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THE ANSWERS™ AMERICAN EMPLOYEE STUDY
A New Perspective on Employee Attitudes and Behaviors

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NOT THE SAME OLD STORY

Employers and employees deserve better. Every year, we see the same headlines touting the results of the latest studies on the American workplace and the mindset of the American worker. And every year, we hear the same things: average American employees are not satisfied, and it’s primarily because of their bosses.

But is there more to it than just that? Answers™ has decided to apply its proven and patented cause-and-effect methodology to this critical dialogue: What makes an employee satisfied and engaged? We’ve brought the same level of science and rigor to this paradigm that we bring to our measurements of customer experience. Workplace issues are too important to your company’s success to simply continue with the unproven and biased “measurement” concepts previously used. It is well established that business success is often predicated on how well employers understand and react to their employees’ needs. Employees have a choice, and they ultimately vote with their feet. If they are satisfied and engaged, they are more likely to stay. Conversely, if they’re not satisfied and engaged, why would they stay? Moreover, why would they recommend their company to other people, support the brand and otherwise do the things they ideally would? And even more important, if they aren’t satisfied and engaged, why would they work to satisfy your company’s customers?

We KNOW that traditional employee satisfaction studies and analytics are NOT working. How do we know this? Well, we know that nearly half of our study participants report they have never even been asked by an employer to take an employee survey. Even fewer have any confidence that their employers know what motivates them (Figure 1).

**FIGURE 1. HOW WELL EMPLOYERS KNOW EMPLOYEES**

<table>
<thead>
<tr>
<th>% Disagree</th>
<th>My employer …</th>
</tr>
</thead>
<tbody>
<tr>
<td>32%</td>
<td>… knows if I am happy in my role.</td>
</tr>
<tr>
<td>43%</td>
<td>… has an ongoing process to understand my job satisfaction and likelihood to stay at the company.</td>
</tr>
<tr>
<td>48%</td>
<td>… understands what my career goals are in the future.</td>
</tr>
</tbody>
</table>
Worse, perhaps, than conducting no study at all is conducting a poor one that results in a bunch of numbers and no direction and no action. Eighty-five percent of our respondents who had participated in an employee survey in the past report that they saw little action taken by their employer as a result of providing feedback.

This is because understanding to what degree your workforce is satisfied and engaged, and how that will affect future behavior, is not simple. It’s complex. And coming at it with preconceived notions about employee attitudes (they hate their boss, they want more money, etc.) isn’t moving anyone forward—or providing any actionable insights about what companies can really do to increase engagement and employee retention. That’s why we undertook this study.

And, by the way, 86% of American employees like their bosses.

Leveraging our ForeSee methodology, an Answers solution, we were able to apply our time-tested, cause-and-effect framework, based on empirical findings from 80 years of social psychology research, 20 years of econometric research and more than a decade of practical field implementation at leading global organizations, to measure the employee attitudes that lead to behaviors that employers want to cultivate. This study measures both attitudes (an employee’s satisfaction with and engagement in their work) and specific future behaviors (retention, as measured by an employee’s intent to stay with the company).

By using predictive analytics to understand the relationship between employee satisfaction, engagement and future behaviors, we are able to provide strategic insights into employee motivation and tactical insights into what employers can do to improve the employee experience. In *The Answers American Employee Study*, we use this knowledge to reveal what’s happening with the American employee experience as a whole.
IT’S NOT ALL ABOUT THE MONEY

In our inaugural look at the American employee experience, overall worker satisfaction is rated at 65, on a 0-100 scale. While there are some wildly enthusiastic, loyal, Monday-loving employees among the study respondents, and disheartened, on-their-way-out participants as well, a score of 65 indicates that most employees are somewhere squarely in the middle. Where other studies may classify these people as checked out, we consider them the silent majority; they aren’t terribly satisfied or dissatisfied, but they can have a tremendous impact on an organization—and taking steps to increase their satisfaction can result in positive outcomes for all involved. Tapping into the needs and wants of the silent majority is where ideas for real retention materialize.

By graphing the various employment factors with their corresponding satisfaction scores and quantified impacts on a Priority Map (Figure 2), it is clear that ideas on what is driving employee satisfaction are being challenged. It is not just about compensation or how one gets along with his or her supervisor. Yes, those are present and accounted for, but the big new idea here is that employees hold their leadership accountable for much more than they used to. Employees want to be in the know regarding how their company is doing, what direction it is headed and that long-term decisions are being made that consider their best interests. Our analytical engine produced clear guidance that companies are not delivering on this modern employee need.

FIGURE 2. DRIVERS OF EMPLOYEE SATISFACTION
So what to make of all this? Back in the days of gold watches and pension plans, the employee/employer relationship was a two-way street—the employee provided years of loyal service and, in return, the employer provided job security. As employees became more empowered and the notion of dedicated service to a single company throughout a career became extinct, employers began to lose sight of many of the intangible things that made work rewarding and, instead, began to focus on things they felt this new workforce was seeking, like compensation and benefits packages.

Our study finds that even though employees aren’t committing their careers to a single employer, they still have expectations beyond extrinsic motivators like compensation that need to be understood and met.

“My manager and I) have an excellent working relationship where we truly understand each others’ strengths and weaknesses and are collaborative. I feel valued in that aspect and as though I am contributing, which is important to me.”

Applying predictive analytics and quantifiable expected outcomes to drive business recommendations sets a powerful stage for HR leaders. As in this study, ForeSee by Answers uses Priority Maps to present the findings of Employee Experience studies for specific organizations to clearly illustrate where companies will receive the highest value if they focus on specific employee initiatives. This means that companies can take action in the areas that are most important to the employees and impactful for the bottom line—and avoid being part of the 85% of companies that don’t make things happen as a result of soliciting employee feedback.
ENGAGEMENT: GIVE ME VISION AND CHALLENGE

Great employees, the ones that put forth discretionary effort, the ones that go the extra mile for the customer—are the employees employers seek to create. So, how does an employee’s level of satisfaction with what they do every day influence their level of engagement in what they do? In our study, we defined employee engagement as the degree to which employees feel emotionally connected to their company. Three distinct profiles emerged (Figure 3).

Once again, we see a silent majority appear, with almost half of employees falling in the middle of the range of the scale. This is the place of opportunity for employers to take action to move these employees from indifference to engagement, and in turn, reap the rewards of a more committed workforce.

Our study found the top three drivers of employee engagement to be:

1. Leadership
2. Job
3. Supervisor
LEADERSHIP

The American employee deeply craves company leadership that supports long-term growth over short-term gains and that can provide a clear vision of the company’s direction. They also want to be informed and expect leaders to effectively and frequently communicate company information and updates. The complexities of the modern economy—internationalization, importance of maintaining competitive advantage, ease of “information leaks”—all contribute to many companies taking the easier path of simply not sharing information. This will prove to be a long-term error, as it will lead to lower employee retention.

JOB

Sure, the nature of the work itself (whether it’s challenging, motivating and interesting) and role clarity (whether the task is clearly defined and understood) contribute to satisfaction and engagement. While study participants gave relatively high marks when it came to understanding how their job contributed to the overall success of the organization and providing a sense of accomplishment, employers should find ways to ensure employees feel that they are given opportunities to challenge their skills and abilities.

SUPERVISOR

Finally, let’s discuss an employee’s day-to-day manager/supervisor. The reality is that employees who feel that they receive praise and recognition when they do a good job and who also receive constructive feedback when necessary are much more satisfied and engaged than those whose supervisors do not provide this sort of mentorship. In addition, relative to non-managers, managers (those who have direct reports) are much more satisfied (71 satisfaction score vs. 62 satisfaction score), are more engaged (68 engagement score vs. 54 engagement score) and have a higher propensity to stay (70 retention score vs. 61 retention score). The irony of the existing canon of employee engagement research is that so much of it is focused on solving some over-exaggerated issue with the supervisory relationship. That would be helpful if most people didn’t have a good relationship with their manager, but most do (86% report good dealings with their supervisor).
ALL DIFFERENT AND ALL THE SAME, JUST LIKE ALL OF US

Other studies assert that employee satisfaction and engagement differ by generation, but our findings suggest differently (Figure 4).

While there are indeed unifying themes like Leadership that drive these attitudes, employers who are really seeking to understand their workforce need to dig deeper than making assumptions about superficial generational differences. For example, our study found that people who work at the headquarters of a company feel the most emotionally connected to the organization, while people who work from home are more satisfied. Neither of these was dependent upon age, yet both pose a clear dichotomy for employers who are seeking to understand what makes their employees tick and take action to improve both satisfaction and engagement.

FIGURE 4. SATISFACTION BY AGE, GENDER, AND SECTOR

<table>
<thead>
<tr>
<th>Age</th>
<th>Satisfaction</th>
<th>Engagement</th>
</tr>
</thead>
<tbody>
<tr>
<td>18 – 34</td>
<td>66</td>
<td>62</td>
</tr>
<tr>
<td>35 – 44</td>
<td>65</td>
<td>59</td>
</tr>
<tr>
<td>45 – 54</td>
<td>63</td>
<td>56</td>
</tr>
<tr>
<td>55+</td>
<td>65</td>
<td>57</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Gender</th>
<th>Satisfaction</th>
<th>Engagement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Females</td>
<td>65</td>
<td>59</td>
</tr>
<tr>
<td>Males</td>
<td>65</td>
<td>57</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Sector</th>
<th>Satisfaction</th>
<th>Engagement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Blue Collar</td>
<td>63</td>
<td>55</td>
</tr>
<tr>
<td>White Collar</td>
<td>66</td>
<td>59</td>
</tr>
</tbody>
</table>
We have a good relationship, but I would not leave my boss, no matter what. He is a great boss, and good jobs and great bosses are hard to find!"

“When something is added to the workload, something else needs to be taken away. I can’t keep doing justice to all my tasks if every year I have more tasks.”

**RETENTION: WHY SHOULD I STAY?**

Why should employers care about employee satisfaction and engagement? Because ultimately, they influence employee behaviors that companies want to cultivate—including keeping good employees with the company. According to a 2012 report from the Center for American Progress, it costs businesses roughly one-fifth of a worker’s salary to replace him or her when an employee leaves the company. Other studies cite the cost of replacing a knowledgeable, salaried executive to be as high as 213% of that executive’s salary. Additionally, the opportunity costs resulting from filling in vacated roles, like overtime incurred by remaining employees, new training costs, lost knowledge, recruiting costs and the time required for interviewing new candidates, can be high.

We’ve discussed the impact that the supervisor and leadership have on satisfaction and engagement for the American workforce, so it comes as no surprise that these two elements also emerged as the strongest drivers of employees’ intention to stay with their current company.

Work/Life Balance also appeared in the study as a key retention driver. We define this as the ability to balance work and family, the work to be performed being predictable each day, and the ability to accomplish all of one’s tasks in a given day. Managing employee workload is hard for an employer to do since it is so individualized. One key ingredient to support an employee at work and to encourage retention is training. We found that offering any form of training has a massive impact on retention. Of those with the highest stay intent, 88% reported that they have received some kind of training on the job, while 30% of those with low stay intent have not received training at all.

The bottom line? Americans want company leadership with long-term vision, and they want to be kept in the know about the organization. Americans want to be fairly compensated—but they also value managers who consistently provide appropriate guidance and recognition. Finally, they will stay with employers when they feel their work is challenging, rewarding and not intrusive of their personal time. It all sounds so easy, but it’s not.
NOT ALL COMPANIES ARE CREATED EQUAL

This study provides a broad perspective of the American employee overall, not of a specific group of employees at a specific company under specific circumstances. Drivers of satisfaction, engagement and employee retention—and the degree to which those drivers have an impact—will differ by employer. Therefore, organizations wanting to proactively guide their silent majorities, the masses huddled in the middle of the satisfaction and engagement bell curves, must thoroughly understand the employee experience in the context of their own enterprise.

So, we’re back where we began. Understanding to what degree your workforce is satisfied and engaged, and how that will affect future behavior, is not simple. It’s complex.

To truly understand and influence the employee experience, begin by asking the right questions in the right way, using a methodology that will yield the insights you need to take predictively successful actions. By understanding how and which aspects of satisfaction and engagement impact specific behaviors, organizations can effectively design employee initiatives that will achieve measurable business outcomes.

THE ULTIMATE CONNECTION: HOW EMPLOYEE EXPERIENCE IMPACTS CUSTOMER EXPERIENCE

In addition to employee needs evolving over time, so have customer needs and expectations. As we begin to guide employers on the path towards better understanding their employees, we will apply our unique methodology to explore the direct linkage between employees and customers. We engaged hundreds of frontline retail employees from the country’s top retailers—those who deal with customers every single day—and paired that data with customers of those very same retailers. Is there a connection between employee and customer? Is it quantifiable, and can companies influence customer experience positively?
ABOUT THIS STUDY

In the autumn of 2014, ForeSee, an Answers solution, measured the work experience of 4,115 American employees by industry as well as by role, age, gender, tenure, organization size and work location. The study methodology was based on decades of research in the fields of industrial organization, human resources management, applied psychology, psychometrics and statistics.

Using a Structural Equation Model framework to demonstrate causal relationships, we explored which drivers (e.g., advancement, compensation, teamwork, job, leadership, relationship with manager, workload) most affect overall American employee satisfaction, and how those different elements of the work experience influence employee engagement and future behaviors (e.g., intent to stay, likelihood to recommend the employer or brand, willingness to demonstrate initiative).

ABOUT THE AUTHOR

Eric Feinberg, Senior Director, Product Strategy at Answers, works with product, delivery, sales and marketing teams to ensure that the company brings innovation and operational excellence to its offerings. Since joining ForeSee in 2004, he has contributed to the organization’s strategic growth, particularly providing leadership around the organization’s employee experience measurement as well as its customer experience mobile solutions.

Eric is an elected board member of the Digital Analytics Association (DAA). Previously, he worked as a web analyst, multichannel strategy consultant, usability specialist and focus group moderator. He is a graduate of the University of Michigan.

ABOUT THE RESEARCH TEAM

Ray Seghers, Research Analyst at ForeSee, has more than 35 years of research and consulting experience in employee and customer experience, focusing on national and international research as well as on client organization improvement. Ray has extensive experience designing questionnaires, conducting and analyzing focus groups, performing data analysis and presenting complex technical information in a non-technical manner that allows organizations to take effective action.

José R. Benki, PhD, Research Scientist at ForeSee and Adjunct Assistant Research Scientist in the Survey Research Center at the University of Michigan, has worked in survey and public opinion research for over 10 years. José has expertise in survey participation, interviewing, speech science, and cross-cultural and cross-language survey research. He is a member of the American Association for Public Opinion Research and the Acoustical Society of America.
ABOUT ANSWERS

Answers empowers consumers, brands and organizations by connecting them with the information they need to make better-informed decisions. The Answers platform leverages the sizeable reach of Answers.com, along with leading cloud-based solutions from ForeSee, Webcollage and ResellerRatings, to enable businesses and organizations to engage with customers at every interaction point. By driving investment decisions based on customer insights, developing an engaged workforce that results in satisfied customers and delivering content that powers the customer experience, the platform helps businesses measure and improve the multichannel customer experience, resulting in better business outcomes. Answers is headquartered in St. Louis with offices in Ann Arbor, New York, Atlanta, Beijing, Cleveland, London, Silicon Valley, Tel Aviv and Vancouver.

CONTACT US

To learn how we can help you gain comprehensive insights into the employee experience, contact us at employee.experience@answers.com.
APPENDIX A: OTHER FINDINGS OF THE ANSWERS AMERICAN EMPLOYEE STUDY

FIGURE 1. SATISFACTION BY INDUSTRY

Satisfaction for construction and energy/utility workers tops the industry list at 70, 5 points above the overall average. Their likelihood to stay is also higher.

<table>
<thead>
<tr>
<th>Industry</th>
<th>Satisfaction</th>
<th>Engagement</th>
<th>Stay Intent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Construction</td>
<td>70</td>
<td>65</td>
<td>71</td>
</tr>
<tr>
<td>Education</td>
<td>66</td>
<td>62</td>
<td>65</td>
</tr>
<tr>
<td>Energy/Utility</td>
<td>70</td>
<td>61</td>
<td>67</td>
</tr>
<tr>
<td>Finance and Insurance</td>
<td>68</td>
<td>62</td>
<td>69</td>
</tr>
<tr>
<td>Government</td>
<td>63</td>
<td>55</td>
<td>65</td>
</tr>
<tr>
<td>Health Care</td>
<td>65</td>
<td>58</td>
<td>63</td>
</tr>
<tr>
<td>Hospitality</td>
<td>64</td>
<td>58</td>
<td>62</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>64</td>
<td>55</td>
<td>64</td>
</tr>
<tr>
<td>Other Industries</td>
<td>59</td>
<td>52</td>
<td>57</td>
</tr>
<tr>
<td>Restaurant</td>
<td>60</td>
<td>55</td>
<td>61</td>
</tr>
<tr>
<td>Retail</td>
<td>63</td>
<td>56</td>
<td>62</td>
</tr>
<tr>
<td>Telecommunication</td>
<td>67</td>
<td>59</td>
<td>63</td>
</tr>
</tbody>
</table>

*Only industries with 100+ responses are shown.*
**PRODUCT VS. EMPLOYER**

68% of employees are willing to recommend their employer’s products and services to others, but only 60% are willing to recommend the company as an employer.

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**LOYALTY TO LEADERSHIP**

Only 8% claim they would walk out if their CEO were unceremoniously relieved of duty.

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**AMERICA VS. THE WORLD**

Just 68% think America can compete in the global market—but those employees have a satisfaction score that is 12 points higher than those who don’t find America competitive. This group is also more engaged and more likely to stay.

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**ANNOYING COWORKERS**

Over half of Americans work with someone that really annoys them (55%) and it impacts their satisfaction (58 satisfaction score when annoyed vs. 72 satisfaction when not annoyed).

(And, only 20% say that annoying person is their direct supervisor.)

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**CORPORATE DIRECTION**

Only 54% think their company is headed in the right direction, but 68% think they will remain competitive in the next five years.

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**MY BOSS IS BETTER**

Three-quarters of employees feel that they are not more qualified than their boss, and these employees are more likely to stay (67 retention score vs. 53 retention score). They are more satisfied and more engaged as well.

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**ROMANCE IS IN THE AIR**

4% of our study respondents are in a romantic relationship at work—60% of those are with a supervisor or direct report!

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**A CASE OF THE MONDAYS**

61% say Monday is their least favorite work day.

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**PRODUCT VS. EMPLOYER**

68% of employees are willing to recommend their employer’s products and services to others, but only 60% are willing to recommend the company as an employer.