

Major new survey American workforce survey:

**Problems at the Top – Apathy, Contempt for Managers
Majority Of Workers Believe Their Bosses Lack Integrity and Fairness;
37% Of Managers Indifferent to Their Company’s Fate**

New York, NY – January 20, 2005 – More than half of American workers question the basic morality of their organizations’ top leaders and say that their managers do not treat them fairly, according to results of a just-released, representative, nationwide survey of 7,718 American workers aged 18 and over.

Reacting to ongoing corporate scandals, accelerating outsourcing and continued downsizing, only 36 percent of workers said they believed top managers acted with honesty and integrity. Even fewer (29 percent) believe management cares about advancing employee skills, while one-third of all workers feel they have reached a dead end at their jobs.

Sponsored by 24 leading U.S. companies, the “New Employer/Employee Equation Survey” was conducted by Harris Interactive, Inc. for Age Wave, an independent think tank that counsels business and government on issues impacting an aging society, and The Concours Group, a global consultancy advising senior executives.

“This survey, an unusually broad-based look at today’s workforce, indicates a dramatic shift in traditional workplace attitudes, preferences, needs, and aspirations,” said Ken Dychtwald, Ph.D. of Age Wave.

The wide-ranging “New Employer/Employee Equation Survey” covered workers’ views on work, engagement in the workplace, benefits, forms of compensation, employer competence and integrity, and retirement.

Facing a growing shortage of qualified workers and an aging workforce, employers must move rapidly to develop strategies for dealing with these emerging multi-generational workforce issues, the researchers found.

Other key findings:

- Small firm employees feel far more engaged in their work than their corporate counterparts.
- Older workers are the most satisfied, the most engaged in their work, and the least likely to feel burned out.
- Younger workers are the most distressed and restless, and they feel the least amount of loyalty to their employers.
- Substantial numbers of employees feel dead-ended and are seeking changes at work or new jobs altogether.
- Job security, health care coverage and professional development are valued above additional compensation.

Age Wave and Concours are currently constructing a model of the new segments of the American workforce based on the survey and aimed at helping employers understand and engage all of their different types of workers more effectively. The authors believe that in the 21st century workplace, the ability to manage “diversity” of work style, work stage and attitudes toward employment will drive success in recruiting, retaining and motivating the most talented and productive employee base.

“Management gurus talk about the difference between satisfied customers and delighted customers,” Tamara Erickson, executive vice president of the Concours Group, said. “Today, one of the most important things employers can do is convert merely satisfied employees into enthusiastic, engaged employees. This survey provides many specific indicators of how to do just that, while also reengaging management on behalf of the company and its workforce.”

The survey results run counter to long-held beliefs in a number of key workplace categories, including:

Job Satisfaction vs. Engagement

Across the American workforce, only 45 percent of workers say they are satisfied (33 percent) or extremely satisfied (12 percent) with their jobs. At the same time, a much lower number actually feel very “engaged” by their jobs. Only 20 percent feel very passionate about their jobs; less than 15 percent agree that they feel strongly energized by their work; and only 31 percent (strongly or moderately) believe that their employer inspires the best in them.

Managers: Part of the Problem

Managers were only slightly more positive about the organizations they are charged with leading than employees as a whole. While nearly two-thirds (63 percent) agree that they care about the fate of their organization – more than one-third, surprisingly, do not. Slightly more than one-third of managers surveyed feel that their organizations inspire the best in them or are willing to promote their organization as being a great place to work.

Benefits and Satisfaction

Given the rising costs of coverage, it’s no surprise that one of the major issues facing corporate America is providing health coverage to employees. The data suggest these pressures are compounded by the fact that overall health care coverage is the number one employee priority – more important than future retirement coverage, prescription drug or other benefits. Beyond traditional benefits, workers are increasingly seeking jobs that provide them with opportunities to learn and to grow.

Worker Burnout

Increasing numbers of employees are coping with burnout (42 percent), while one-third (33 percent) believe they have reached a dead end in their jobs, and 21 percent are eager to change their jobs.

Burnout will be an especially critical concern for American companies as demographers predict that retiring baby boomers will create a shortfall in professional and skilled workers over the next five years.

Firm Size Makes a Difference

Employees at small firms (49 employees or less) report far greater job satisfaction than do employees at large firms. They are more likely to feel “energized” by their work (44 percent vs. 28 percent at large firms) and “very passionate” about their job (53 percent vs. 36 percent).

Large firms are much more likely to offer a more robust platter of benefits beyond basic compensation than small companies. These include bonus compensation (44 percent vs. 24 percent); stock options or grants (50 percent vs. 7 percent); retirement savings plan (83 percent vs. 29 percent), annual pay raises (74 percent vs. 34 percent), and life insurance (80 percent vs. 31 percent).

Despite the more generous benefits provided by large firms, employees of smaller companies are much more engaged and are more likely to “really care about the fate of this organization” (64 percent of small companies vs. 47 percent of large firms). They are also more willing to put forth extra effort to help the organization succeed (61 percent vs. 43 percent), to agree that the organization inspires the best in them (44 percent vs. 24 percent), and to say that they would “accept almost any job to keep working here” (29 percent vs. 16 percent).

Retirement Only One Option

While many workers expect to retire at certain ages (25 percent between ages 61 and 65; 16 percent between ages 66 and 75), today a whopping 34 percent say they NEVER plan to retire.

Traditional views of retirement are changing dramatically, with many planning to keep working in some manner after retiring. Of those, 12 percent say they plan to work full-time, 39 percent part-time, and 49 percent to cycle back and forth between working and not working. Older workers will provide companies with a valuable pool from which to address skill and labor shortages. However, organizations will have to rethink how best to attract and accommodate these older workers and their preferred work schedules.

Time Off and Family Life

Nearly all workers were seeking more time off – and a better balance between work and leisure. When asked which mattered more – paid maternity leave, flexible work schedules, or more paid vacation time – workers overwhelmingly ranked more paid vacation time as their single biggest desire. This response received more than twice as many votes as both a more flexible work schedule and paid maternity leave. In addition, as the workforce ages, employers will likely have to accommodate their employees' need to spend more time with family members, many of whom are older. Twice as many employees surveyed were becoming grandparents than having a new child themselves. While a third of the workforce (33 percent) is involved with raising children, 13 percent find themselves empty nesters adjusting to children leaving home.

The Methodology

The New Employee/Employer Equation was conducted by Harris Interactive from June 2 to June 16, 2004, among a scientifically representative sample of 7,718 employees 18 and over across the country who worked at least 30 hours per week. Many months were required to properly evaluate and analyze the massive data. The interviews included overweighted samples of employees of large firms (5,000 or more employees), managers, professionals, and of those 65 and over to yield separate analyses of these workforce segments.

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NOTE TO EDITORS: To obtain the full results of The New Employer/ Employee Equation or to schedule an interview with Ken Dychtwald, Tamara Erickson or Bob Morison, please contact William G. Armstrong Jr. at The Dilenschneider Group, 212-922-0900 (warmstrong@dgi-nyc.com).

About Age Wave

Under the leadership of Founder Dr. Ken Dychtwald, Age Wave guides Fortune 500 companies and governments in product/service development for boomers and mature adults. www.agewave.com

About The Concours Group

The Concours Group works with senior executives at more than 300 of the Global 1000 to master critical issues in management and to turn human capital and technological potential into business value. www.concoursgroup.com

About Harris Interactive

Harris Interactive Inc., the 15th largest and fastest-growing market research firm in the world, is a Rochester, N.Y.-based global research company that blends premier strategic consulting with innovative and efficient methods of investigation, analysis and application. Known for The Harris Poll and for pioneering Internet-based research methods, Harris Interactive conducts proprietary and public research to help its clients achieve clear, material and enduring results. www.harrisinteractive.com