Kong Employee Commitment

## TRI\*M Index



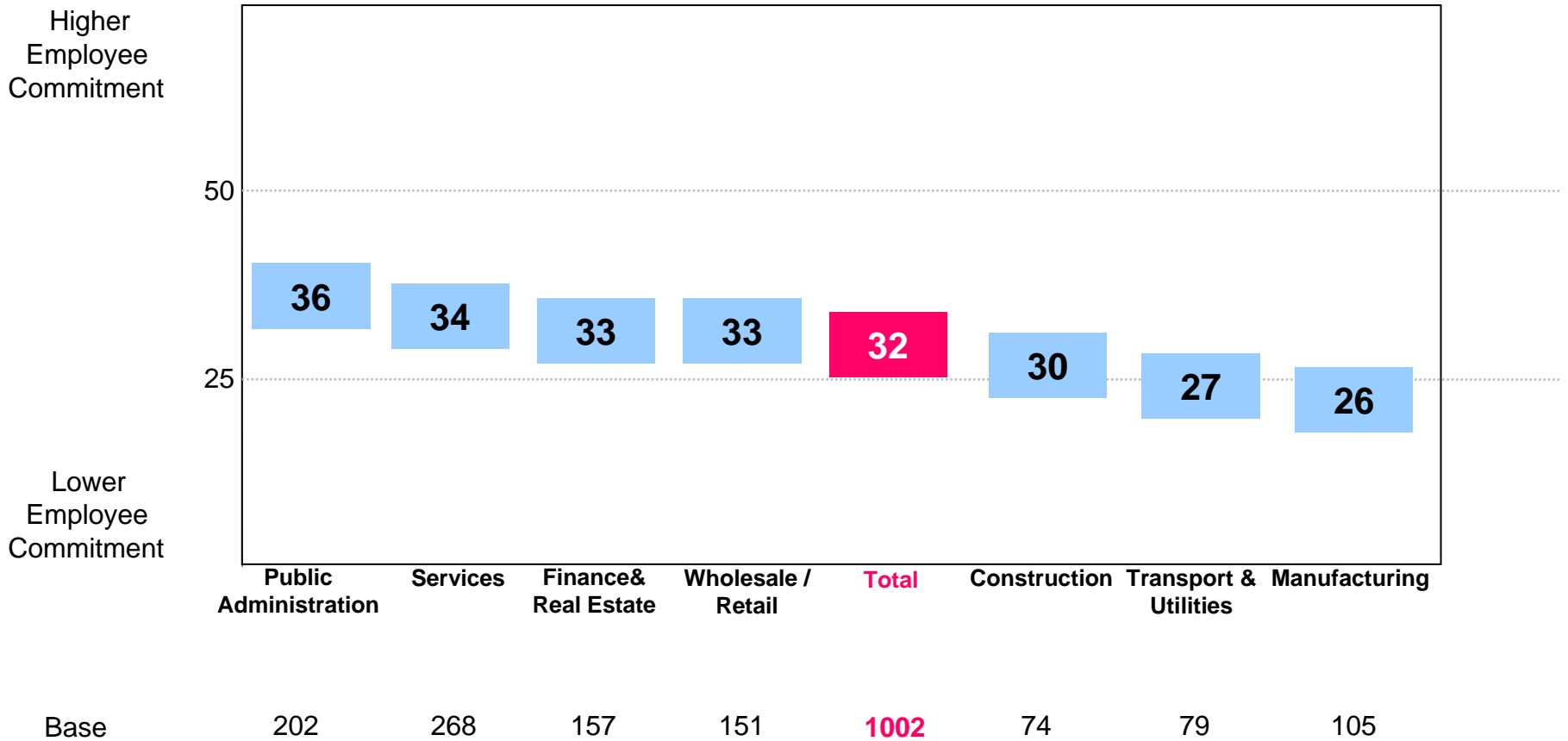
# Hong Kong Employee Commitment Dec 2005

## TRI\*M Index



# Hong Kong Employee Commitment Dec 2005

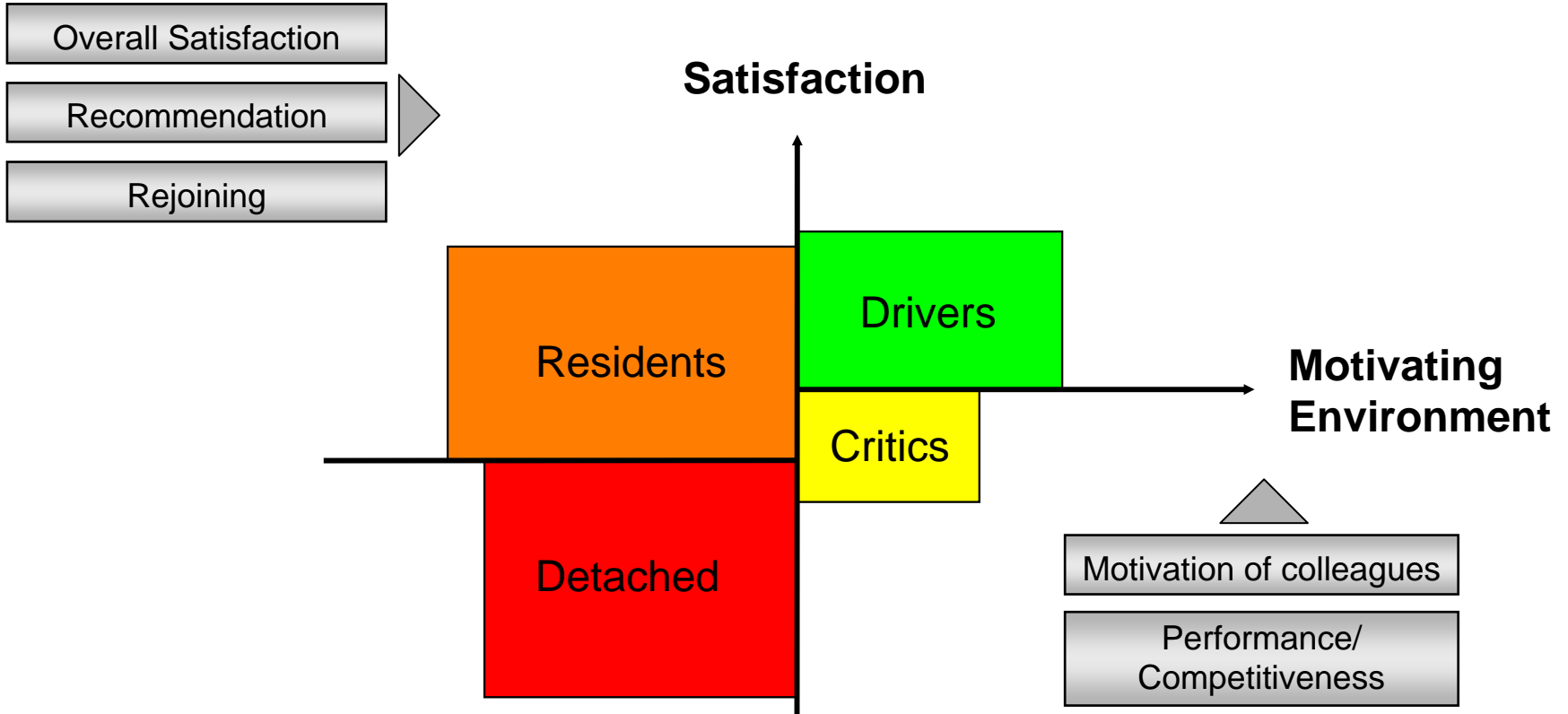
## TRI\*M Index



# TRI\*M Typology of Employee Situation

## Explanation

The TRI\*M Typology explains the employees' situation within their working environment. This explanation is based on the two major dimensions driving the employees' commitment.



# Hong Kong Employee Commitment Survey Jun 2005

## TRI\*M Typology

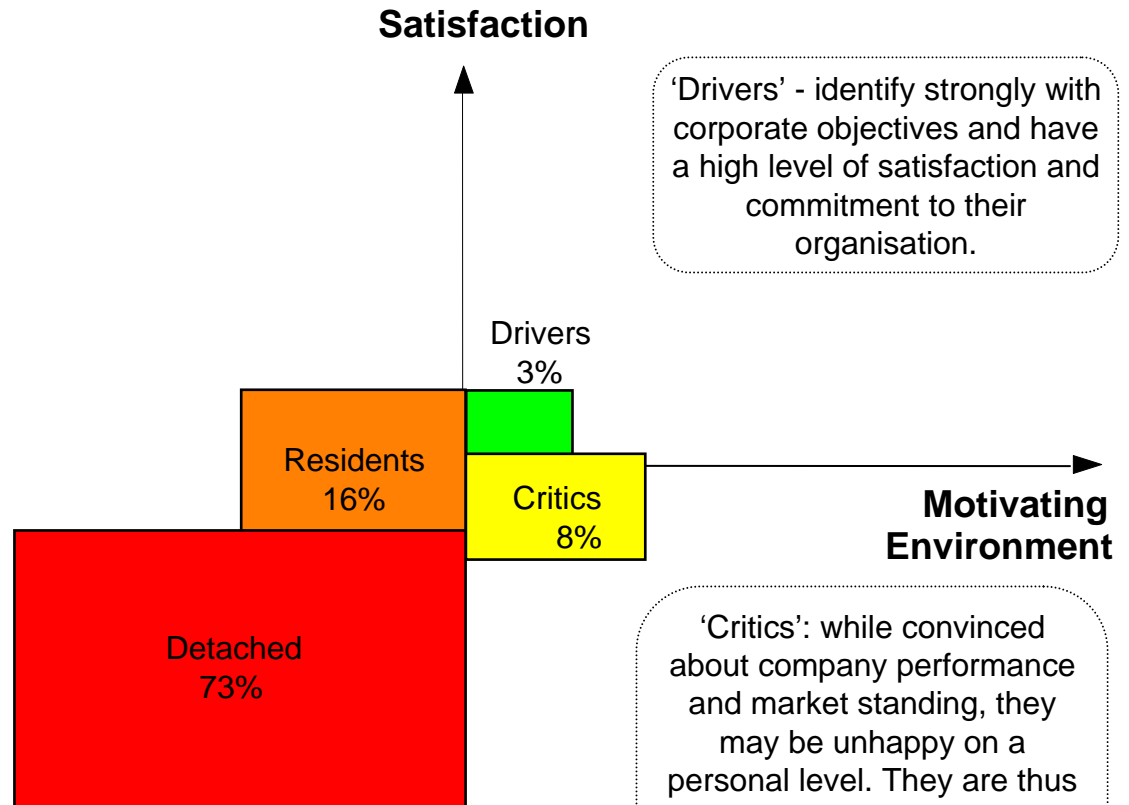
TRI\*M Index 27

'Residents' - satisfied, but not highly motivated. Such employees have a stabilising effect on the company

'Drivers' - identify strongly with corporate objectives and have a high level of satisfaction and commitment to their organisation.

'Detached' are dissatisfied, disconnected from the company and do not consider their work environment motivating. Such employees breed a negative climate within the organisation and are an underutilised resource

'Critics': while convinced about company performance and market standing, they may be unhappy on a personal level. They are thus left caught up more the pursuit of self-advancement and are open to changing jobs if opportunities show up

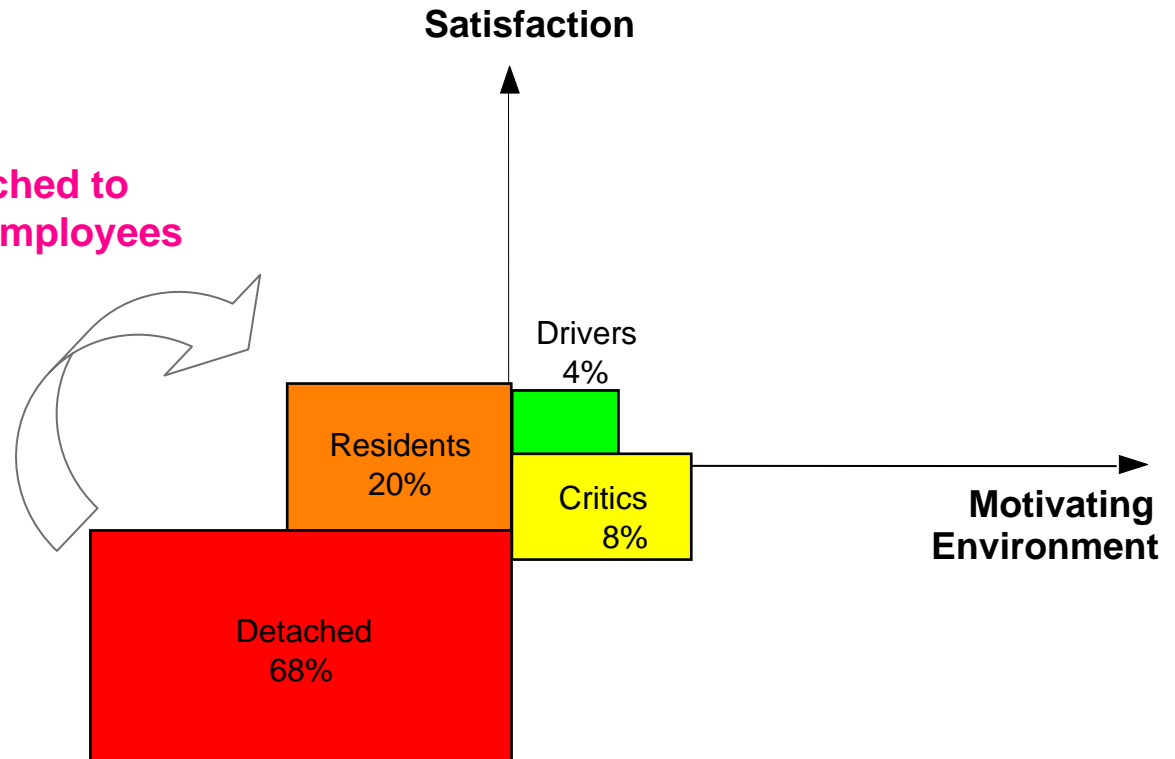


# Hong Kong Employee Commitment Survey Dec 2005

## TRI\*M Typology

TRI\*M Index 32

A movement from detached to residents is seen among employees



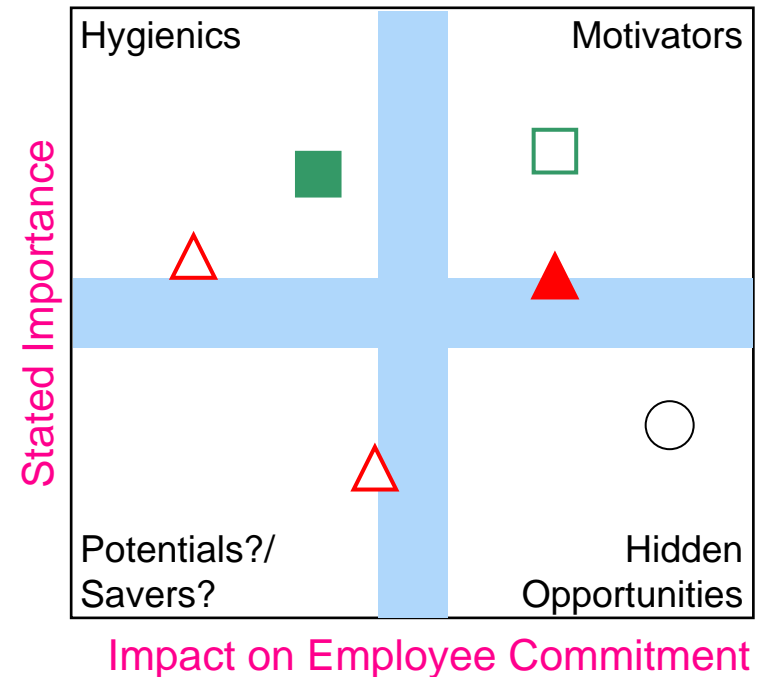
# TRI\*M Grid

## Explanation (1)

The TRI\*M Grid is the strengths-weaknesses-analysis with regard to employee commitment.

The TRI\*M Grid provides three dimensions:

- **Stated importance of a quality element** - according to the “importance”-section of the questionnaire (vertical axis)
- **Performance of a quality element** - according to the “performance”-section of the questionnaire (symbols)
- **Impact on commitment of a quality element** - calculated by TNS (horizontal axis)



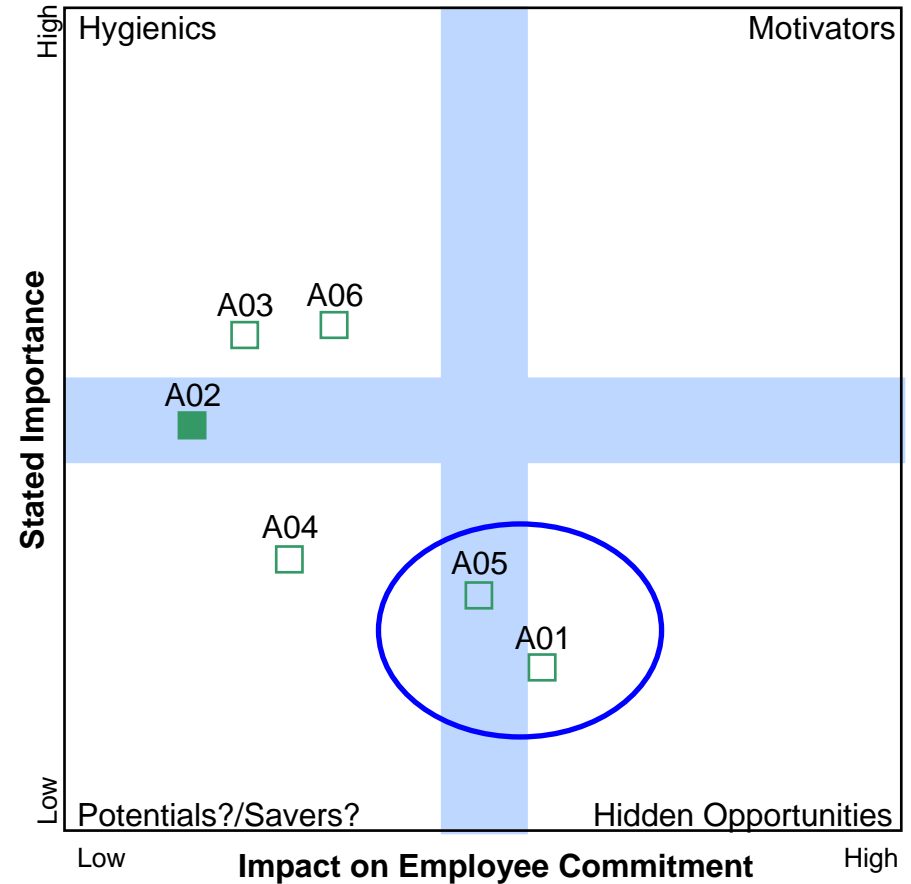
# Hong Kong Employee Commitment Survey Dec 2005

## TRI\*M Grid

TRI\*M Index 32

### QUALITY OF WORK

- A01 My work is interesting
- A02 Job fits with my knowledge and skills
- A03 Having enough time to fulfil my duties
- A04 Working environment (e.g. work space, temperature, technical equipment)
- A05 Freedom to make my own decisions independently
- A06 Balance between work and personal life



Base: 1245

### Performance

- Far above average
- Above average

- Average
- △ Below average
- ▲ Far below average

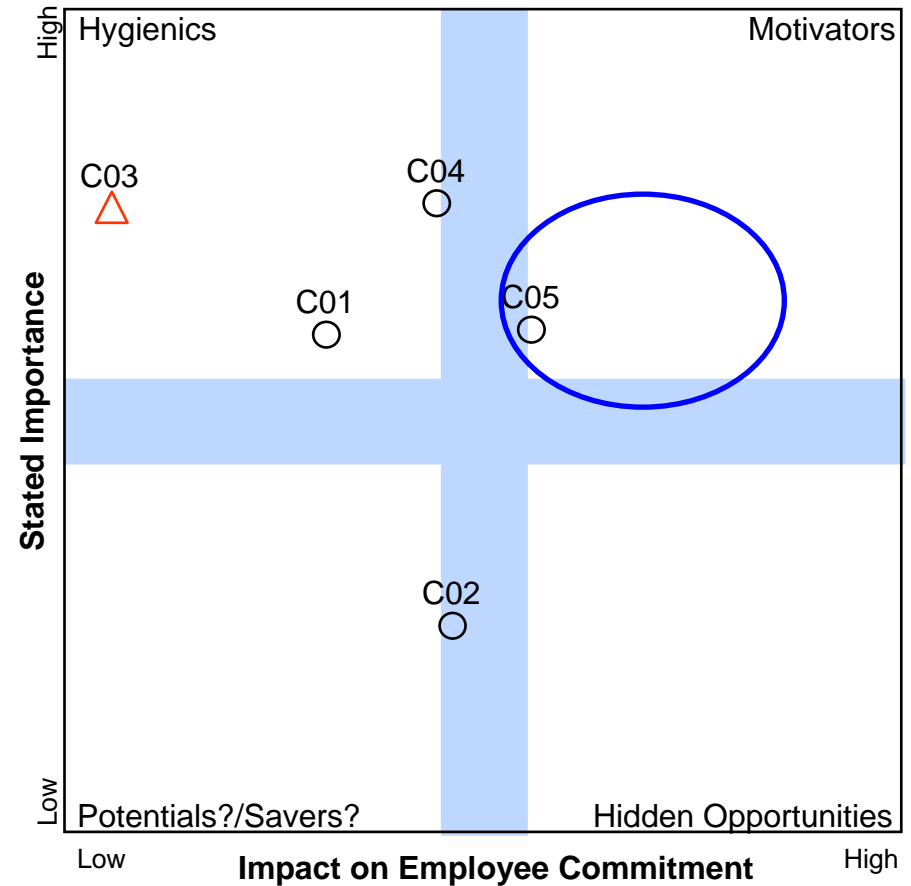
# Hong Kong Employee Commitment Survey Dec 2005

## TRI\*M Grid

TRI\*M Index 32

### PAY AND BENEFITS

- C01 Pay is fair compared to my colleagues within the company
- C02 I am rewarded better if my customers are more satisfied
- C03 My pay reflects my performance
- C04 Pay is inline with the market
- C05 Benefits offered



Base: 1245

**Performance**

- Far above average
- Above average
- Average
- △ Below average
- ▲ Far below average

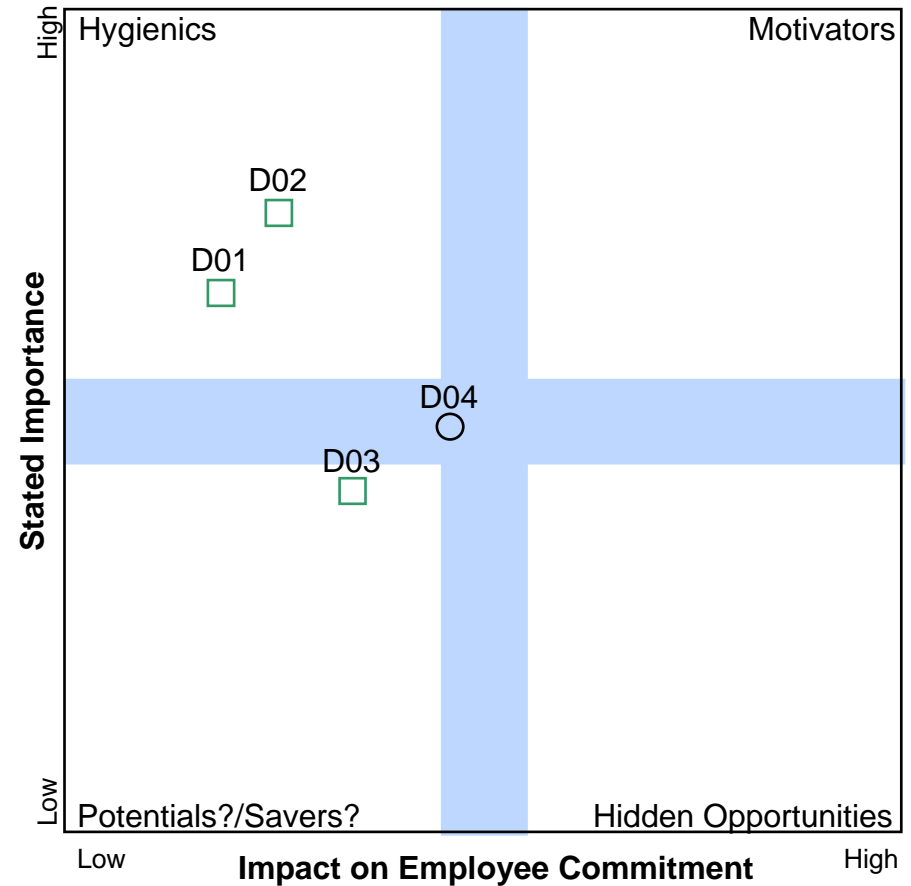
# Hong Kong Employee Commitment Survey Dec 2005

## TRI\*M Grid

TRI\*M Index 32

### COLLABORATION WITH COLLEAGUES

- D01 Colleagues support each other
- D02 Colleagues respect each other
- D03 Colleagues share learnings with each other
- D04 Work load is equally distributed among team members



Base: 1245

**Performance**

- Far above average
- Above average
- Average
- △ Below average
- ▲ Far below average

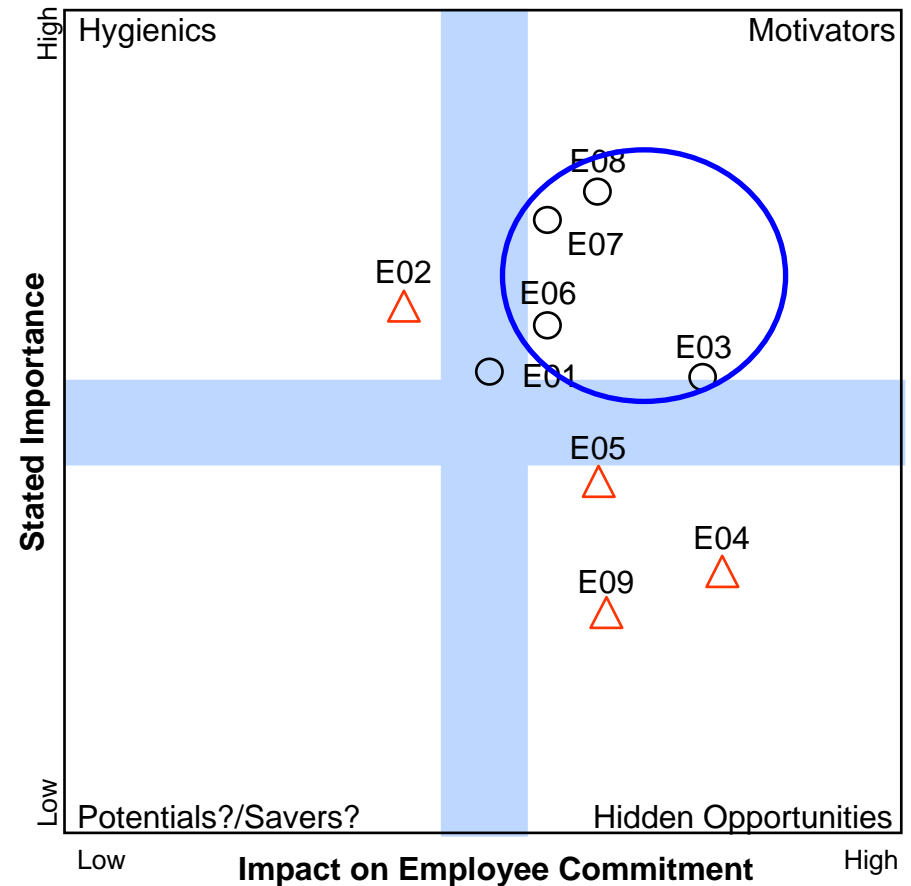
# Hong Kong Employee Commitment Survey Dec 2005

## TRI\*M Grid

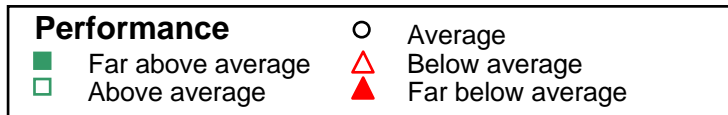
TRI\*M Index 32

### LEADERSHIP BEHAVIOUR OF IMMEDIATE MANAGERS

- E01 communicates clear expectations
- E02 is decisive
- E03 supports my initiatives and ideas
- E04 is a role model
- E05 ensures opportunities for my ongoing training and development
- E06 appreciates and praises good performance
- E07 evaluates performance transparently and fairly
- E08 is accessible to discuss questions and problems
- E09 gives regular feedback on performance



Base: 1245



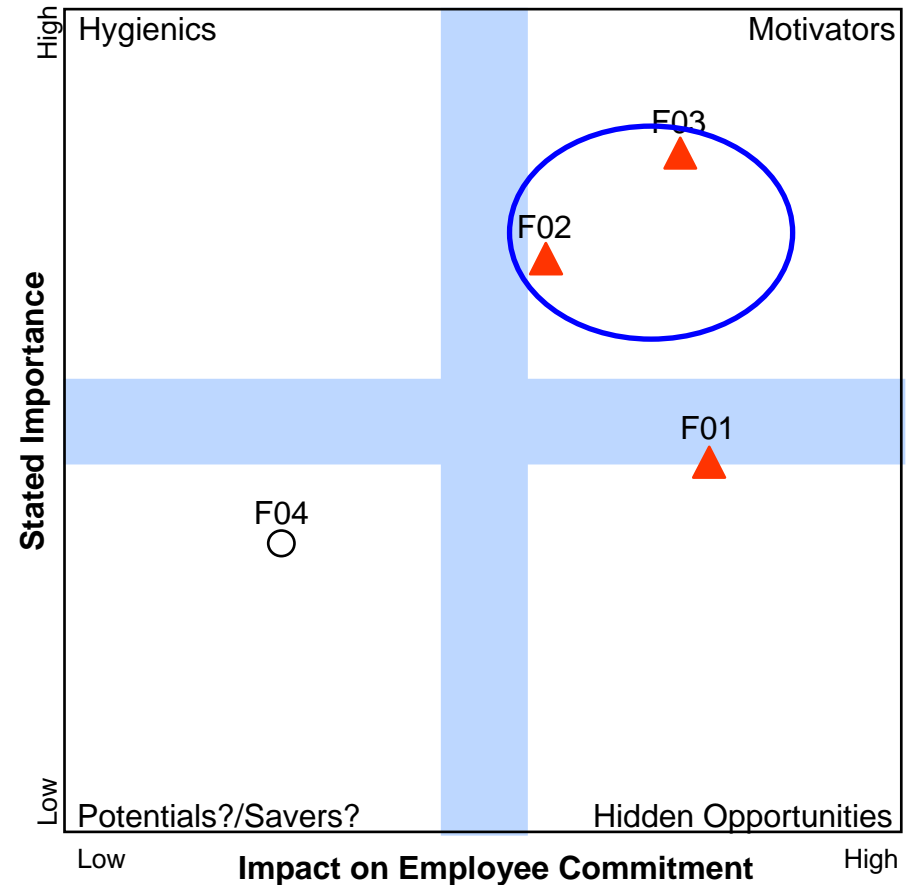
# Hong Kong Employee Commitment Survey Dec 2005

## TRI\*M Grid

TRI\*M Index 32

### SENIOR MANAGEMENT TEAM

- F01 are role models for leadership
- F02 act consistently as one management team
- F03 consider employees' interests when it comes to making decisions
- F04 are accessible to regular employees



Base: 1245

**Performance**

■	Far above average	○	Average
□	Above average	△	Below average
		▲	Far below average

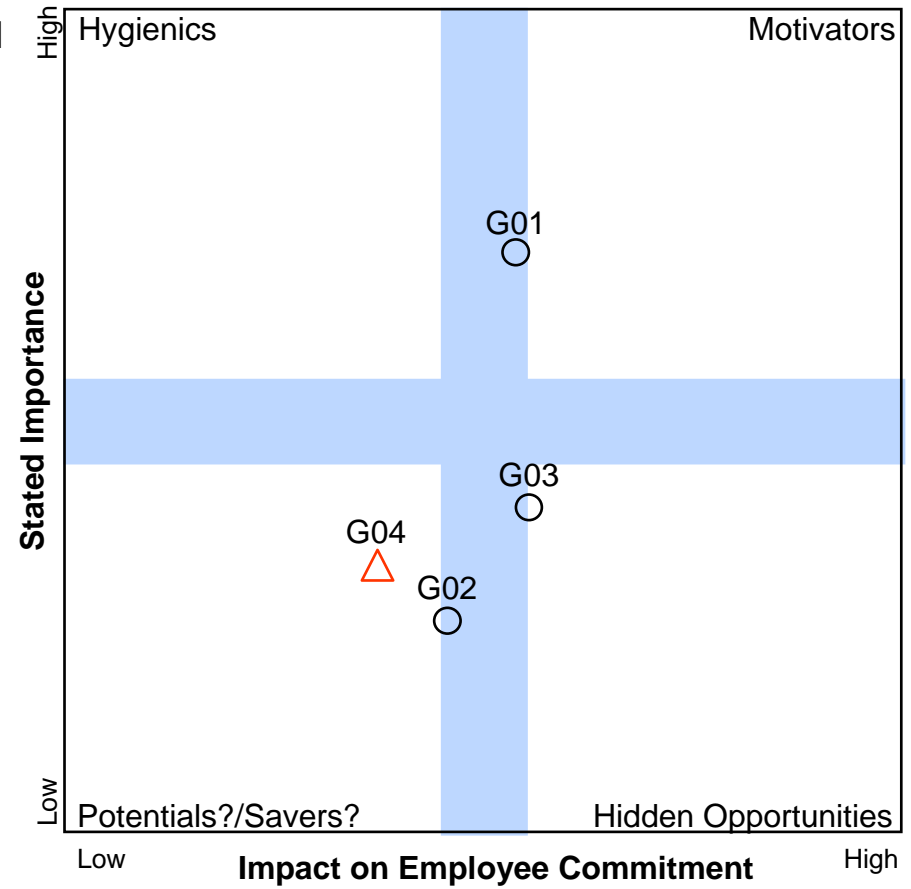
# Hong Kong Employee Commitment Survey Dec 2005

## TRI\*M Grid

TRI\*M Index 32

### INTERNAL INFORMATION AND COMMUNICATION

- G01 relevant to my job
- G02 regarding business performance
- G03 regarding the company's strategy
- G04 about organisational, policy or personnel changes



Base: 1245

**Performance**

■	Far above average	○	Average
□	Above average	△	Below average
		▲	Far below average

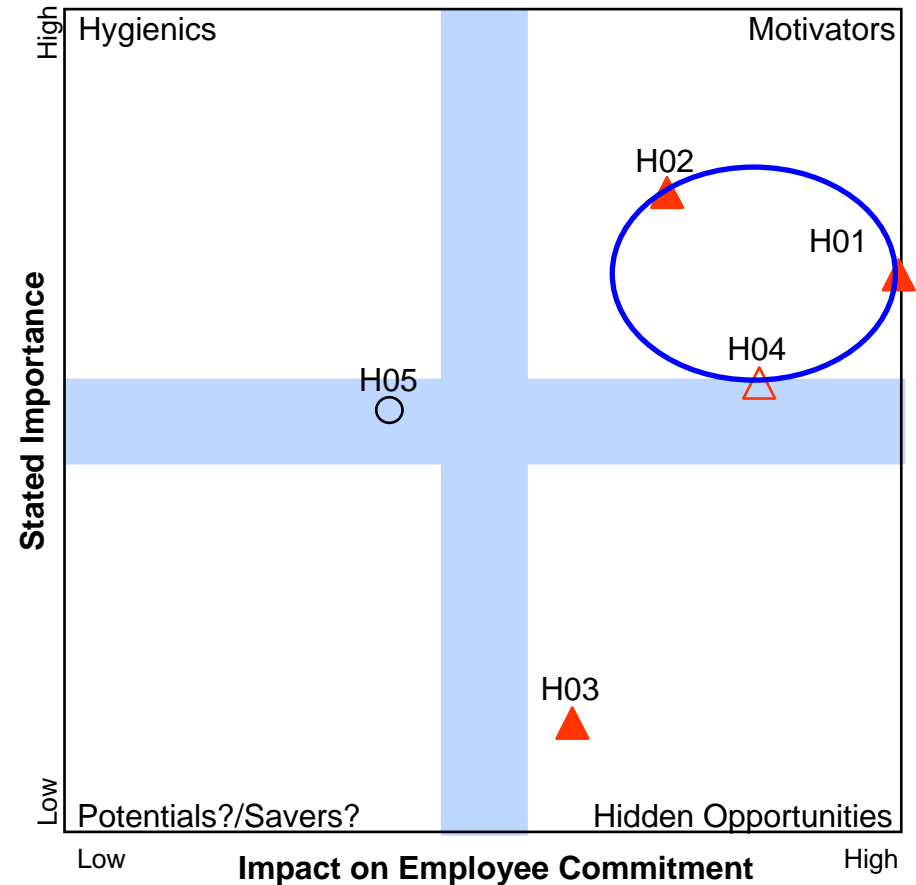
# Hong Kong Employee Commitment Survey Dec 2005

## TRI\*M Grid

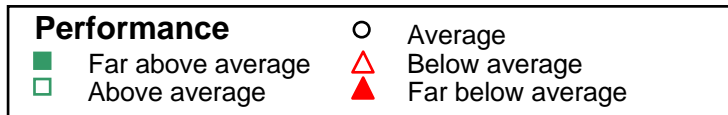
TRI\*M Index 32

### CAREER, PROFESSIONAL DEVELOPMENT AND TRAINING

- H01 Opportunities for career development
- H02 Progression according to performance and skills
- H03 Opportunities to move to a new job/ assignment within my company
- H04 Opportunities to improve job-related knowledge and skills through training courses
- H05 Equal opportunities for people of all genders, races and ages



Base: 1245



# Hong Kong Employee Commitment Survey Dec 2005

## Summary of Key Commitment Drivers

	Motivators	Hidden Opportunities
<b>QUALITY OF WORK</b> <b>A01</b> My work is interesting		□
<b>PAY AND BENEFITS</b> <b>C05</b> Benefits offered	△	
<b>LEADERSHIP BEHAVIOUR OF IMMEDIATE MANAGERS</b> <b>E03</b> supports my initiatives and ideas <b>E04</b> is a role model <b>E05</b> ensures opportunities for my ongoing training and development <b>E06</b> appreciates and praises good performance <b>E07</b> evaluates performance transparently and fairly <b>E08</b> is accessible to discuss questions and problems <b>E09</b> gives regular feedback on performance	○   ○ ○ ○	△ △   △

**Performance**

■	Far above average	○	Average
□	Above average	△	Below average
		▲	Far below average

# Hong Kong Employee Commitment Survey Dec 2005

## Summary of Key Commitment Drivers

	Motivators	Hidden Opportunities
<p><b>SENIOR MANAGEMENT TEAM</b></p> <p><b>F01</b> are role models for leadership</p> <p><b>F02</b> act consistently as one management team</p> <p><b>F03</b> consider employees' interests when it comes to making decisions</p>	<p>▲</p> <p>▲</p>	<p>▲</p>
<p><b>INTERNAL INFORMATION AND COMMUNICATION</b></p> <p><b>G01</b> relevant to my job</p> <p><b>G03</b> regarding the company's strategy</p>	<p>○</p>	<p>○</p>
<p><b>CAREER, PROFESSIONAL DEVELOPMENT AND TRAINING</b></p> <p><b>H01</b> Opportunities for career development</p> <p><b>H02</b> Progression according to performance and skills</p> <p><b>H03</b> Opportunities to move to a new job/ assignment within my company</p> <p><b>H04</b> Opportunities to improve job-related knowledge and skills through training courses</p>	<p>▲</p> <p>▲</p> <p>△</p>	<p>▲</p>

**Performance**

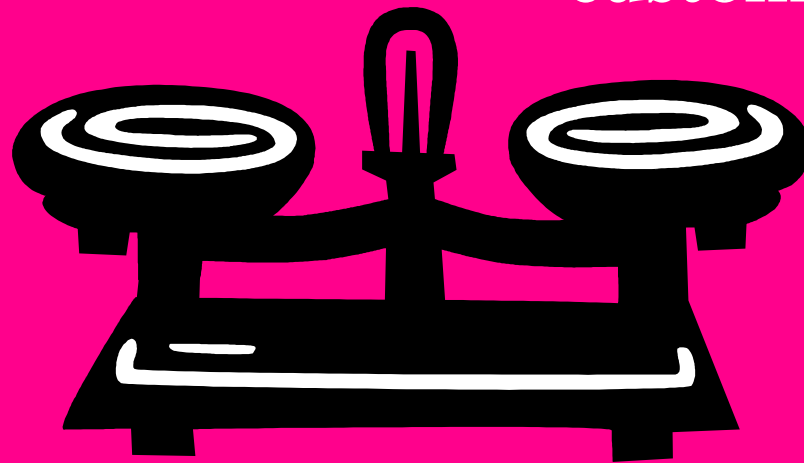
■	Far above average	○	Average
□	Above average	△	Below average
		▲	Far below average

# Is there a relationship between...

**employee  
commitment**

**&**

**the organisation's  
customer orientation?**

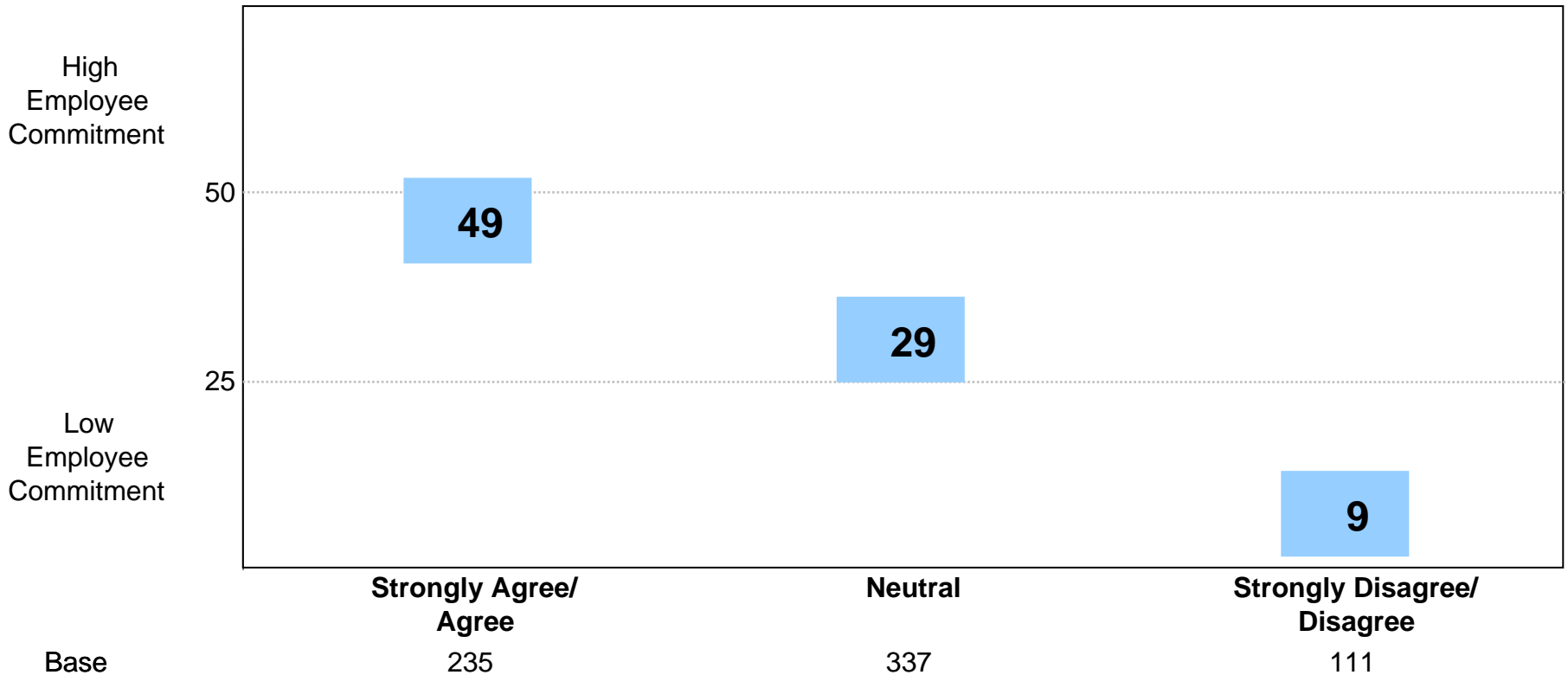


*We asked customer-facing staff to rate their employer  
across five areas*



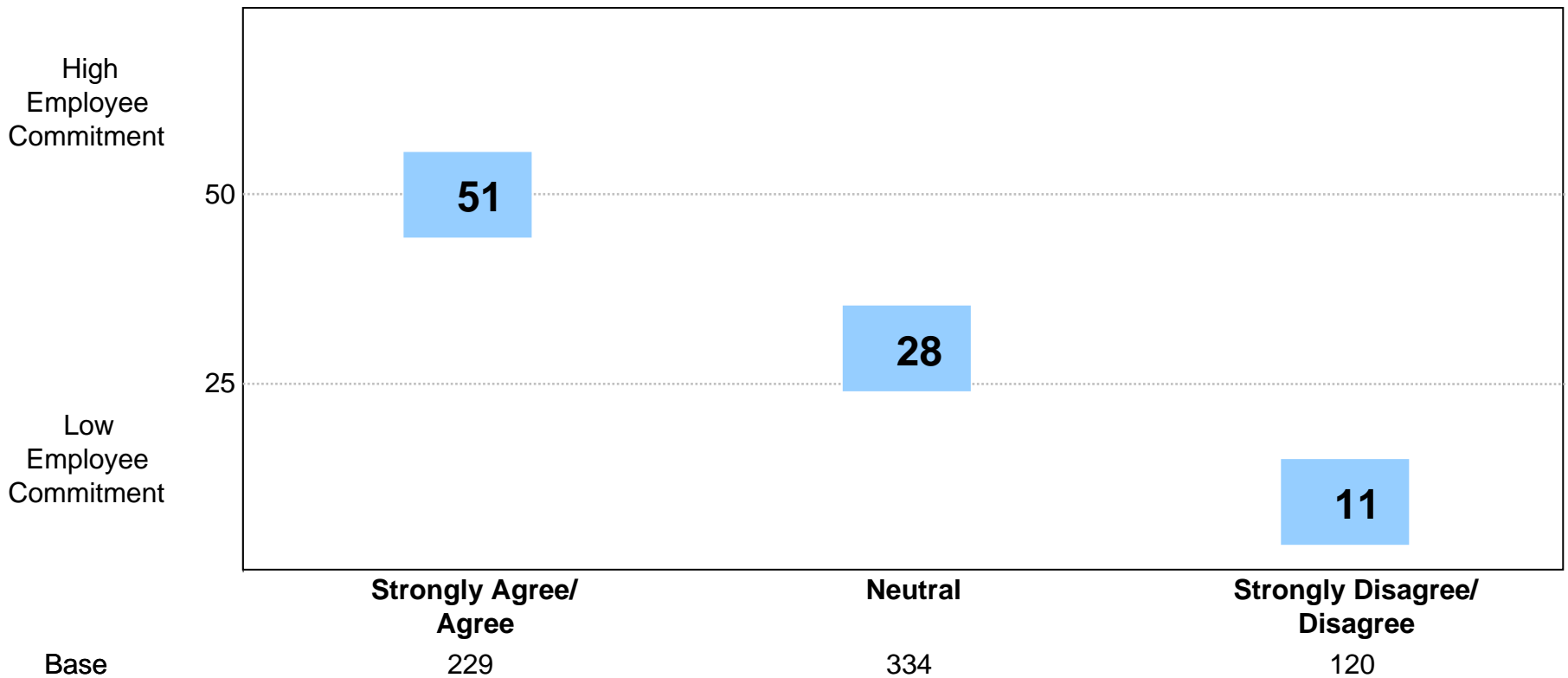
# TRI\*M Index:

In my organisation, I am able to provide my customers better deals / pricing to gain or keep their business



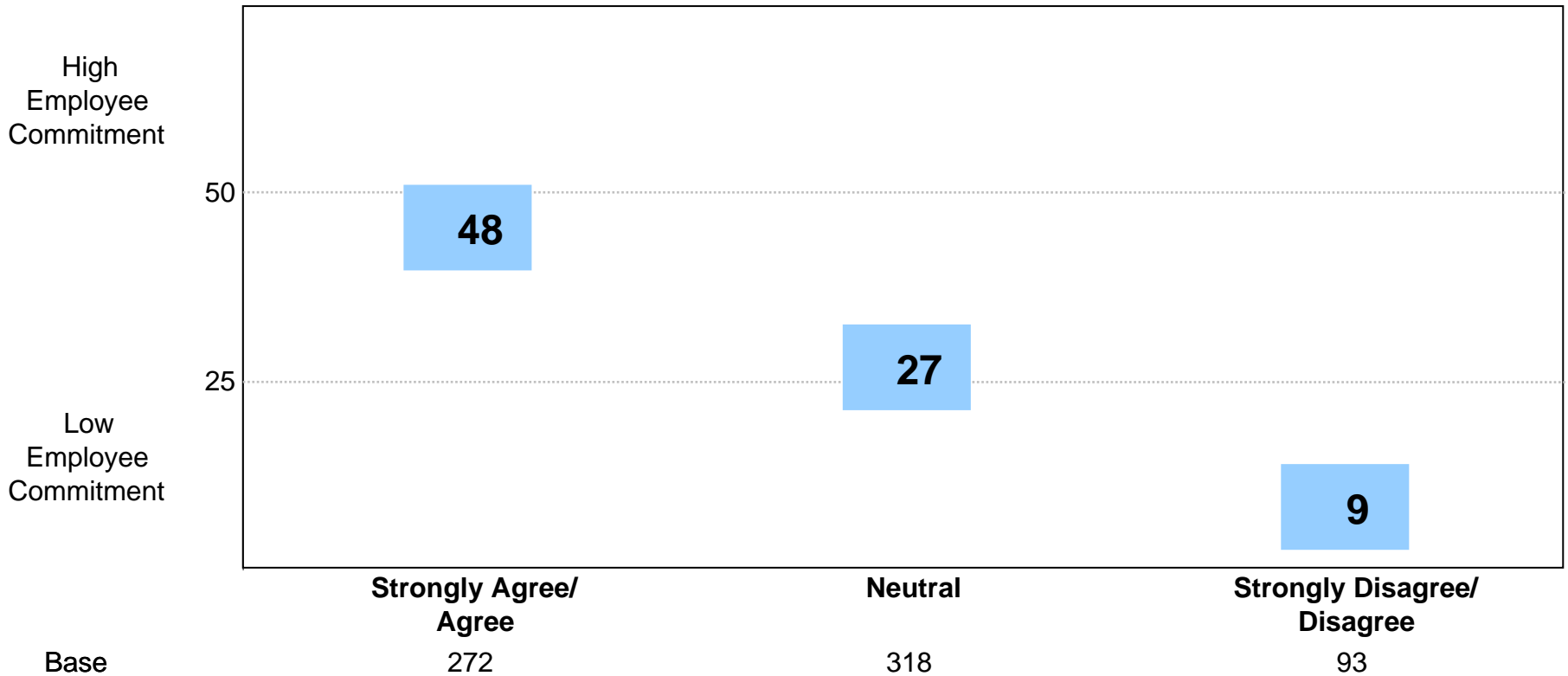
# TRI\*M Index:

In my organisation, I am able to provide my customers value added or extra services beyond what has been contracted



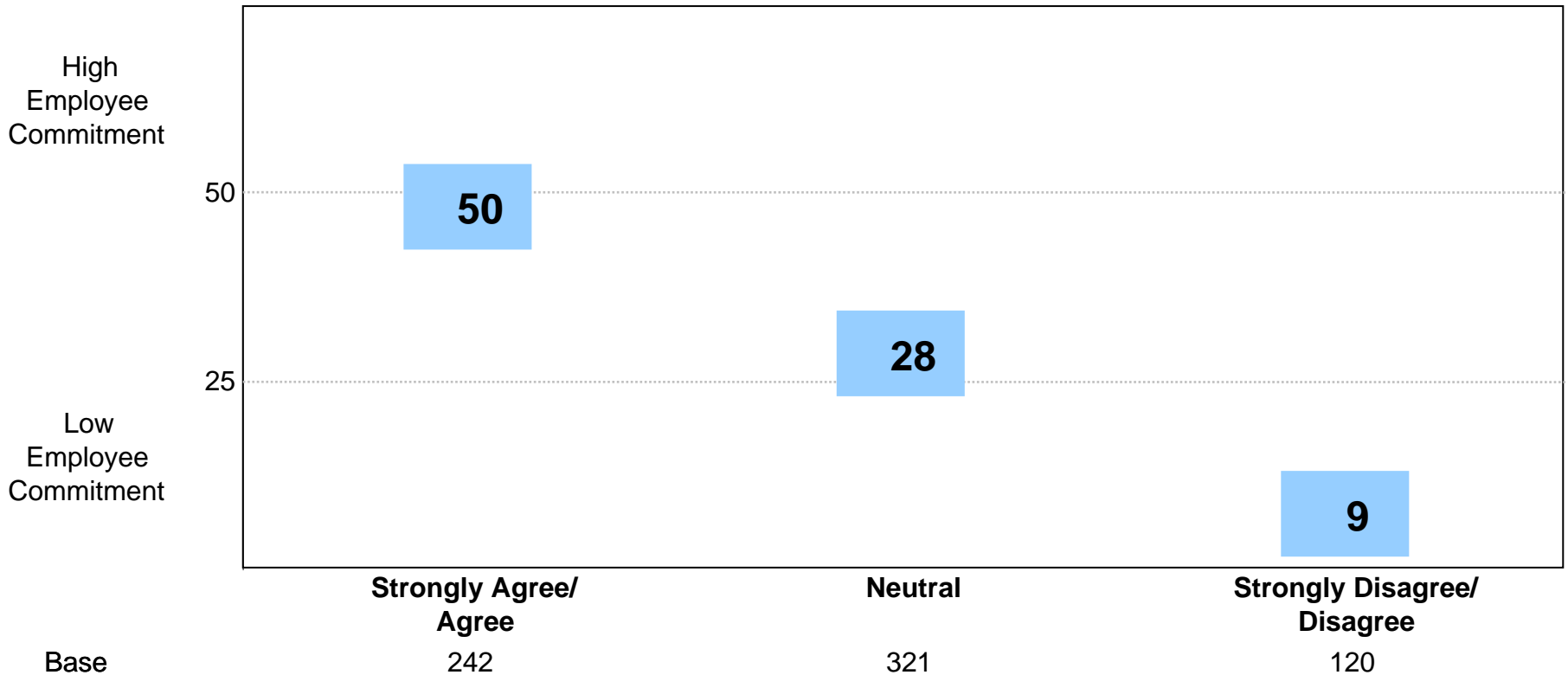
# TRI\*M Index:

My organisation is responsive to customer inquiries



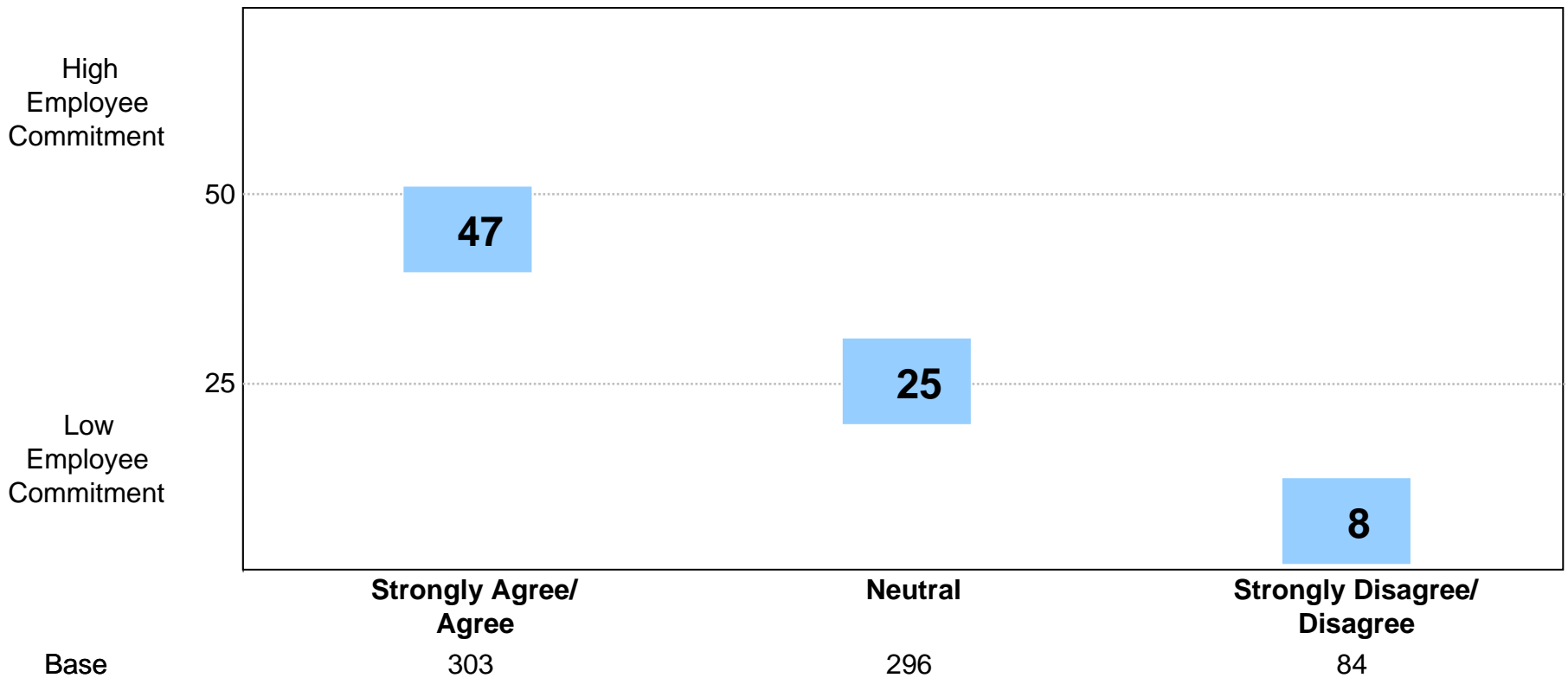
# TRI\*M Index:

My organisation resolves customer issues thoroughly



# TRI\*M Index:

My organisation has a “customer oriented” approach to business



So...

It's about  
much more than  
just the money!



# So **what** makes employees **MORE** committed?

*Arguably*, the improved economic sentiment has had a significant impact on employee commitment levels.

*At* the same time, our findings highlight a number of critical steps that all employers should initiate and continually re-assess for improvement opportunities.



# Drivers of employee commitment

## ■ Role models

- Senior managers need to behave like role models, inspiring employees and allowing them to share in their vision.

## ■ Good mentoring

- While HK employees are in general satisfied with teamwork at the individual workgroup level, they feel that their employers perform poorly at providing support for their initiatives and recognising their contributions.
- Staff is keen to have supervisors who understand them and communicate clearly with expectations and continuous feedback.
- Employers could introduce mentor and “buddy” programmes.

## ■ Clearly-defined career paths and opportunities

- There is a clear, yet unfulfilled need for having a clear career path in the organisation as well as training and development opportunities.
- Offer clearly-defined career paths and opportunities for internal transfer; this gives employees a goal to work towards to, knowing that this will be the reward for their hard work and dedication.
- Deploy management-skills training for senior level staff and on-the-job training for junior level staff.

## ■ Interesting and challenging work

- Work needs to be interesting and challenging for employees.
- At the same time, staff especially at junior or middle levels desire empowerment and basic decision making ability.

## ■ Culture of involvement

- Employees want a culture of involvement in which they feel their voices are heard and they have a stake in the organisation's growth and success.

# Drivers of employee commitment (cont.)

## ■ Being transparent and open

- Immediate supervisors need to better engage their staff by having more open discussions; set goals and priorities as well as provide the necessary reassurance to help motivate and retain them.
- Implement a transparent supervisory culture through informal and formal performance appraisals; practice an “open-door” management policy.

## ■ Internal communications

- Keep employees at all levels informed of company news, big and small.
- Develop and make use of internal communication channels: management memos, intranet. Organizations will benefit from sharing and involving more employees, particularly those at junior levels, in open discussions on the company’s vision and strategy. This can help engender greater loyalty.

## ■ Show appreciation

- Encourage a culture of appreciation and recognise good performance.
- Show employees that the organisation understands their professional growth is instrumental to its success.

## ■ Remuneration

- While remuneration will always remain salient, its importance is clearly overstated – the key need is for assurance that one’s pay is in line with that of colleagues and the market, and for employee benefits - little pluses that show that the organization understands real-life needs of workers and cares about their welfare.

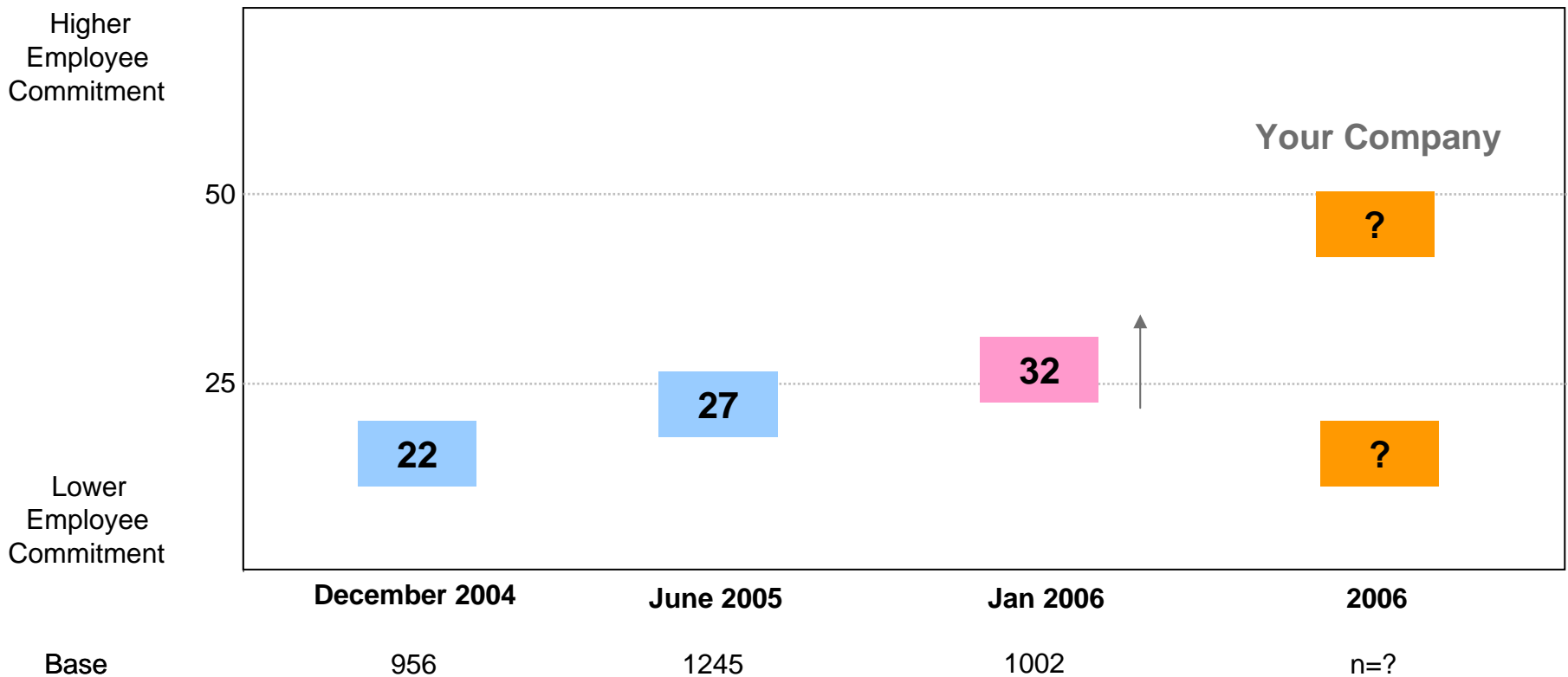
## And finally...

Position the organisation as one that cares deeply about its customers.

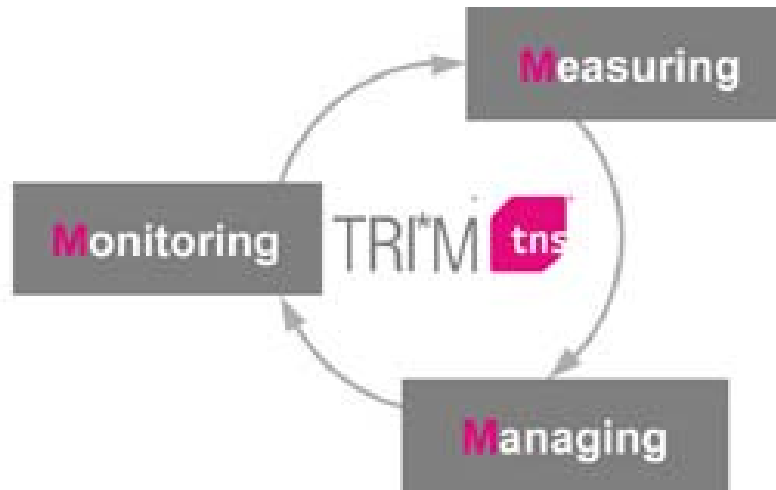


*A customer-centric culture engages employees,  
and engaged employees means happy customers.*

# So how committed are your employees ?



# Use TRI\*M to find out!



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