Press Release



December 6, 2019 transcosmos inc.

transcosmos conducts joint study on "engagement" with Atrae

The study proved higher teamwork engagement increases productivity

transcosmos inc. (Headquarters: Tokyo, Japan; President and COO: Masataka Okuda) and Atrae, Inc. (Headquarters: Tokyo, Japan; President & CEO: Yoshihide Arai) have conducted a joint study "Joint Study on Relationship between Engagement and Productivity and Effect of Promotion on Levels of Engagement." The joint study revealed a correlation between engagement and productivity that implies a causal relationship between the two. The study also confirmed that promotion increases the levels of engagement of the promoted employee.



[Background]

Results of studies conducted in European countries and others sufficiently support the assumption that work engagement (academic term for engagement) has impacts on workers' productivity and health. However, there are relatively less studies conducted on workers in Japan. Thus, whether work engagement has any effect on Japanese workers' productivity and health, and the situations where their level of engagement increases are yet to be confirmed. Studies on the effects of work engagement on Japanese workers are still underway in collaboration between academia and industry. Meanwhile, some studies performed on Japanese workers revealed that the effects of "work engagement," in its meaning as a precisely defined academic term, on said Japanese workers are significantly different from those of previous studies. Against this backdrop, transcosmos decided to conduct a joint study with Atrae on this subject.

The study was conducted on Digital Experience Division, Digital Marketing • E-Commerce • Contact Center (DEC) Headquarters of transcosmos, covering diverse job categories from managers, directors, designers to engineers. To investigate the results of preceding studies that were conducted overseas, the study applied an engagement scoring service by Atrae called "wevox (*)" which is proven to have criterion validity for predicting the Utrecht Work Engagement Scale developed by professors at Utrecht University, the Netherlands.

[Overview]

- Objective: Analyze relationship between engagement and productivity and effects of promotion on the level of engagement
- Period: July 29 through August 9, 2019
- Procedure: Joint study using engagement score data measured by Atrae service "wevox" and the data owned by Digital Experience Division, DEC Headquarters, transcosmos.

■ Subject data

Number of participants: 1,900 (approx.) Number of Departments: 70 (approx.)

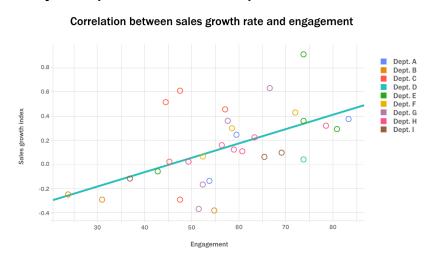
Used data: Over 200,000 questionnaire response data

Number of items analyzed: 50 items (approx.)

■ Results

(1) Correlation between engagement and productivity that implies a causal relationship between the two

The results showed that year-over-year sales growth in the fourth quarter of fiscal year 2019 increased by c.12.5% at an increase of every 10 points in wevox engagement scores of managerial employees, revealing a correlation between the two factors (p=.0014<.01**). Despite that the study could not prove a clear causal relationship between the two, a significant correlation (p=.011<.05*) was confirmed between the two factors during the time periods prior to the fourth quarter of fiscal year 2019.



These results imply that an increase in engagement scores leads to higher productivity.

The study was conducted on "teams," including advertising operations and system development, where employees from diverse job categories need to collaborate to achieve results. This means, this joint study validated a long-held assumption that work engagement relates to productivity particularly in knowledge work where teamwork is critical.

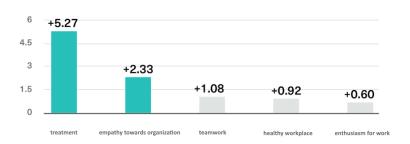
(2) Significant increase in promoted employees' engagement scores

In the group of employees who were promoted in 2019, two of the five engagement factors, namely, "treatment" and "empathy towards organization"

increased significantly (p<.001***). In addition, scores of all remaining three factors, "enthusiasm for work,"

"teamwork" and "healthy workplace" slightly increased. The results revealed that promotion is effective in preventing employee turnover and is expected to have a slight impact on increasing productivity.

Increase in engagement score of promoted employees



■ Comment from Akihito Shimazu, wevox academic advisor, Professor, Keio University

This study provides valuable data, revealing a link between work engagement and objectively evaluated productivity. Since the results do not show the link between the two on an individual basis, the results should be interpreted with caution, yet this is a very important study which can serve as a reference to consider future initiatives.

Today, there are various scales that are used to measure and deliver work-style reform (働き方改革, Hataraki-kata kaikaku) such as "increase in productivity" and "reduction in turnover rate." However, there have been no clear ways to improve nor accurately quantify the measured scores using such scales, posing a challenge for businesses to utilize the scales. Now that this joint study revealed that higher engagement score increases productivity and leads to employee turnover prevention, transcosmos will achieve work-style reform more effectively than ever before.

(*) wevox(https://wevox.io/)

In May 2017, Atrae successfully quantified and identified enterprise organizational challenges by applying its proprietary survey, and released the survey as a service that promotes turnover reduction, productivity improvement, manager development and work-style reform. Today, the service is deployed by more than 1,100 organizations and Atrae has accumulated a cumulative total of 13.40 million response data. The service applies "pulse survey," a scheme for companies to receive feedback from their employees in a routine and cost effective way. With wevox, companies can grasp challenges that organizations face in real time by asking employees to fill out a two-minute survey which will also give feedback on the measures that they have conducted for improvements. Atrae's wevox won "Outstanding Service Award: Organizational Transformation and Development Category" at the "HR Award 2017," by Nihon no Jinji-bu (translated as Japan HR Department). The service also received the 2019 Good Design Award.

Atrae, Inc. Overview

Company name: Atrae, Inc.

Location: 2nd floor, Azabujuban Nissin Building, 1-10-4 Mita, Minato-ku, Tokyo, Japan

Officer: President & CEO Yoshihide Arai

Business Outline: Plan/ develop/ manage 'Green', a contingency fee basis job site (job information website).

Plan/ develop/ manage 'yenta', a matching app for business professionals with an AI based

recommender system.

Plan/ develop/ manage 'wevox', a platform for organizational improvement.

Plan/ develop new businesses (new Web services).

About transcosmos inc.

transcosmos launched its operations in 1966. Since then, we have combined superior "people" with up-to-date "technology" to enhance the competitive strength of our clients by providing them with superior and valuable services. transcosmos currently offers services that support clients' business processes focusing on both sales expansion and cost optimization through our 168 bases across 30 countries/regions with a focus on Asia, while continuously pursuing Operational Excellence. Furthermore, following the expansion of e-commerce market on the global scale, transcosmos provides a comprehensive One-Stop Global E-Commerce services to deliver our clients' excellent products and services in 48 countries/regions around the globe. transcosmos aims to be the "Global Digital Transformation Partner" of our clients, supporting the clients' transformation by leveraging digital technology, responding to the ever-changing business environment. https://www.trans-cosmos.co.jp/english/

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^{*} In this press release, "work engagement" refers to the precisely defined academic term and "engagement" refers to its general definition.