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People Leave Bosses, Not Companies, Right?

Ever since the publication of Buckingham & Coffman's hugely popular management-by-survey piece "First, Break All the Rules" in 1999, it's not uncommon to hear knowledgeable types say "Employees don't leave companies. Employees leave bosses." At the heart of the assertion are findings by Buckingham and Coffman that the relationship that employees have with their boss is pivotal to their level of satisfaction and, in turn, their retention. The authors are quite clear in this assertion:

"What does this tell us? It tells us that people leave managers, not companies. So much money has been thrown at the challenge of keeping good people – in the form of better pay, better perks, and better training – when, in the end, turnover is mostly a manager issue" (p. 33).

The authors cite six of their survey questions, which have "a combination of the *strongest* links to the most business outcomes.... [W]e know that the following six are the most powerful questions" (p.33). Among the six questions are the following three:

- In the last seven days, have I received recognition or praise for good work?
- Does my supervisor, or someone at work, seem to care about me as a person?
- Is there someone at work who encourages my development?

Not surprising then that given the notoriety of the book and the notoriety of The Gallup Organization (their employer at the time), many in business began to assert that although pay and benefits were important to employee satisfaction, the relationship to one's manager was the key driver of employee satisfaction and retention. No one was foolish enough to say that pay and benefits were unimportant, but it was difficult, in light of the evidence, to suggest that they were unambiguously the primary driver.

Fast forward only six years to the just released Society for Human Resource Management (SHRM) 2005 Job Satisfaction Survey Report. In their survey of 505 HR professionals and 600 employees, SHRM asked participants about 21 elements of job satisfaction, including those dealing with Relationship with Management; Compensation and Benefits; and Career Development. The findings are interesting in two aspects:

- First, what employees say they value are in contrast to the findings of Buckingham and Coffman. Pay and benefits do seem to matter to employees.
- Second, HR professionals and employees appear to have quite different perspectives on what contributes to employee job satisfaction.

Here are the Top-5 aspects of job satisfaction rated "Very Important" by employees:

1. Benefits (63% of employees rated it "Very Important")
2. Compensation / Pay (61%)
3. Flexibility to balance life and work issues (60%)
4. Job security (59%)
5. Feeling safe in the work environment (55%)

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And here are the Top-5 aspects of job satisfaction rated “Very Important” by HR professionals:

1. Relationship with immediate supervisor (71% of HR professionals rated it “Very Important”)
2. Management recognition of employee job performance (69%)
3. Compensation / Pay (62%)
4. Benefits (61%)
5. Communication between employees and senior management (60%)

What’s interesting to note is that the top-rated aspect by HR professionals, “Relationship with immediate supervisor”, ranked only 7th for employees, with only 46% rating it as “Very Important”. Similarly, the number 4 and 5 aspects for employees, “Job Security” and “Feeling safe in the work environment”, ranked only 9th (49%) and 13th (39%), respectively, for HR professionals.

So what does one conclude? That HR professionals are misinformed? No, not quite: Both employees and HR rate compensation and benefits, for all intents and purposes, exactly the same (61 – 63% rate them “Very Important”). Perhaps, however, what’s more noteworthy and quite sobering is the startling increase in employees’ ratings for “Feeling safe in the work environment”: from 36% in 2002 to 55% in 2005 rating it “Very Important”.

So the ghosts and impact of Buckingham and Coffman still persist in shaping opinion about employee satisfaction. But theirs, indeed, was truly a different world. In 1999, when their book was first published, there was no “9/11”. There was no “WMD”. Iraq had a different connotation. And outsourcing, off-shoring and globalization were new concepts to many. Fast forward 6 years, and the world has changed. Companies have changed, and so have their people and their perspective.

Not surprising then, that employees may now be seeking a bit more stability and a bit more security than they were in 1999.

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Until next month, best regards,

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