

Press Release

Industry Innovation Index

Industry's Battle for Skilled Staff – Corporate Culture More Important Than Money, Study Shows

- **87 percent of young employees particularly favor a cooperative working atmosphere**
- **A large salary clinches the choice of employer for only 28 percent of entry-level employees**

Wesel, May 13, 2014 – The battle for the most talented employees is a demanding task for German industry. Forty-four percent of managers said their greatest challenge was attracting specialists with the right technical and scientific background, ranking alongside globalized competition (46 percent). This is the result of the "Industry Innovation Index" – a multi-sector study carried out by the research institute Forsa on behalf of the specialty chemicals group ALTANA. The survey covered 250 top-level decision-makers and 250 entry-level employees at German industrial companies. But how can firms win over the best candidates? This takes more than a generous salary, as shown by the survey. An above-average income is the deciding factor for only 28 percent of talented young industrial specialists when choosing an employer.

In their initial years of employment, on the whole young professionals are not looking primarily for highly paid positions, bonuses and status symbols. The list of relevant criteria for selecting an employer is headed by a cooperative working atmosphere ("very important" for 87 percent), room for creativity (66 percent) and attractive promotion prospects (56 per cent). The upcoming specialists also see success, image and the future viability of the company as more important than financial considerations (47, 34 and 34 percent respectively).

Industrial companies must adjust to the new generation's communication habits

Another result of the study was that the new generation of industrial specialists makes its own contribution to a cooperative working climate, and in fact to a much greater extent than the established managers. For example, almost half of entry-level employees actively share information with other departments as normal working practice. But only close to one manager in five does this as freely. Yet at the same time, 58 percent of corporate executives regard promoting cross-departmental exchange as the most important aspect in a culture of innovation.

"Well qualified applicants demand dialog between equals. Innovative ideas often arise only during dialog between colleagues from different levels of the hierarchy and different departments," says Dr. Matthias L. Wolfgruber, CEO of ALTANA AG. "Companies that recognize this potential and purposely foster it are not only one step ahead in the battle for the best specialists, but can also set themselves apart from the competition with their drive for innovation."

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Room for creativity is more important than salary

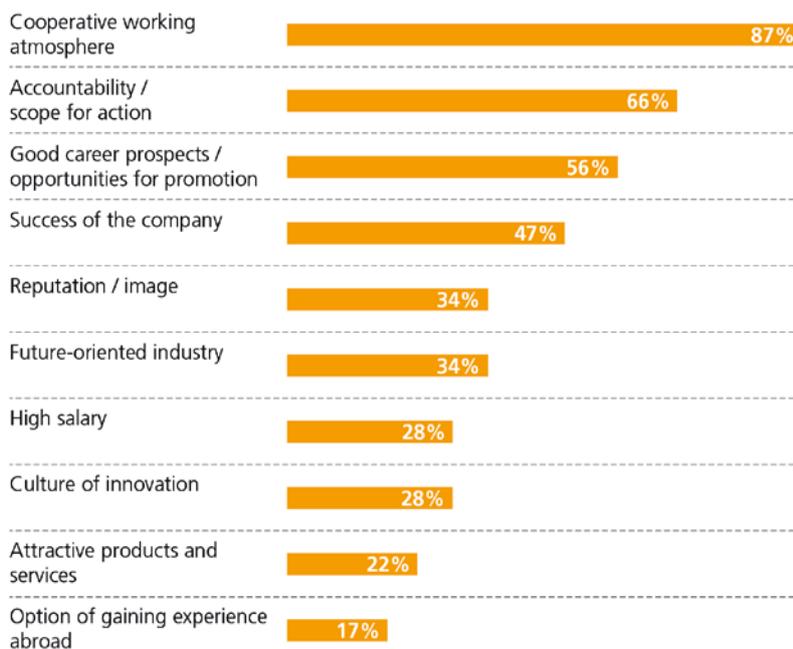
There is also room for improvement when it comes to allowing employees the flexibility to be creative. For instance, 54 percent of senior managers definitely associate sufficient freedom for employees with a "culture of innovation." But only twelve percent of companies actually allow their staff this kind of flexibility in their everyday work.

"If an industrial company actively promotes a corporate culture that creates a cooperative working atmosphere and flexible ways of taking action at all levels, this also has a positive impact on its attractiveness as an employer. A high salary and a well-known name are no longer sufficient to attract young professionals," says Jörg Bauer, Vice President Human Resources and a member of the Executive Management Team at ALTANA.

Background to the "Industry Innovation Index" study

In November and December 2013, the market research institute Forsa conducted 500 telephone interviews with representatives of industrial companies with 250 or more employees, on behalf of the ALTANA group. A total of 250 board members, managing directors and heads of department were interviewed. Parallel to this, Forsa surveyed 250 entry-level employees from industrial firms who were aged between 18 and 35 and had two to five years of professional experience.

Culture of Innovation and Employer Attractiveness



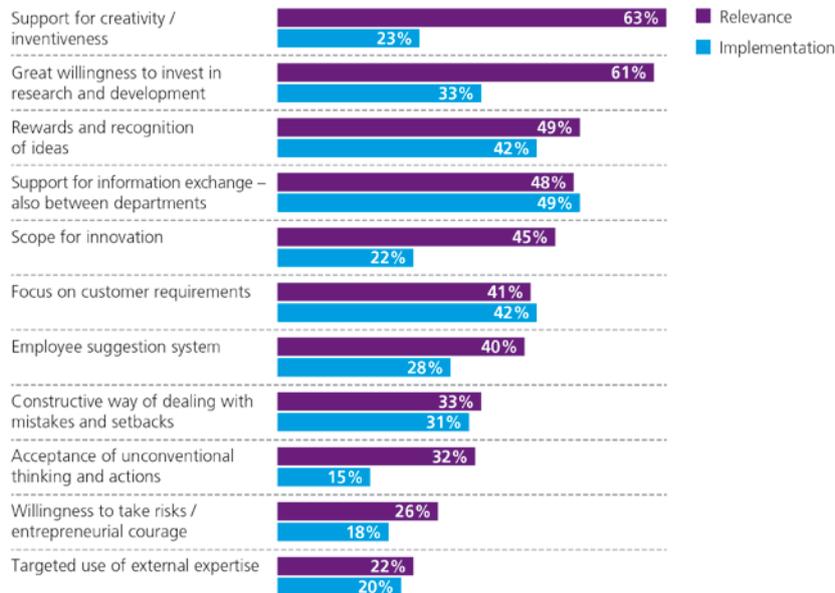
Question: Supposing you were looking for a new employer. How important are the following factors to you? What about ...? Shown here: results for "very important"

Basis: entry-level employees, n = 250

Source: ALTANA AG

Press Release

Culture of Innovation from the Perspective of Entry-Level Employees



Question: To what extent do these aspects correspond to your understanding of a "culture of innovation"?
Shown here: results for "very closely"

Question: To what extent are the statements on "a corporate culture of innovation" implemented in your company? Shown here: results for "very great"

Basis: entry-level employees, n = 250

Source: ALTANA AG

You can obtain the graphics above in printable quality if you click on the individual graphic(s) required. We will keep other formats as well as black-and-white versions available for you. Please get in touch with us at press@altana.com

About ALTANA:

ALTANA develops and produces high-quality, innovative products in the specialty chemicals business. The ALTANA Group, with headquarters in Wesel/Germany, is a genuine "global player" with about 85% of its sales generated by international activities. The ALTANA Group has four divisions: **BYK** Additives & Instruments, **ECKART** Effect Pigments, **ELANTAS** Electrical Insulation, and **ACTEGA** Coatings & Sealants. All of these divisions occupy a leading position in their target markets with respect to quality, product solution expertise, innovation and service.

ALTANA offers innovative, environmentally compatible solutions with the matching specialty products for coating manufacturers, paint and plastics processors, the printing and cosmetic industries, and the electrical and electronics industry. The product range includes additives, special coatings and adhesives, effect pigments, sealants and compounds, impregnating resins and varnishes, and testing and measuring instruments. At present, the ALTANA Group has 46 production facilities and more than 50 service and research laboratories worldwide. Throughout the Group more than 5,700 people work to ensure the success of ALTANA worldwide. In 2013, ALTANA achieved sales of about 1.8 billion Euros. Its impressive earning power and high growth rate make ALTANA one of the most successful and innovative chemical groups worldwide.

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