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Manpower Inc. International Survey Confirms Employee Loyalty is Alive and Growing, but Reveals Surprising Differences Across Demographic Groups

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MEXICO CITY, May 27, 2002 (BUSINESS WIRE) --

Chairman & CEO Jeffrey A. Joerres Releases Survey Results at 9th Human Resources World Congress in Mexico City

Manpower Inc. (NYSE: MAN) today announced the results of an international survey, which found that employee loyalty is alive and growing, but there are many variations in loyalty levels across the world geographies as well as the demographic groups that comprise each organization's workforce.

"Contrary to popular belief, employee loyalty is not dead," said Jeffrey A. Joerres, Chairman & CEO of Manpower Inc. "Across the eight countries included in the survey, HR managers reported that loyalty has increased in the past three years, and they are very optimistic about loyalty increasing over the next three years," Joerres added.

The groundbreaking study consisted of more than 2,600 telephone surveys of human resource managers in eight countries - France, Germany, Italy, Japan, Mexico, the Netherlands, the United Kingdom and the United States - as well as more than 1,400 interviews of employees in the U.S. and U.K.

"With 400,000 customers worldwide, we see the challenges that HR managers and senior management teams face on a daily basis, and we know that retention strategy is one of their biggest frustrations," Joerres stated. "Senior managers and HR professionals should see the many demographic differences in the survey results as a clear indication that a 'one-size-fits-all' employee retention strategy will be relatively ineffective. A targeted retention strategy is necessary in order to succeed in reducing turnover rates among key employee groups."

The demographic differences revealed by the survey include:

- The highest loyalty levels were reported in Mexico, the Netherlands and the United States, while the lowest levels came from Japan and Italy.
- Loyalty levels sag noticeably among employees who have 3 - 5 years tenure with their present employer, highlighting this as a group vulnerable to turnover.
- Women report higher levels of loyalty toward their employers (76%) than their male counterparts (68%).
- Strong company leadership is viewed as a much more important loyalty driver in the United States than in any other country.
- Low loyalty levels are more likely to lead to employee exit in small companies than in companies with more than 150 employees.
- The public sector (government entities) revealed the lowest employee turnover rates, and rated "strong teamwork" as the most important loyalty driver. The service sector rated "open and honest communication" as the most important loyalty driver, and the manufacturing sector ranked "job interest and variety" as most important.

"The data from each country revealed distinct differences in loyalty levels and the factors that drive loyalty, which has implications for multinational corporations," Joerres noted. "For employers that are striving to create a high performance workforce, these results offer solid evidence of the need to make retention strategy a higher business priority, and customize their approach to fit their specific work environment."

To further illustrate the differences among various employee groups, the U.S. and U.K. employee survey results were segmented into four distinct employee profiles, based upon their loyalty characteristics:

- Mutual Loyalists (53% of employees surveyed) are loyal to their employer and believe this loyalty is deserved. These employees are likely to see their psychological contract as a two-way street, where their own efforts and performance are rewarded with investment from the company. To some degree, this is the ideal scenario: true, mutual loyalty. This group

is comprised of a higher proportion of U.S. employees, women and senior managers.

- Blind Loyalists (19% of employees surveyed) express loyalty toward their company despite not feeling that the company deserves it. To some extent, this segment is expressing blind or misplaced loyalty towards the company. The challenge for companies with large numbers in this employee segment is how to generate more positive perceptions of deserved loyalty through improved HR practices. This segment is comprised of a higher proportion of women and U.K. employees.
- Mercenaries (6% of employees surveyed) feel that the company deserves their loyalty, but they sense no loyalty toward it. Only about half intend to be with the same company in three years. Mercenaries are represented by a higher proportion of non-managerial employees and employees with lower scores on awareness and understanding of the company's values.
- Saboteurs (21% of employees surveyed) feel that the company does not deserve their loyalty, nor do they feel any loyalty toward it. Only one in four of this group would speak highly of their company as an employer, and a similar proportion would actively criticize the business as an employer. Only about half feel any sense of motivation in their jobs, and more than half feel their company does not reward loyalty. Saboteurs are comprised of a higher proportion of men, U.K. employees, and those with 3 - 5 years of tenure with their current employer.

"The survey also indicated a polarization trend among the most loyal and disloyal of employee groups, with each group expecting to become more hardened in their views over the next three years, further emphasizing the need for a targeted approach to retention strategy," said Joerres. "There is still much to be learned about the best way to engender employee loyalty, but this survey provides new information that any employer can use to energize its workforce."

The Manpower Inc. Employee Loyalty Survey was conducted in March and April 2002 by The Empower Group, a subsidiary of Manpower Inc. The results were released at the 9th Human Resources World Congress in Mexico City, a gathering of more than 3,000 HR professionals from throughout the world. Additional details and analysis of the survey results can be found at www.manpower.com/en/inews.asp.

About Manpower Inc.

Manpower Inc. is a world leader in the staffing industry, providing workforce management services and solutions to customers through 3,900 offices in 61 countries. The firm annually provides employment to 2 million people worldwide and is an industry leader in employee assessment and training. Manpower also provides a range of staffing solutions, engagement and consulting services worldwide under the subsidiary brands of Brook Street, Elan, The Empower Group and Jefferson Wells. More information on Manpower Inc. can be found at www.manpower.com.

About The Empower Group

The Empower Group is a global consultancy helping build great organizations by maximizing the strategic impact of their people. Empower operates in four service areas: research & diagnostics, organization performance, talent architecture, and branding & communication. Currently, Empower is present in 14 countries, employs over 500 people and is an independent operating division of Manpower Inc. More information on The Empower Group can be found at www.empowergrp.com.

About the 9th Human Resources World Congress

The World Federation Personnel Management Association (WFPMA) held its first HR World Congress in 1986, and the event has continued in different countries every two years since then, with more than 3,000 HR professionals in attendance from throughout the world. The WFPMA was founded in 1976 and is comprised of more than 500,000 people management professionals in over 50 national personnel associations. Its members include the Asia-Pacific Federation of Human Resource Management (APFHRM), the European Association for Personnel Management (EAPM), the Interamerican Federation of Human Resource Management (FIDAP) and the North American Human Resource Management Association (NAHRMA). More information on the 2002 HR World Congress can be found at www.hr2002.org. The 2004 HR World Congress will be held in Singapore.

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