

# Employee Job Satisfaction & Retention Survey

## 2007 / 2008



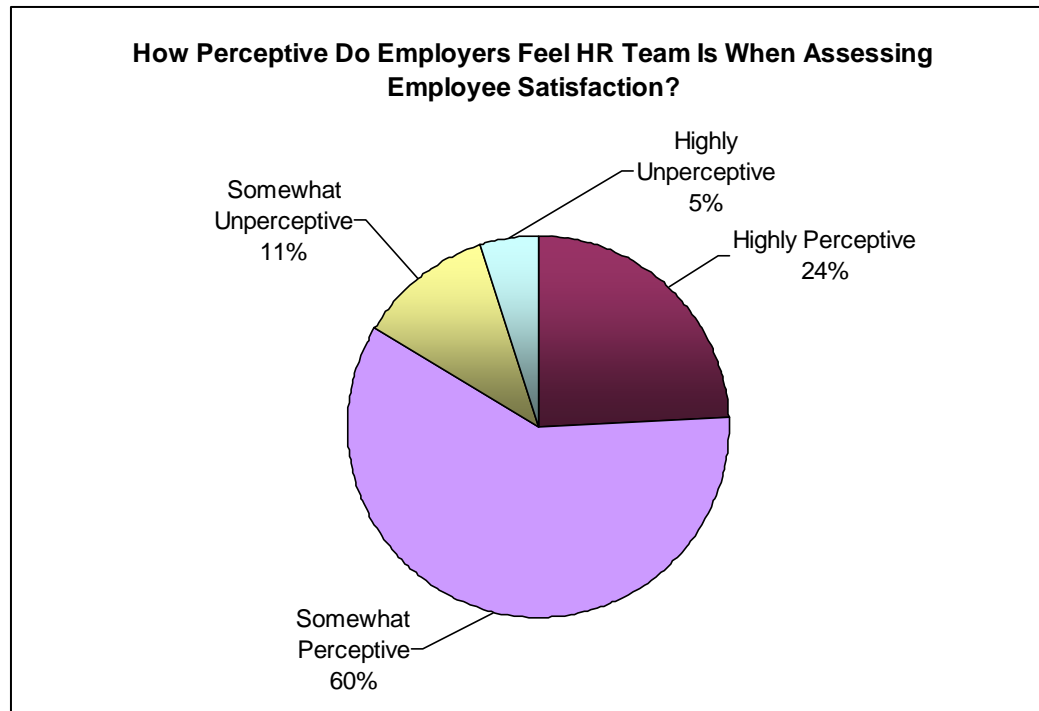
## An Employer versus Employee Overview

# Survey Highlights

At the end of 2007, Salary.com conducted its third annual survey of employee job satisfaction and the factors that contribute to satisfaction and retention. The survey asked questions of both employees and employers and yielded surprising and often conflicting results.

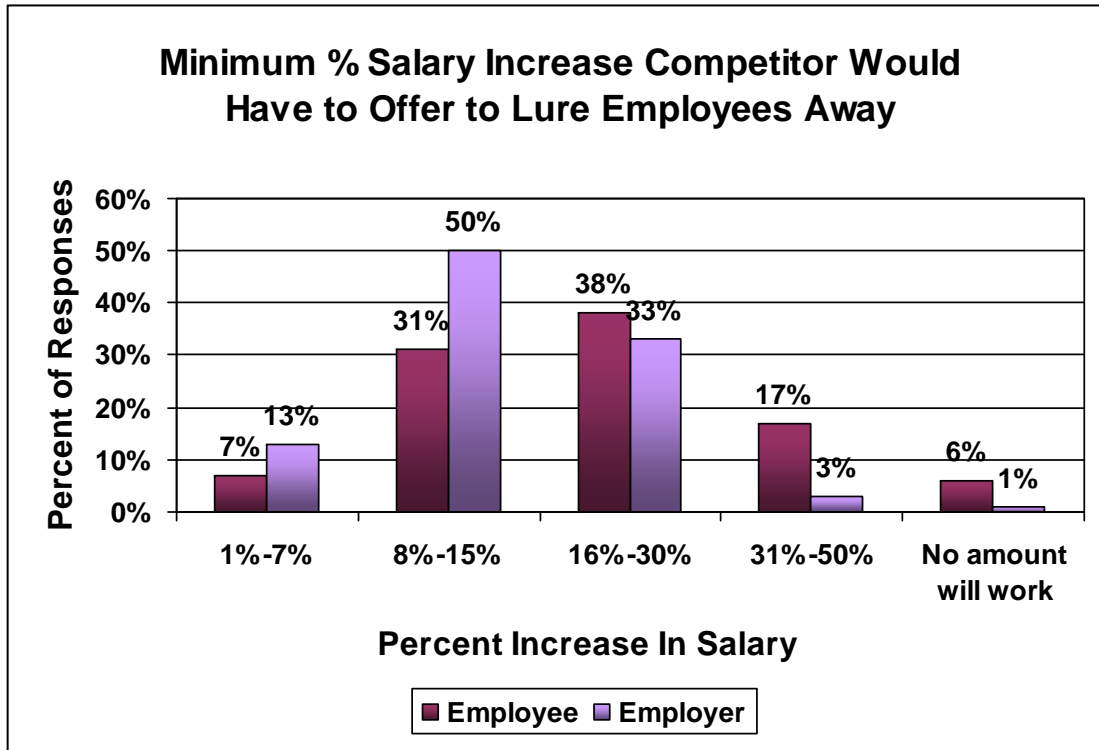
- ▶ Employers continue to underestimate employees interest in actively searching for new employment within the near future.
- ▶ Compensation is the most important factor for employees when choosing to leave a job; it is less of a factor for why they stay in a job.
- ▶ When broken down by gender, attractive compensation is the top reason for staying in a job for men, while women focus more on working relationships and desirable working hours. A gender breakdown does not alter the results for why employees leave a job.
- ▶ Although employers recognize the rising costs of replacing employees due to turnover, they will only offer, on average, a 7% increase to entice a valued employee to stay.

# Employer Perception of Employee Satisfaction



Sixty percent of employers feel they are “somewhat perceptive” and 24% feel they are “highly perceptive” when assessing employee satisfaction, survey results reveal that confidence is unwarranted.

# Reality of Competitive Offers



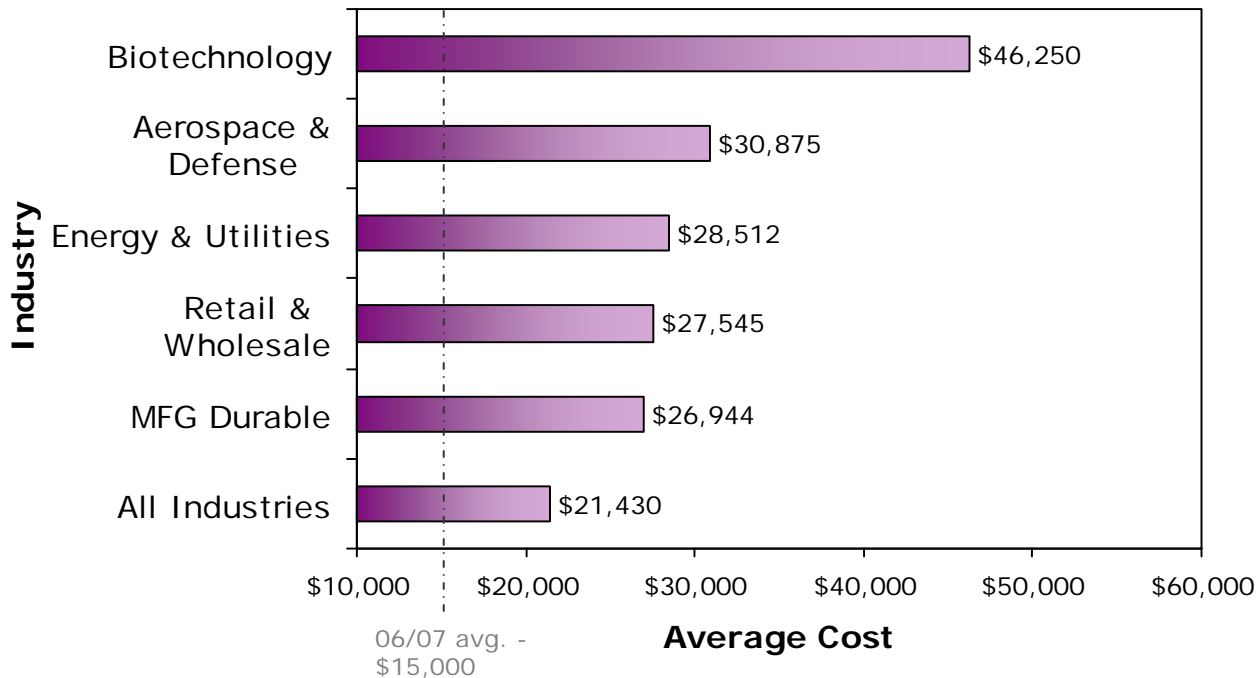
► Fifty percent of employers believe a salary increase of 8-15% is enough to lure current employees away.

► Thirty-eight percent of employees would need a competitive offer of 16-30% to consider moving to a different organization. Seventeen percent would expect 31% or more.

► Fifty-one percent of employers “sometimes” make counter-offers; 14% “almost always” counter-offer; 35% never counter-offer.

# Cost to Replace an Employee Due to Turnover

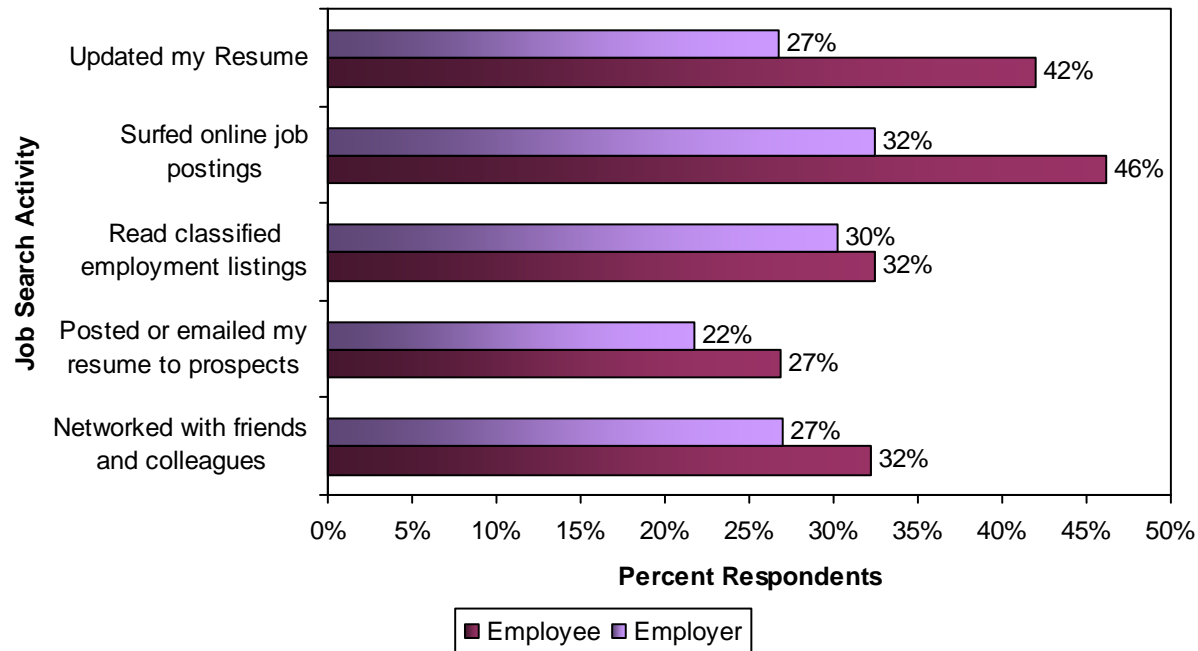
Top 5 Industries where average cost of replacing an employee due to turnover is highest



- ▶ In 2006/2007 employers estimated replacement costs due to turnover to average approximately \$15,000.
- ▶ This year employers estimate costs will average \$21,000 which represents a 40% increase.

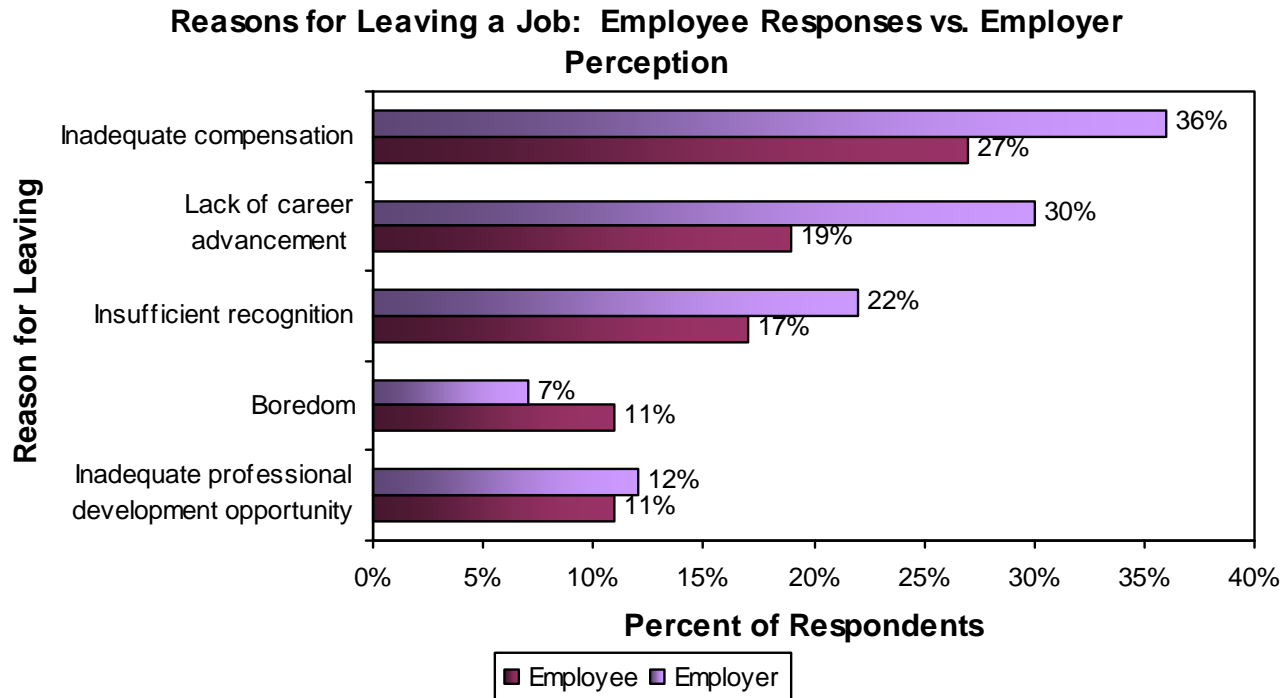
# Top 5 Employee Job Search Activities

Employee Job Search Activities: Employee Responses vs. Employer Perception



Employees report to be engaged in the same top five search activities as last year. As in past years, employers underestimate the extent of employee involvement in these activities.

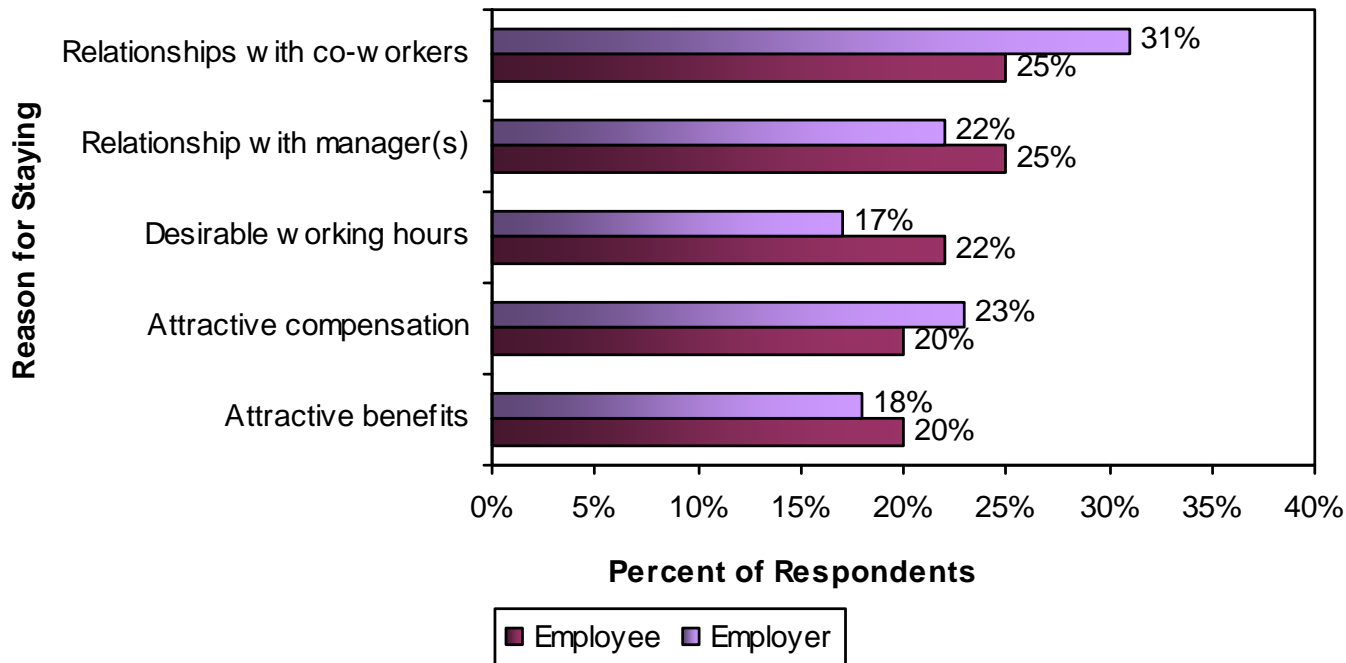
# Top 5 Reasons Employees Leave a Job



- ▶ For the third year in a row, inadequate compensation remains the top reason employees leave a job.
- ▶ Employees and employers disagree most significantly in regard to the manager/employee relationship. Only 6% of employees selected this as a reason for leaving a job while 30% of employers felt this was a major factor.

# Top 5 Reasons Employees Stay in a Job

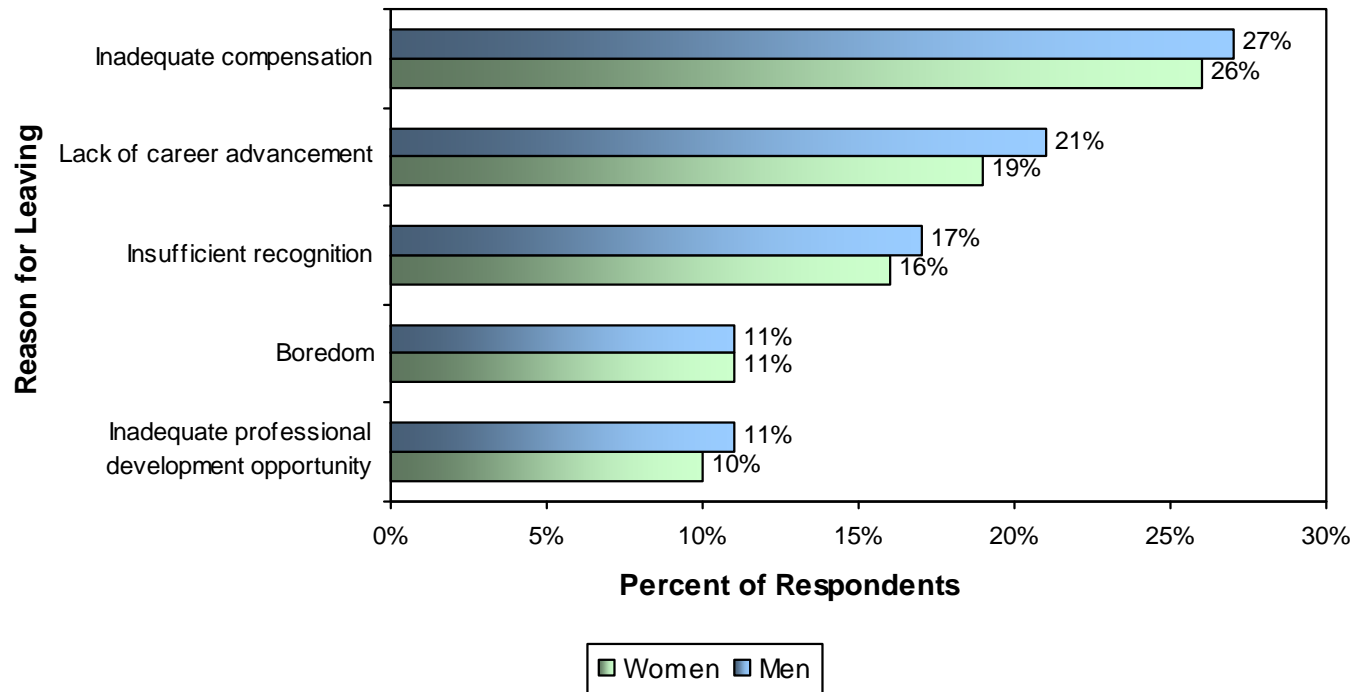
Employee Reasons for Staying in a Job vs. Employer Perception



- ▶ The top reasons for remaining in a job were similar to last year, the only difference being *attractive compensation* replaced *job security* in the top 5.
- ▶ Interestingly, more than half of employee respondents did not list any reasons for staying in their job on this year's questionnaire.

# Top 5 Reasons Employees Leave a Job Women vs. Men

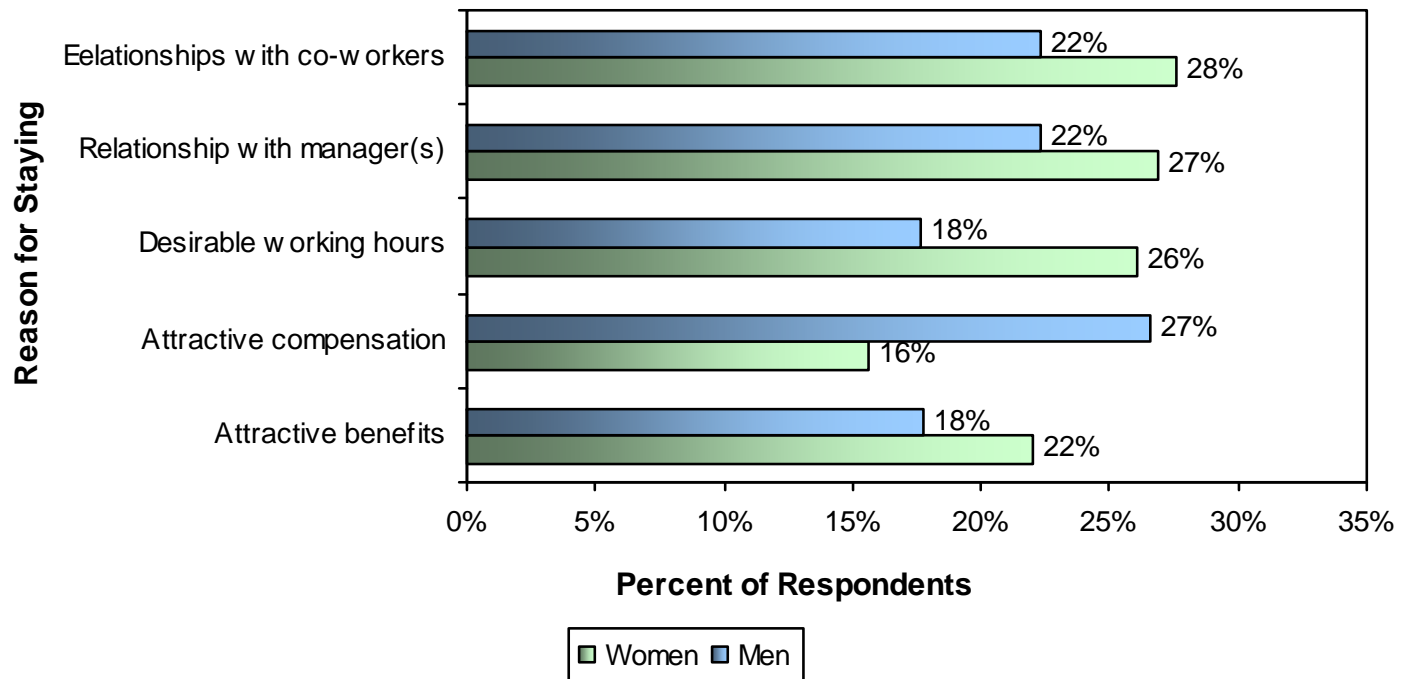
Employee Reasons for Leaving a Job - Women vs. Men



As reported last year, men and women leave jobs for the same reasons. The ranking of the top five reasons is identical to last years' results with inadequate compensation being the most popular response.

# Top 5 Reasons Employees Stay in a Job Women vs. Men

Employee Reasons for Staying in a Job - Women vs. Men



- ▶ Men and women again reported the same top reasons for staying in their jobs.
- ▶ Women place a higher importance on desirable working hours and work relationships while men focus more on compensation.

# What Benefits Would Entice Employees to Stay in a Job?

The most popular responses to benefits (outside of compensation) that would entice employees to stay in their jobs - in order of preference – are:

- ▶ Professional development
- ▶ Ability to work from home
- ▶ Additional week of vacation
- ▶ Flexible work schedule

Of those employees who selected “other”, the most popular responses were “better 401(k) program” and “enhanced health insurance benefits.”

# Methodology

Salary.com invited a cross-section of individual employees and business representatives from across America to participate in its *2007/2008 Employee Satisfaction and Retention Survey*. Prospective participants received an email containing the survey questionnaire. Participants completed as many sections of the survey as they desired, and then submitted their results to Salary.com electronically.

Salary.com compensation professionals reviewed the data for consistency and accuracy and excluded data that appeared to be invalid. A total of 7,482 individuals and 245 human resource or other company representatives responded to our survey. Among the individual employee respondents, 7,101 were employed and provided valid responses to the survey questions—the remaining 381 were excluded from all analysis.

Recipients of this report will find it impossible to discern the data contribution of any individual or company. Submissions were aggregated with data submitted by similar groups before results were calculated. Each numerical result reported in this document is based on data submitted by at least five (and often many more) separate respondents. This conservative approach is designed to protect participant confidentiality, and is consistent with the “Safe Harbor” guidelines adopted by the U.S. Department of Justice and the U.S. Federal Trade Commission.