



Social matters

The ABBL listens to employees' concerns

 In the following interview Charles Margue, Director of Studies of the TNS ILRES Institute, interprets the results of a study commissioned by the ABBL. The ABBL respects TNS ILRES' independence concerning its conclusions and underlines that those only engage TNS ILRES.


Between 15 and 31 March 2006, almost 4,200 banking sector employees responded to a TNS-ILRES study commissioned by the ABBL. In all, 13 banks took part in the study, including all the banks with substantial staff numbers. The aim of the study was to determine the general state of mind of employees, their attitudes, behaviour and the expectations placed by them in their employer and in the Luxembourg financial sector in general. In other words, the ABBL wanted to "communicate" with people at the base to find out how they perceived their own situation. An interview with the Director of Studies at TNS ILRES gave us an idea of the overall outcomes of the study.

1. Mr Margue, what main aspects were analysed in the study?


The analysis focused on three main areas: the perception of the working environment, working conditions and remuneration, together with infrastructure and equipment. Employers obviously have no direct impact on infrastructures and equipment, such as transport difficulties and reception structures for young children, but this aspect does play a major role in the daily life of employees. 

2. How was the survey conducted in practical terms and what survey method was used?

TNS ILRES was able to innovate by making use of Internet technology to conduct the study. An e-mail was sent to the employees with a "URL link" to a secure server of TNS ILRES. The questionnaire was available on this server and the participants were able to complete it in stages, depending on their availability. Care was

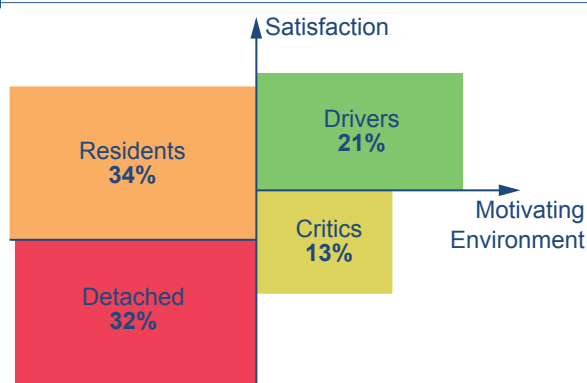
taken to ensure that the questionnaire could be completed once only and in complete confidentiality. Neither the ABBL nor the employers who took part had access to the individual replies. This was a classical survey of the kind used to consult the staff of a business. 

3. Do you have a reference value enabling the "Luxembourg" results to be compared with those obtained in other countries?

The TNS ILRES business solution effectively enables comparison values of the benchmark kind to be used. These values are collected worldwide by the agencies belonging to the TNS network and centralised at the Global TRI*M Centre in Munich. Since 2002, several million interviews have been conducted in Europe and across the world. TNS ILRES therefore calibrated the results obtained in Luxembourg against the European benchmark. 

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Benchmark Europe



4. The term “commitment” occurs throughout your study. How would you define this word?

The term commitment is an overall concept signifying dedication, loyalty, involvement and motivation on the part of the employee. It denotes a general attitude of the employee towards his employer and the sector in which he works. The simple word “commitment” hides a complex attitude which tries to combine all the human, emotional and rational dimensions of the human being in his private life and at work. In this study, beyond a simple satisfaction measurement, we obtain a relative weighting of important factors and others that are less important; this enables action priorities to be highlighted. The important thing for the ABBL in this context was to distinguish between the degree of importance. It wanted to obtain a neutral and objective assessment of certain classical demands which arise repeatedly in salary negotiations. It wanted to determine whether these are really important and imperative in the employees’ own eyes. Beyond this aspect, it also wanted to know whether other demands and expectations exist which are not known and are therefore not taken into account.

5. Which factors influence the “commitment” of individuals?

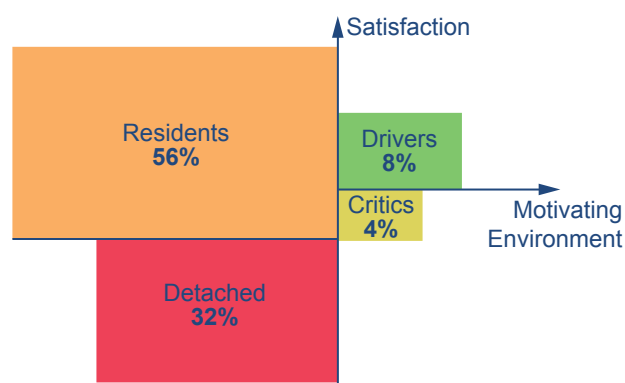
Five main factors can be detected by the TRI*M analysis tool, namely “overall satisfaction”, “recommendation”, “re-joining”, perception of the “motivation of colleagues” and the impression of working in a “sector and a business which are performing well”. Overall satisfaction is a concept which needs no further explanation. “Recommendation” conveys the extent to which an

employee would advise a friend or a member of family to come and work for his company. “Re-joining” enables us to know whether the person would be prepared to come back to the same employer and the same sector again. The perception of the “motivation of colleagues” is a way of knowing the extent to which the respondents feel themselves surrounded by colleagues who are or are not motivated. Finally, the impression of working in a “sector and a business which achieve high performance” enables us to obtain an overall picture of commitment in conjunction with the four other factors. We find that the main result, i.e. the “commitment” index for the financial sector in the Grand Duchy corresponds to the average of the results obtained elsewhere in Europe.

6. Mr Margue, in a few sentences what are the main lessons to be drawn from this study?

Many lessons can be drawn. The fact that people want to feel appreciated and want feedback about their work must be stressed. We found that vertical communication, i.e. between the different levels of the hierarchy, does not appear to function perfectly or does so very unevenly. Throughout the study, we found that employees need this human recognition, together with material recognition. The framework and organisation of work in many financial institutions today are not conducive to “commitment”. Another important lesson is that employees wish to achieve a good work-life balance. The same aspiration is found in other sectors of the economy.

Benchmark Finance Sector Luxembourg



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7. "Commitment" to the sector in general and to the employer. Mr Margue, did you find any differences between the two?

One of the first concerns of the ABBL was to find out how employees judged the Luxembourg financial sector. We arrived at a result comparable to the European benchmark. At the level of the particular employer, the result obtained is less favourable than that for the financial sector as a whole. A difference therefore exists between perception of the sector and that of the respondent's employer. In brief, while people are fairly committed at the broader level of the sector, "commitment" varies strongly from one employer to another. Persons dissatisfied with their employer are not necessarily ready to move to a different sector, in the contrary. In this age of sweeping change (mergers, acquisitions, reorganisation), some banks do better than others and the motivation issues need to be resolved, mainly at the level of the company and not at that of the sector as a whole.

8. Do the results vary according to different criteria?

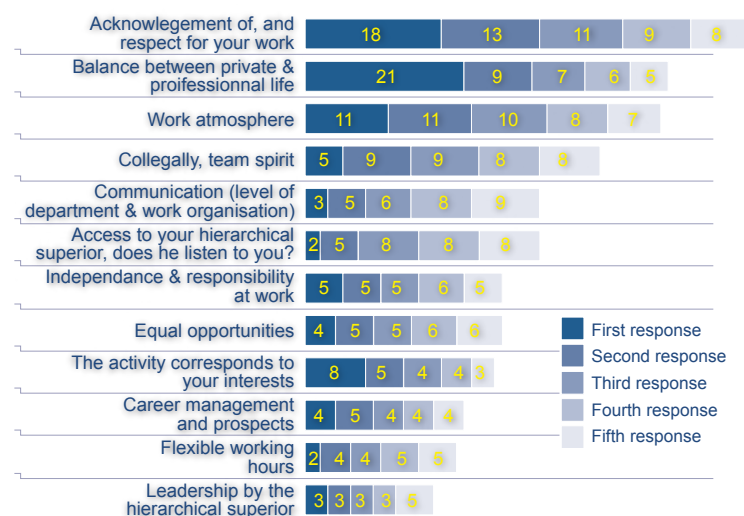
Yes, we measured "commitment" in the light of seniority and the level of education. As far as seniority is concerned, we observed that "commitment" diminishes in linear proportion to the length of service. It is higher in the case of recently recruited staff. The same index also varies according to the level of education, but the difference is not enormous. In general terms, there is a difference between employees who have followed a course of education beyond school-leaving certificate level (baccalaureate) and those who have only trained up to that level. Employees who have a university degree seem to be more committed than those who do not. We were particularly struck by the fact that employees who had followed a short cycle of university education seemed to be more committed than those who have attended longer university courses.

9. Mr Margue, you also looked into the satisfaction and motivation of employees. Are there different types of employees?

We make a distinction between four different types of employees. First the drivers who can be compared to locomotives, i.e. persons who identify strongly with the company in which they work. They show great loyalty and

take an optimistic view of the future. They are convinced of their company's ability to compete. They show a strong sense of initiative and their willingness to cooperate inspires and motivates other colleagues. The critics, as the word suggests, are persons who take a critical stance, strong personalities who are more difficult to lead but who often take the initiative and make suggestions that are attractive to the business. These are individualists. They think more of their personal career than of the future of the company. The residents are employees who are generally highly satisfied, who perform their working tasks correctly. At the personal level, they are typified by their need for security. They are reluctant to take risks. They have a stabilising effect on the business. They are frank but need to be led. Finally there are the detached individuals. These are the employees who find themselves in a situation in which they are discouraged by their professional environment; they develop a feeling of being disconnected from the business. They are more frustrated than dedicated and represent a source of contagion of a negative climate. They are generally human resources that are under-used by the business. At the European level, we find on average 21% "drivers", 13% "critics", 34% "residents" and 32% "detached". In other words, around one-third of all staff are motivated, while two-thirds are less motivated.

The working activity and its organisation - Ranking of the aspects evaluated as extremely important



Social matters

10. How do the figures for Luxembourg compare with other countries?

Compared to the European benchmark, the Luxembourg financial centre is seriously lacking in “drivers” (just 8% against a reference value of 21%) and “critics” (just 4% against a reference value of 13%). In other words, instead of having one employee out of three who is highly motivated and convinced of the performance of the financial centre, the survey reveals that they are just one in eight. Another remarkable fact is that a majority (56%) of employees fall into the category of “residents”. At 32%, we find the same average proportion of detached persons in Luxembourg as elsewhere in Europe.

11. In your study you say that: “The existing ‘system’ unduly favours a swelling of the ranks of the ‘residents’ – the outlook of ‘residents’, that of conformism, has gained the upper hand”. Could you explain what you mean by that statement?

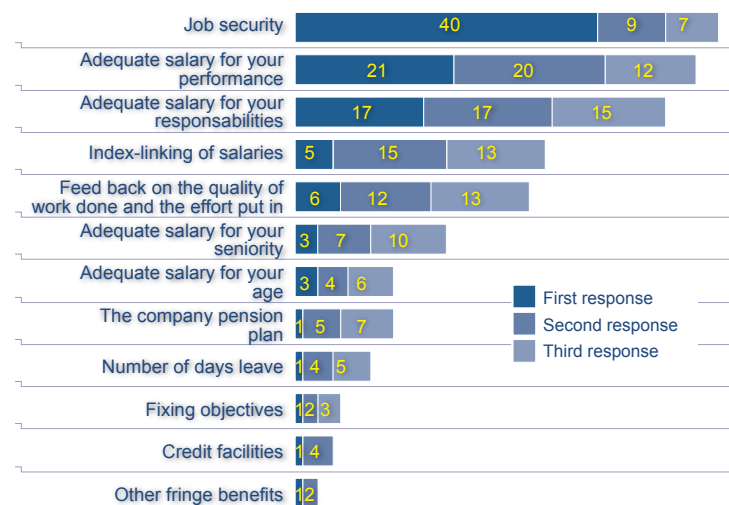
We have the impression that a liking for risk and entrepreneurial action is not prevalent in the Luxembourg financial centre. The question arises as to the extent to which employers should give incentives to take things forward and grasp the initiative. Risk taking is not valued. Are strong characters welcome in a system which is heavily regulated and structured? I believe that the great challenge facing managers is that of harnessing people in the service of a common cause to work together as a team. The spirit of collegiality should be encouraged. People are caught up in a contradictory situation: as long as we benefit from this system that creates security, it is surely better for us to keep it in existence.

12. You also say that “ we must immediately find ways and means of increasing the proportion of motivated staff who are able to lead their work colleagues forward and instil a fresh dynamic into the sector which it seems to be lacking in terms of the prevailing general working climate.” Could you explain your way of thinking further and say what you think these ways and means might be?

The system itself seems not to be able to generate motivation. The organisation is such that there is a lack of recognition of individual work at both the material and human level. Staff seem to be tired of taking up a commitment to joint demands which are too clear-cut. They

prefer personalised recognition and remuneration based on performance and responsibilities rather than on seniority of age. Similarly, the index-linking of salaries is less appreciated than performance-led remuneration and payment based on the level of responsibility. The problem of this structural rigidity is inherent in the Luxembourg employment fabric. It is not confined to the financial sector alone.

The employment market - Ranking of the aspects evaluated as extremely important



13. In brief, what aspects of employment activity and its organisation do you judge to be extremely important?

The three most important aspects are recognition, respect for the work done and feedback. The next most important aspect is that of striking a balance between private and professional life. Thirdly, the working climate is also very important.

14. What factors are valued most highly by staff in relation to the employment market?

The values to which employees attach importance are job security and pay related to performance and personal responsibilities.

15. What infrastructures and facilities do employees rate most highly?

The availability of car parking is uppermost, followed by reception structures for young children and public transport services to travel to work.

Thank you Mr Margue for having shared your conclusions with us.