

OCTOBER 2011

Are Your Employees Happy?

Jay D'Aprile

EXECUTIVE VICE PRESIDENT



The US economy – and the global economy, for that matter - is sluggishly climbing out of the worst recession since the Great Depression and Washington just can't seem to get its act together to create any sustainable programs to accelerate the recovery. Joblessness continues to be a major concern. A certain sense of malaise just won't seem to leave. As a result, companies are making assumptions about the mindset of their employees and assuming they need not worry about retention issues because people are "just happy to be working."

A recent study from the Human Capital Institute backs up the notion that companies feel they can retain their employees simply because the job market is so challenging. The study found that nearly 84 percent of employers thought their workers were content simply because they had a job. Not surprisingly, only 58 percent of workers felt the same way. The report states:

"workers of all ages and experience levels appear resentful or fearful of their employers, stressed and less productive, and potentially distracted by active searches for other employment. They are less loyal, unhappy, and resentful about economic prospects. It goes on to say that many employees are working harder as a result of their belief that management has exploited the recession and become less tolerant of challenges to authority."

The feelings of employees are an early warning sign for business leaders. Just as the Great Depression changed how that generation viewed their lives and influenced their behavior, the Great Recession is bound to similarly influence this generation of workers. And, the distrust will continue to be passed down to future generations. As a matter of fact, according to The Economist Intelligence Unit's report *"Companies at the Crossroads,"* employee trust has suffered significantly after several years of layoffs. Only 32 percent of executives who responded to this report said the level of trust in their company was high, however what is more concerning is that this number was significantly lower for middle managers than for senior level executives.

In 2011, we have seen the result of companies' indifference toward employees and the resulting distrust it has generated: high turnover, especially among the most talented employees who have the most options. And the trend is only accelerating.

There is a looming talent crisis in the marketplace and the recession combined with the current attitude of management is going to compound this challenging talent issue for years to come.