

Is employee loyalty a thing of the past?

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Forty percent of employees think it's no longer possible to be as loyal to a company as in the past, with the French - at 56 percent - expressing the highest such sentiment, a recent Synovate survey has found.

Synovate also discovered that one in four Russians and Ukrainians have changed jobs in the past year, almost twice as many as in the other countries surveyed.

The survey was conducted among 2,675 respondents in Bulgaria, the Czech Republic, France, Hong Kong, Hungary, Romania, Russia, Singapore and Ukraine. The study examined attitudes towards work and the factors that prompted job turnover.

Salary was the main motive cited for job-hopping: One-third of respondents who changed jobs in the past year, along with half of those actively considering changing jobs, state that a better salary is the main factor behind their decision.

Turnover in Russia and Ukraine can be attributed to fast growing economies, explains Panicos Ioannides, Synovate's General Manager for those countries. "Skilled employees are very much in demand, and companies are using higher salaries as the main lure to attract new staff."

Employee loyalty is a critical factor for any company, says Larry Crosby, CEO of Synovate's Loyalty practice. "While a certain amount of turnover is to be expected, excessive voluntary turnover hurts the bottom line. The total cost of replacing an employee can run five times their annual compensation. High turnover also adversely affects customer loyalty. Companies around the world are being challenged to keep their best employees while attracting new talent, and this is driving considerable interest in programmes to strengthen the employee bond."

I don't think it is possible to be truly loyal to a company these days, in the same way as it was in the past										
	Total	Bulgaria	Czech Republic	France	Hong Kong	Hungary	Romania	Russia	Singapore	Ukraine
Agree	40%	36%	36%	56%	41%	41%	41%	36%	38%	29%
Neutral	26%	19%	26%	21%	35%	33%	15%	36%	26%	29%
Disagree	28%	31%	29%	23%	22%	22%	41%	17%	31%	25%
Don't know/ No answer	6%	13%	9%	-	1%	4%	3%	11%	4%	17%

Source: Synovate

Attitudes towards work among the French had changed even before the recent controversy over the proposed youth employment law, notes Stephane Courqueux, Synovate's Managing Director in France. "For the French, employee loyalty was traditionally affected by several factors: Guaranteed job security, a trade-off between salary and a 35-hour working week, and other quality of life factors. They are now coming to grips with the fact that lifetime jobs with one employer are no longer feasible in the global economy. But if they feel that government policies are creating more job insecurity than employment flexibility, they will react strongly, as we have seen in recent weeks."

Taking a more cynical view, 31 percent of respondents believe that playing office politics is more important than job performance in getting ahead. Russians (53 percent) and Romanians (49 percent) are most likely to feel that navigating the maze of office politics was a more certain route for career progression than actually doing a good job. In contrast, only 17

percent of the French and Singaporeans agreed.

To get ahead, being good at playing company politics is more important than job performance										
	Total	Bulgaria	Czech Republic	France	Hong Kong	Hungary	Romania	Russia	Singapore	Ukraine
Agree	31%	36%	18%	17%	35%	22%	49%	53%	17%	35%
Neutral	29%	30%	25%	24%	33%	43%	19%	27%	24%	29%
Disagree	38%	31%	53%	59%	30%	33%	27%	15%	58%	34%
Don't know/ No answer	3%	4%	4%	-	2%	3%	6%	5%	2%	2%
Source: Synovate										

Ultimately, though, improved compensation may not be a guarantee of employee loyalty. Half of respondents agreed that a satisfying job in a good working environment is more important than salary. Singapore topped the list, with 66 percent saying that job satisfaction was paramount.

Crosby agrees: "Synovate has conducted hundreds of employee surveys around the world, and we've found that salary is only one of several factors that drive loyalty. Other strategies relating to leadership and change management, providing a stimulating job environment, offering sufficient growth and development opportunities, and ensuring open internal communications, can be just as effective in boosting employee loyalty."

CURIOSITIES

- While Russia and Ukraine recorded the highest job turnover, only 10 percent of Hungarians changed jobs over the past year.
- The main reason for changing jobs in Hong Kong was for a better working environment (18 percent), followed by a better salary (16 percent) and better working hours (13 percent).
- One-third of all respondents would be willing to forgo some pay for better training opportunities.

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