



**Towers Watson**

**Attraction and retention drivers in Russia**

**May 16, 2013**

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# Volatility in the economic environment continues to create challenging business conditions globally

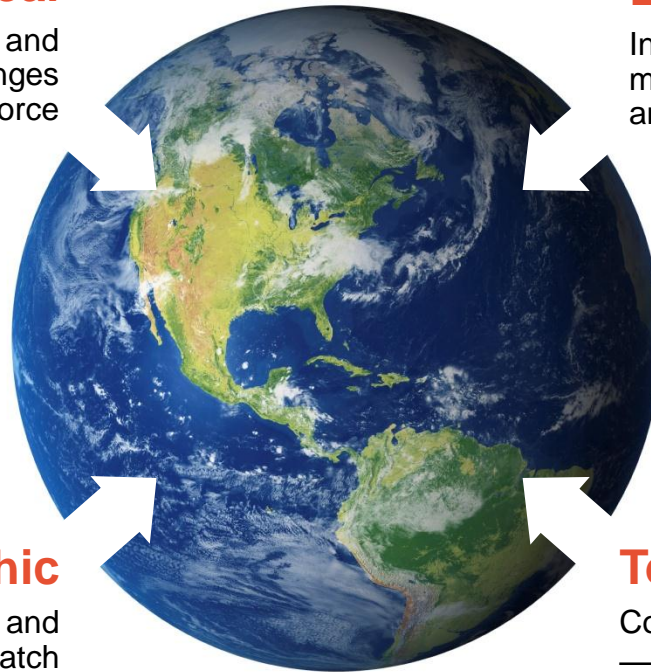
The Pace and Intensity of Change is Relentless

## Political

Different political environments and regulatory requirements create challenges for managing a global workforce

## Economic

Increasing global competition places more focus on labor cost structures and new skill sets



## Social and Demographic

Variable demographic patterns and educational levels creating a mismatch between supply and demand for talent

## Technological

Constant enhancements in technology — pressure to invest to maintain competitive parity

# Employers are focusing on attracting and retaining key employee groups and are having difficulty...

## Percentage of Companies Having Difficulty (moderate to great extent) Attracting and Retaining Workers

	Attracting	Retaining	Attracting	Retaining
	Global		Russia	
<i>All employees</i>	31%	25%	25%	37%
Critical-skill employees	72%	56%	81%	56%
High-potential employees	60%	54%	60%	52%
Top-performing employees	59%	50%	64%	44%
Recent university degree	18%	20%	7%	8%
Employees with tenure between 18 months and 3 years	—	43%	—	43%

Source: Towers Watson 2012 Talent Management and Rewards Study — Russia and Global.

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# Top drivers of attraction are a mix of Total Rewards programs and other aspects of the EVP

- Base pay/salary is the first reason for an employee to change work in Russia both in employee’s and employer’s point of view

Top 5	Employee View	Employer View
1	Base pay/salary	Base pay/salary
2	Paid vacation/time off	Career advancement opportunities
3	Convenient work location	Learning and development opportunities
4	Career advancement opportunities	Organization’s products or services
5	Learning and development opportunities	Health care and wellness benefits Reputation of the organization as a great place to work

Source: Towers Watson 2012 Global Workforce Study, 2012 Talent Management and Rewards Study — Russia

# Top drivers of attraction are a mix of Total Rewards programs and other aspects of the EVP – cont'd

- Employers largely understand the top reasons employees would join their organization
- Top two drivers of attraction reflect the security orientation and risk aversion among employees, followed by an interest in opportunities to advance – in the overall sample
- Job security along with Challenging work drivers are not so popular in Russia
- Convenient work location driver is underestimated by the employer in both samples

Attraction Drivers	Employee View	Employer View	Employee View	Employer View
	Global		Russia	
Base pay/salary	1	2	1	1
Job security	2	4	15	12
Career advancement opportunities	3	1	4	2
Convenient work location	4	24	3	10
Learning and development opportunities	5	7	5	3
Organization's products or services	—	8	21	4
Challenging work	6	3	14	18
Organization's reputation as good employer	7	5	8	5
Paid vacation/time off	—	21	2	25

## But, most of the top drivers of retention are focused on the broader employment deal

- As with attraction, competitive base pay is the top driver of retention...
- ...but employers in Russia underestimate the importance of company's financial performance

Top 5	Employee View	Employer View
1	Base pay/salary	Base pay/salary
2	Organization's financial performance	Career advancement opportunities
3	Career advancement opportunities	Relationship with supervisor/manager
4	Relationship with supervisor/manager	Ability to manage work-related stress
5	Ability to manage work-related stress	Short-term incentives (e.g., annual bonus)

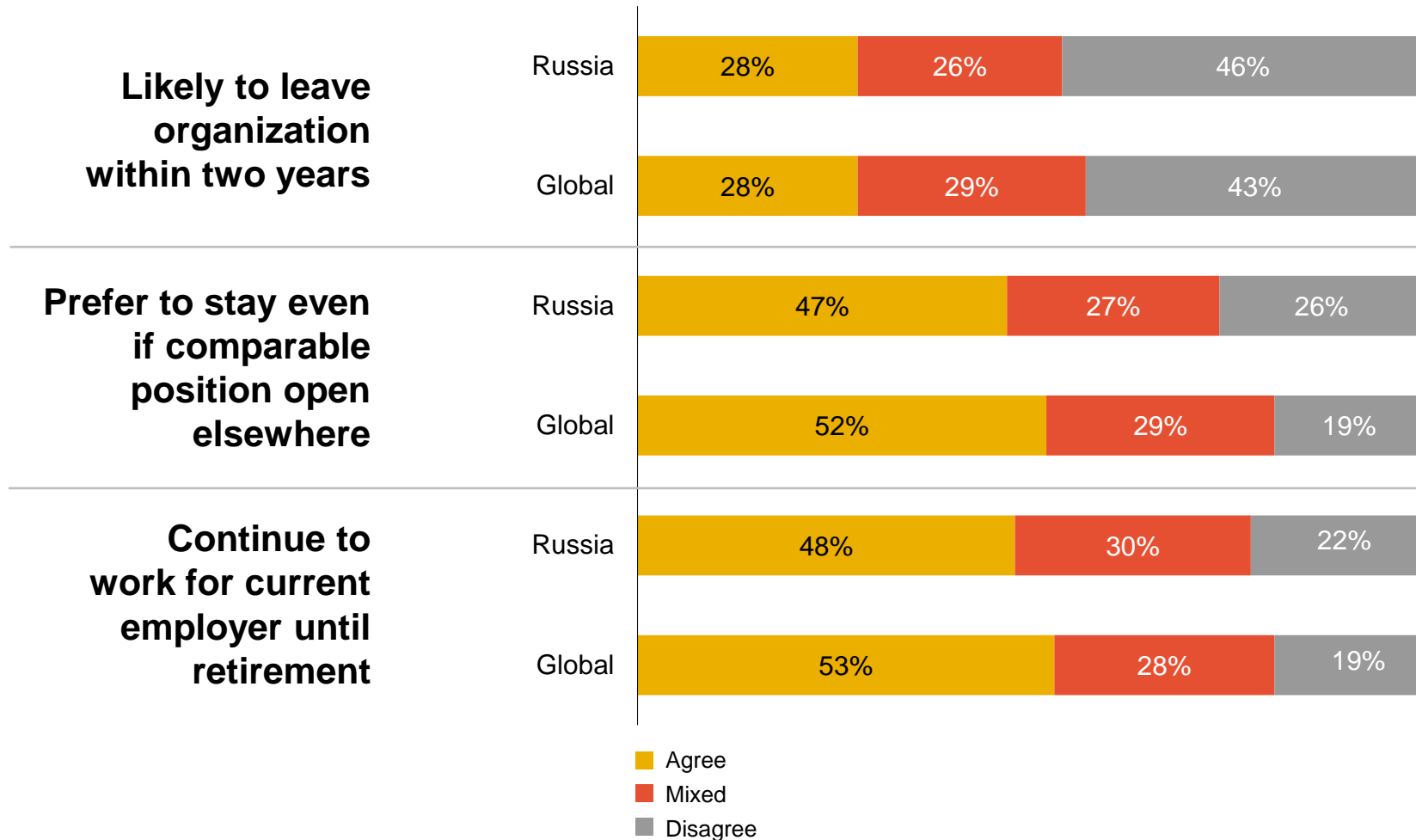
Source: Towers Watson 2012 Global Workforce Study, 2012 Talent Management and Rewards Study — Russia

## But, most of the top drivers of retention are focused on the broader employment deal – *cont'd*

- Trust/confidence in senior leadership and Convenient work location are also very important retention drivers for employee in Russia

Retention Drivers	Employee View	Employer View	Employee View	Employer View
	Global		Russia	
Base pay/salary	1	1	1	1
Career advancement opportunities	2	2	3	2
Relationship with supervisor/manager	3	3	4	3
Trust/confidence in senior leadership	4	12	6	14
Manage/limit work-related stress	5	4	5	4
Job security	6	11	14	23
Convenient work location	7	10	7	7
Learning and development opportunities	—	5	8	8
Organization's financial performance	—	6	2	17
Short-term incentives	—	7	9	5

# Employee mobility



Source: Towers Watson 2012 Global Workforce Study — Russia.



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