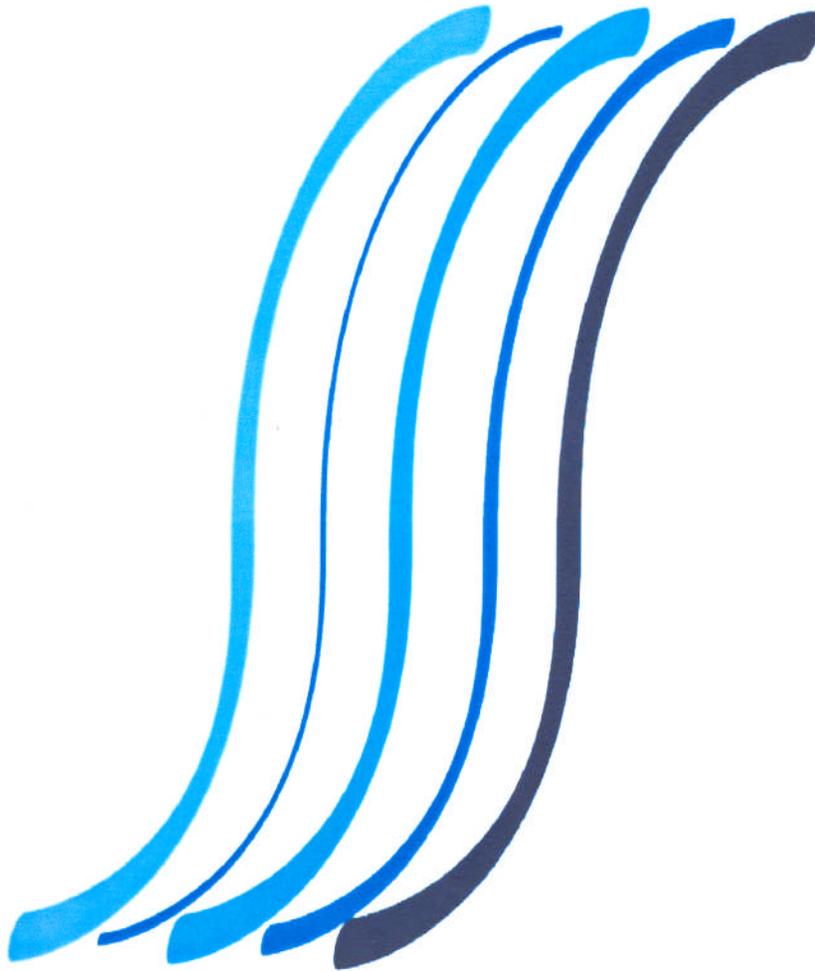


# The New Career Paradigm

Attracting and Retaining Critical Talent



American Business Collaboration



*This study was commissioned by*



**Deloitte.**

**ExxonMobil**



*Johnson & Johnson*



*PRICEWATERHOUSECOOPERS* 

***“To do together what none of us can afford to do alone.”***

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## About The American Business Collaboration for Quality Dependent Care

The American Business Collaboration for Quality Dependent Care (ABC) is a collaboration of seven "Champion" companies partnering to ensure that their employees have access to quality programs and services to help them manage their work and personal responsibilities. Since 1992, ABC companies have created and funded programs and services that merge business goals with the work and personal needs and responsibilities of employees. The ABC is managed by WFD Consulting.

## About WFD Consulting

WFD Consulting partners with its clients to create inspiring work environments where businesses succeed and employees thrive. Their research, consulting and implementation services enable their clients to mobilize the full richness, diversity and potential of their employees, resulting in a more resilient, productive and engaged workforce. WFD consulting achieves distinction through dedication to client needs, collaboration and innovation, and a focus on action that sets the standard for the field.

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*The New Career Paradigm Study, commissioned by the American Business Collaboration, provides new and extremely timely information about the varied needs of today's workforce over the life course. Several major demographic trends are showing that today's workforce has age-related needs that differ from those of their predecessors of even twenty years ago. Understanding their needs will help companies determine how to recruit, retain and engage their most critical talent.*

Rosalind Chait Barnett, Ph.D.  
Director of Community, Families & Work Program  
Brandeis University

*With workforce demographic changes continuing at a rapid pace with the incorporation of gender and age differences over the life cycle, data regarding the complex choices employees make as they move from youth to maturity are increasingly important to business decision makers. This report provides much needed information about those preferences.*

Donna Klein  
President and Founder  
Corporate Voices for Working Families

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### INTRODUCTION

Today's business pages are filled with stories about new twenty-first century career paths. According to these reports, employees are more apt to jump jobs, both within and between organizations—or move out of the labor force entirely for periods of time. Young workers no longer sign on with companies “for life” but for a package that allows for priorities outside of work. Women continue to step off career paths to care for their families. Meanwhile, men and women in the mature workforce are mapping out brand new directions as they approach retirement.

To better understand what's driving today's career choices—and how these patterns affect companies' recruitment and retention efforts—The American Business Collaboration for Quality Dependent Care (ABC), with support from The Sloan Foundation, funded a study of U.S. corporate employees. The ABC Champions (Abbott Laboratories, Deloitte & Touche USA LLP, Exxon Mobil Corporation, The IBM Corporation, Johnson & Johnson, PricewaterhouseCoopers LLP and Texas Instruments) have a particular interest in how age, gender and life cycle shape employees' personal and professional goals, which in turn drive career decisions. To better understand these issues, WFD Consulting was commissioned by the ABC to develop a survey based on the following research questions:

- What workplace characteristics bring job satisfaction and personal fulfillment to employees?
- Do these factors make a difference in whether an employee stays or leaves?
- What reasons do workers cite for leaving their previous jobs and joining their current organizations?
- For those who left paid employment, what factors precipitated their leaving, and what are they looking for when returning?

Harris Interactive conducted the survey in the summer of 2006, using an on-line survey panel. All told, 2,775 exempt and non-exempt employees working in medium and large corporations participated.<sup>1</sup>

The survey also sampled 200 individuals not currently in the workforce but planning to return within three years. These respondents were previously employed in large corporations, and were asked why they had left the workforce and what is important to them in returning.

Our results provide a “snapshot” of the preferences and priorities of a sample of employees at one point in time. The data are not longitudinal; we do not know how respondents would have answered these questions earlier in their lives, nor how their opinions might change in the future when their circumstances are different. But we do know, in rich detail, what's on their minds today.



What did we find? In short, employees' career goals, and sources of job satisfaction and personal fulfillment shift dramatically over the life cycle. The implications are clear: companies that want to attract and keep the most valuable talent in today's and tomorrow's workforce must understand and anticipate these changing desires, goals and motivations.

We are framing these issues within the concept of the New Career Paradigm. It integrates life and work realities by asking: at different stages in their lives and their careers, what do employees want in their work environment and what are they seeking in their personal lives? On the job, what are their biggest sources of satisfaction and dissatisfaction? And among those sources of dissatisfaction, which are important enough that workers would leave an employer to find an alternative elsewhere?

We believe that if organizations know what different segments of their workforce value—on and off the job—they can better anticipate what contributes to employees' decisions to stay or leave. The New Career Paradigm acknowledges movement between jobs as well as in and out of the workforce, and accepts that at certain points in an employee's career, goals other than promotion or advancement take top priority.

Why is this important now? Changes in the workforce are transforming competition for critical talent and altering the way we think about careers. Companies are facing the prospect of labor shortages and losses of knowledge capital which will intensify the competition for talent. This trend is being fueled by several demographic changes:

- Aging and retirement of the Baby Boomers, which will tighten the labor supply.
- The growing role of women in the workforce, who must be retained to offset a looming labor shortage.
- New attitudes among younger employees, who seek a different kind of "contract" with their employers, one that provides a better balance between work and personal lives.

In our data analysis, we have paid particular attention to these three groups of critical talent: young workers, women and mature workers. These groups are enormously important in America's corporate labor scene; they represent about 75 percent of the workforce.

In response to changes in the labor market, companies will need to design and organize jobs and careers in a way that will be compelling to their workforce—especially their key segments of critical talent. Put another way, to maintain their competitive edge, corporations will need to embrace a paradigm that takes into account aspects of work and personal goals that influence employees' career decisions and provides flexibility and choice across an employee's full working life, from entry level to retirement.



### SUMMARY OF KEY FINDINGS

Our survey findings show that employees' career goals, and sources of job satisfaction and personal fulfillment, shift dramatically over the life cycle and influence career decisions. The implication for American businesses is clear: companies that want to attract and keep the most valuable talent in today's and tomorrow's workforce must change the twentieth century career paradigm and create a new career paradigm that understands and anticipates these changing desires, goals and motivations.

Among the compelling findings identified in this report:

**After compensation, the most important contributors to satisfaction with work vary by age and gender.**

Respondents of all ages, both exempt and non-exempt, report that the aspect of their current job most important to their satisfaction with work is compensation. Beyond compensation, factors most important to job satisfaction include: job security, benefits, work/life balance, flexible work options, meaningful work and advancement opportunity.

Interestingly, while respondents say compensation is most important to their satisfaction with work, only one in four report they have seriously thought about leaving their jobs for better compensation. By contrast, while fewer respondents say that advancement opportunity is most important to their satisfaction with work, those who do are more likely to say they would leave their current employer for better advancement opportunities.

**The most important personal goals and priorities are family life and financial security.**

The criteria for a general sense of personal fulfillment shift over the life span and vary somewhat between men and women. Quality of family life and financial security are most often the top two, though not always in that order. But only a small percentage of respondents say they are seriously thinking about leaving their current jobs to work at another company to improve the quality of their family life or their financial security.

**Among currently unemployed respondents, interest in part-time work and self-employment is high.**

We discovered that most unemployed men want full-time work when they return to the workforce, compared to about half of unemployed women. One quarter of women are interested in part-time employment, consistent with the importance that temporarily unemployed respondents place on flexible work options.

Interestingly, a significant percentage of exempt employees said they expect to return



to the workforce self-employed—30 percent of men and 26 percent of women. Organizations that seek to attract exempt employees returning to the workforce should consider what they can offer to potential employees that would replicate the features of self-employment, with an emphasis on job autonomy and schedule control.

### **Employees make job decisions based not only on compensation, but also on work/life balance, opportunities to learn and grow, and benefits.**

Respondents who had signed on with their current company within the last three years say compensation was the biggest consideration. Their second most important factors include work/life balance (exempt men), learning and growing (exempt women) and benefits (non-exempt men and women).

Among recent joiners, personal factors also informed the decision to join their new organization. For non-exempt employees, financial security was the top consideration. But for exempt employees, satisfying work was nearly as important as financial security.

### **Compensation is not the best predictor of job turnover.**

While compensation is of very real importance for employee satisfaction, it does not substantially predict turnover. Rather, the predictors of turnover vary. Lack of job meaning predicts turnover for employees of all ages; lack of schedule control predicts turnover for young and mid-career workers; and dissatisfaction with work relationships and contribution predict turnover for younger and mature workers. For mid-career workers, dissatisfaction with autonomy predicts turnover.

### **Why is this important?**

The results from the New Career Paradigm survey have clear implications for corporate leaders. Our findings demonstrate that today's workers are diverse in both the factors they consider important for job satisfaction and in the goals and priorities they deem important. Organizations that want to recruit, retain and engage today's critical talent—in particular, young employees, women and mature workers—must know in advance what compels and inspires these distinctly different groups across the life cycle. With this information, they can customize their recruitment and retention strategies to meet the priorities of their critical talent.



### SURVEY RESULTS

Today's workforce is not monolithic, but segmented—employees' priorities are in synch in some cases and quite different in others. However, current recruitment and retention strategies often treat all employees the same. We looked at men and women, from their 20s to their 60s, in both exempt (salaried) and non-exempt (hourly) positions. What we found are distinctly different profiles: by decade across the life cycle, by gender and by exempt status. The key information we sought—what employees want out of their jobs and their lives; whether or not they are satisfied with their current work situation; whether they are planning to leave or stay in their jobs; and how committed they are to their employers—depends in part on where our respondents are in the life cycle.

#### **Jobs and careers: are employees moving around more?**

Corporate employees are changing jobs at noticeably high rates. The survey results indicate that:

- Nearly a third of respondents in their 30s, and a quarter in their 40s, say they expect to leave their current employer within three years.
- Exempt employees work for five employers over their lifetimes. Non-exempt employees work for six.
- Exempt employees make two career changes over their lives, and non-exempts three.

In examining the trends for exempt employees, job and career trajectories appear to differ by gender. Men in their late 20s report having one more job change than women, and an extra career change as well. Later in the life cycle, women in their 60s report two additional job changes compared to men, and an additional change in career as well. While this may represent cohort differences, it also may suggest a life cycle employment trend where women's employment is more stable in their early careers, but more variable later in life when they may seek job and career changes at a greater rate than men.



Figure 1: Median Number of Employers by Age and Gender for Exempt Employees

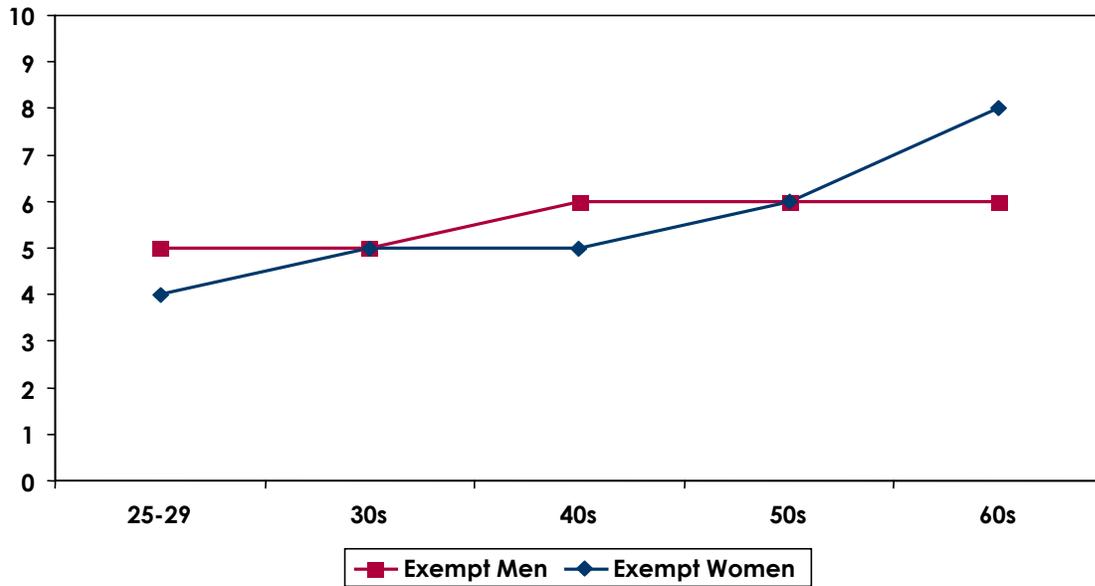
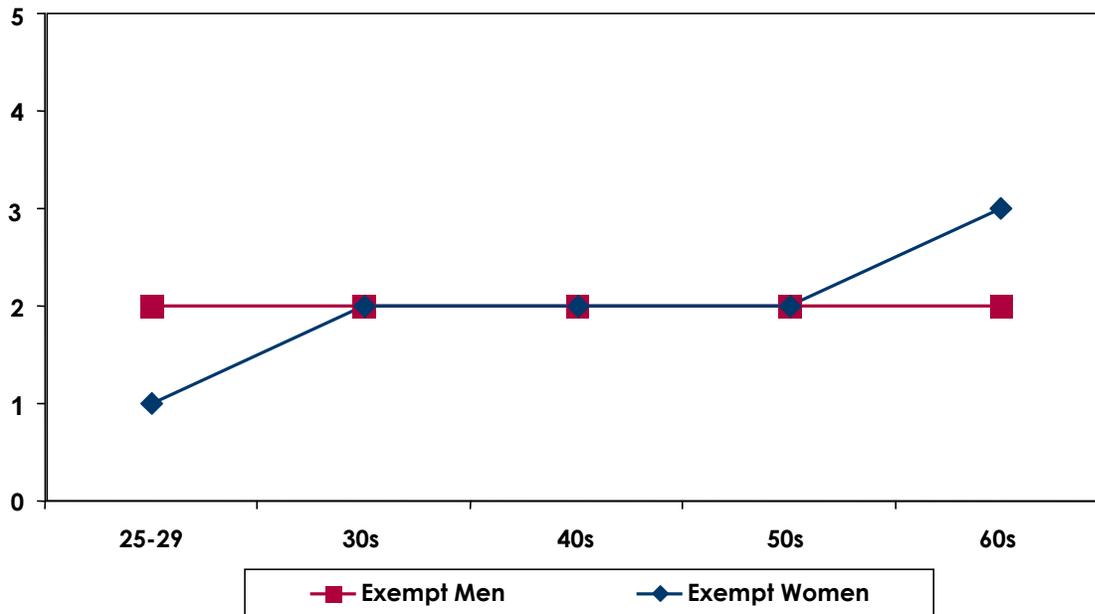


Figure 2: Median Number of Careers by Age and Gender for Exempt Employees





**What's contributing to dissatisfaction at work?**

To paint a more detailed picture of why employees change jobs, we asked about their *satisfaction* with 25 aspects of their current job<sup>2</sup> and found a number of aspects with which respondents expressed dissatisfaction. Overall, exempt men and women are similar in their assessment of career development, mentoring and coaching—33 percent of exempt men and 27 percent of exempt women are dissatisfied. Career development, mentoring and coaching proves to be a source of dissatisfaction particularly among respondents in their 30s, 40s and 50s.

Career development, mentoring and coaching is a source of dissatisfaction.

Work/life balance emerges as a primary area of dissatisfaction for exempt men. Overall, 31 percent of exempt men say work/life balance is a source of dissatisfaction, compared to 18 percent of exempt women. This is an especially interesting finding since work/life balance tends to be portrayed primarily as a woman's issue.

**Table 1: Dissatisfaction with Job Factors by Age, Gender and Job Category**

	Exempt Men	Exempt Women	Non-Exempt Men	Non-Exempt Women
<b>20s</b>	Advancement (29%) Meaningful work (27%) W/L balance (24%)	Benefits (20%) Advancement (20%) Workload (20%)	Utilize abilities (41%) Advancement (37%) Salary/wage (37%)	Benefits (36%) Utilize abilities (36%) Salary/wage (33%)
<b>30s</b>	Career dev. (31%) W/L balance (30%) Advancement (29%)	Opinion valued (28%) Career dev. (28%) Advancement (28%)	Utilize abilities (39%) Opinion valued (33%) Career dev. (32%) Learn/grow (32%)	Salary/wage (37%) Benefits (31%) Career dev. (30%)
<b>40s</b>	Advancement (42%) Career dev. (40%) W/L balance (36%)	Advancement (28%) Career dev. (26%) Workload (26%)	Career dev. (46%) Advancement (42%) Opinion valued (40%)	Salary/wage (38%) Advancement (30%) Career dev. (28%)
<b>50s</b>	Career dev. (39%) Utilize abilities (39%) W/L balance (33%)	Career dev. (33%) Advancement (31%) Workload (30%)	Career dev. (45%) Opinion valued (43%) Advancement (42%)	Salary/wage (33%) Utilize abilities (28%) Opinion valued (27%)
<b>60+</b>	Opinion valued (28%) Salary/wage (23%) W/L balance (22%)	Salary/wage (41%) Career dev. (36%) Compy culture (34%)	Salary/wage (36%) Flexibility (31%) Utilize abilities (29%)	Benefits (29%) Collaboration (28%) Salary/wage (25%)



**What's most *important* to employees' job satisfaction?**

Survey respondents were asked to rate the *importance* of the same 25 aspects of their current job, and were then asked to select the two most important.

At every age—for exempts and non-exempts alike—the aspect of their current job most important to their satisfaction with work is compensation. But beyond compensation, the elements of the job essential to satisfaction vary dramatically by age and gender. Table 2 presents the most important factors by age and job category.

**Table 2: Most Important Factors to Work Satisfaction by Age, Gender and Job Category**

	Exempt Men	Exempt Women	Non-Exempt Men	Non-Exempt Women
<b>20s</b>	Salary (46%) Advancement (30%) Manager (19%)	Salary (57%) Meaningful work (22%) W/L balance (20%)	Salary (59%) Job security (22%) Benefits (17%)	Salary (62%) Benefits (20%) W/L balance (15%)
<b>30s</b>	Salary (49%) Flex work opts (22%) Job security (19%)	Salary (30%) W/L balance (29%) Flex work opts (21%)	Salary (40%) Job security (26%) Learn & grow (16%)	Salary (57%) Benefits (33%) Job security (17%)
<b>40s</b>	Salary (54%) Job security (21%) Advancement (16%)	Salary (45%) Learn & grow (23%) Meaningful wk (17%)	Salary (42%) Benefits (29%) Job security (20%)	Salary (55%) Benefits (21%) W/L balance (13%)
<b>50s</b>	Salary (44%) Job security (32%) Benefits (27%)	Salary (45%) Benefits (23%) Job security (21%)	Salary (52%) Job security (33%) Benefits (31%)	Salary (46%) Benefits (30%) Job security (23%)
<b>60+</b>	Salary (38%) Job security (21%) Benefits (19%)	Salary (37%) Job security (33%) Utilize abilities (22%)	Salary (46%) Job security (24%) Benefits (17%)	Salary (31%) Benefits (28%) Flex work opts (23%)

Does compensation drive job decisions? Are employees ready to quit over their pay? Not exactly. Half of respondents identify compensation as most important to satisfaction with work; but among these, only one in four said that they have seriously thought about leaving their jobs for a better salary (some of these people have taken action and others have not).

Advancement opportunity, on the other hand, is a deal breaker for those employees ranking this as an important job factor. While only 9 percent of respondents say advancement opportunities are most important to their work satisfaction, 41 percent of these respondents are seriously thinking about leaving their jobs to improve their chances of advancement—suggesting that a small group of workers is fiercely attached to this goal.



Work/life balance was a top pick for 13 percent of respondents; among these, 21 percent of the exempt and 15 percent of the non-exempt respondents have seriously thought about leaving to improve their work/life balance. Finally, 11 percent of survey participants cite flexible work options as a top factor in their satisfaction; of these, 12 percent of exempt and 22 percent of non-exempt respondents have seriously thought about leaving for more flexibility.

While compensation is key to job satisfaction, it is not the top reason employees quit their jobs.

Surprisingly, only 7 percent of respondents cited their immediate manager as a top factor in work satisfaction. Of these, 9 percent of exempts and 7 percent of non-exempts have seriously thought about leaving for this reason.

These findings highlight a gap between subjective assessment of a job and the intention to actually leave. While compensation is key to job satisfaction, it is not the top reason employees quit their jobs. Statistical models featured later in our report bear this out.

The underlying message is that a competitive compensation package, while important, is not enough to attract today's most valued employees. Organizations competing for critical talent must take a total rewards approach by looking beyond salary to pinpoint the actual priorities of these individuals. Whenever possible, companies should customize opportunities for their critical talent pool, offering a package of tangible and intangible incentives rooted in what's important in an employee's professional and personal lives.

### **Most important personal goals and priorities: family life and financial security**

In addition to understanding what's most important to job satisfaction, we also sought to identify the personal goals and priorities most important to employees. We asked respondents to rate the importance of each of 15 personal goals and priorities to a general sense of fulfillment.<sup>3</sup> Similar to the criteria for job satisfaction, the criteria for personal fulfillment shift over the life span, and vary somewhat between men and women. Two themes, however, are enduring: quality of family life and financial security, though not always in that order.



**Table 3: Most Important Factors for a General Sense of Fulfillment by Age, Gender and Job Category**

	<b>Exempt Men</b>	<b>Exempt Women</b>	<b>Non-Exempt Men</b>	<b>Non-Exempt Women</b>
<b>20s</b>	Family life (39%) Financ. security (37%) Discret. income (23%)	Financ. security (54%) Family life (34%) Satisfying work (22%)	Financ. security (36%) Family life (34%) Making money (32%)	Family life (45%) Financ. security (36%) Satisfying work (23%)
<b>30s</b>	Family life (64%) Financ. security (38%) Phys/mentl hlth (21%)	Family life (56%) Financ. security (50%) Satisfying work (19%)	Family life (46%) Financ. security (30%) Making money (19%)	Family life (70%) Financ. security (35%) Phys/mentl hlth (29%)
<b>40s</b>	Family life (54%) Financ. security (50%) Phys/mentl hlth (22%)	Family life (68%) Financ. security (36%) Religion (22%)	Financ. security (51%) Family life (45%) Discret. income (18%)	Family life (54%) Financ. security (41%) Phys/mentl hlth (26%)
<b>50s</b>	Financ. security (56%) Family life (40%) Phys/mentl hlth (28%)	Financ. security (59%) Phys/mentl hlth (26%) Family life (26%)	Family life (47%) Financ. security (41%) Phys/mentl hlth (32%)	Family life (46%) Financ. security (37%) Religion (36%)
<b>60+</b>	Financ. security (40%) Family life (39%) Phys/mentl hlth (29%)	Financ. security (43%) Family life (42%) Phys/mentl hlth (32%)	Phys/mentl hlth (49%) Financ. security (41%) Satisfying work (25%)	Family life (70%) Financ. security (47%) Religion (28%)

Some interesting similarities and differences emerge when examining the responses by gender and job category.

- Exempt men in their 20s cite quality family life as most important to their sense of fulfillment, while exempt women of the same age rate financial security highest (by a wide margin).
- For exempt men and women in their 30s and 40s, quality family life virtually eclipses all other factors in personal fulfillment.
- Among exempt men and women in their 50s and 60s, financial security takes over in importance.
- For non-exempt men in their 60s, physical and mental health becomes the top priority, perhaps because of the accumulated physical toll of their jobs. For non-exempt women in their 60s, family life is most important to fulfillment.

As we did with job satisfaction factors, we asked respondents to tell us whether their top criteria for a general sense of fulfillment would prompt them to leave their current employer. Here, too, we found gaps between ranked importance and the intention to



act. While quality family life and financial security are the two most important fulfillment factors across the life cycle, only a small percentage of respondents say they are seriously thinking about leaving their current jobs to work at another company to improve these areas.

- Forty-nine percent of respondents say quality family life is the most important or second most important contributor to their sense of fulfillment; of these, 16 percent are seriously thinking about leaving their current employer to improve the quality of their family life.
- Forty-two percent of respondents say financial security is most important to their sense of fulfillment. Of these respondents, 24 percent are seriously thinking of leaving their job for this reason.

While employees may not be leaving in large numbers for quality family life or financial security, it nevertheless suggests that organizational policies that meet business needs while recognizing individuals' deeply-held personal values can translate into gains in employee satisfaction and engagement.

### **Perspectives of unemployed workers**

In addition to surveying employees currently in the workforce, we also posed a series of questions to people presently unemployed but planning to return to the workforce within three years. Their answers helped us better understand what aspects of job satisfaction and personal fulfillment influenced their decision to leave their previous job and what is most important to them in their next position.

About half of the unemployed sample left their last job involuntarily. Men are more likely than women to report they left their previous job because of layoffs or downsizing: 70 percent of exempt men and 51 percent of non-exempt men report involuntary departures, compared to only 30 percent of exempt women and 25 percent of non-exempt women. The remaining half of the currently unemployed respondents left their most recent jobs primarily because of workplace dissatisfaction, or for family or health reasons.

Exempt employees (both men and women) said that flexible work options and health benefits are the most important aspects of their next job, even more important than salary. Both non-exempt men and non-exempt women cited salary as most important, followed by job security for men and flexible work options for women.

When we asked about personal goals and priorities that are most important to a general sense of fulfillment, answers varied by gender and job category. Exempt women indicate quality family life followed by physical/mental health and financial security. Exempt men cited the same priorities, but in a different order: for them,



financial security is most important by a wide margin, followed by quality family life and physical/mental health.

Non-exempt respondents are slightly different from exempts with regard to factors important to sense of fulfillment. For non-exempt women, quality family life is most important to fulfillment, followed by religion/spirituality and then financial security. For non-exempt men, financial security and quality family life are equally important, followed by religion/spirituality.

We discovered that most unemployed men want full-time work when they return to the workforce, compared to about half of unemployed women. About one quarter of all unemployed women desire part-time employment when they return to the workforce, consistent with the importance they place on flexible work options.

Interestingly, a significant percentage of exempt employees said they expect to return to the workforce self-employed—30 percent of men and 26 percent of women. Organizations that seek to attract exempt employees returning to the workforce should consider what they can offer to potential employees that would replicate the features of self-employment, with an emphasis on job autonomy and schedule control.

A significant percentage of exempt employees said they expect to return to the workforce self-employed—30 percent of men and 26 percent of women.

### Insights from recent joiners

To get another perspective on what employees look for in their jobs, we asked “recent joiners”—those who had signed on with their current company within the last three years—about the most important factors in their decision. Across all job categories, salary was the biggest consideration, cited by 56 percent. This is consistent with the job satisfaction priorities cited by all employees in the study, and speaks to the importance of an organization having a competitive compensation package. Their second-ranked factors are revealing, as well.

- Exempt men cite work/life balance.
- Exempt women cite learning and growing.
- Non-exempt employees (both men and women) rank benefits just behind salary.

Among recent joiners, personal factors also informed the decision to join their new organization. For non-exempt employees, financial security was the top consideration. But for exempt employees, satisfying work was nearly as important as financial security. It is no surprise that salary is a major component of job satisfaction and a primary



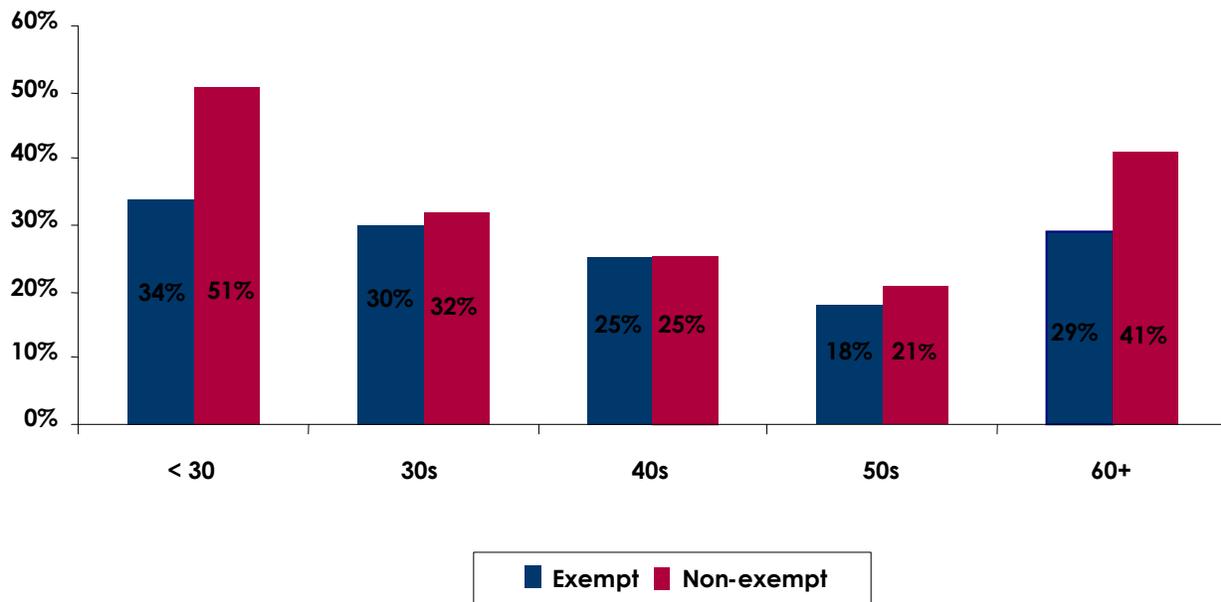
factor in considering a new job. But are our respondents actually changing jobs in a quest for higher salaries? When we look at the recent joiners who voluntarily left their last job, they were less likely to leave because they needed better compensation and were far more likely to switch jobs because they were dissatisfied with other aspects of their job, or were searching for a better job opportunity. This is consistent with what we saw earlier for employees who cited salary as the most important factor in job satisfaction: only one in four would actually leave for better pay.

### Job turnover: what matters besides money?

To identify the factors that predict turnover, we looked at employees who expect to leave their present company within three years. What distinguishes them from colleagues who plan to stay longer?

We found that there is a greater expectation to leave among non-exempt employees under 30 and in their 60s (see Figure 3). Those in their 50s are least likely to expect to leave.

**Figure 3: Predicting < 3 Additional Years by Age and Job Status**





To further refine our analysis of what drives the decision to leave, we examined turnover among three groups: employees under 30, mid-career employees in their 30s and 40s, and mature workers in their 50s and 60s.

We were interested in understanding turnover relative to demographic, family, employment, job satisfaction and life fulfillment characteristics.

To measure job satisfaction we created seven scales:

<b>Compensation</b>	Salary/wage, benefits
<b>Development</b>	Advancement opportunity, opportunity to learn and grow, education and training, career development/mentoring/coaching, performance feedback
<b>Job Meaning</b>	Meaningful work, company mission
<b>Job Autonomy</b>	Autonomy (control over work), having decision-making authority
<b>Contribution</b>	Job challenge, fully utilizing my abilities, having my opinion valued
<b>Workplace Relationships</b>	Collaboration and teamwork, quality of colleagues, company culture, workforce diversity, social relationships at work, authenticity/being myself at work
<b>Schedule Control</b>	Flexibility, workload, work/life balance

We also examined dissatisfaction with one's manager, as well as the importance of quality family life and financial security. Regression models tested the ability of these factors to predict turnover.

Some of our findings surprised us, in terms of what factors did—and did not—predict employee turnover. The four strongest predictors of job turnover are workplace relationships, job meaning, schedule control and contribution.

Workplace Relationships. This aspect of the workplace is very important to young employees. Those who are dissatisfied are much more likely to say they will leave their company (especially if they are *not* in a dual-career relationship).

This aspect of the job is also important to mature workers, though less so. Among mid-career employees, workplace relationships is not a decisive factor in turnover.



Job Meaning. This factor is important to all three age groups, but especially younger workers; those who are dissatisfied are much more likely to say they will leave their company (once again, this is especially true if they are *not* in a dual-career relationship). Mid-career employees dissatisfied with job meaning are more likely to say they will leave, unless they have children; parents (who are presumably concerned about supporting their family and providing for their health benefits) are not inclined to leave, even when dissatisfied with job meaning. Like young workers, mature workers appear more likely to leave if they feel their jobs lack meaning. Among mature workers, this is especially true for those in their 60s, women, and those who feel they lack flexibility on the job.

The four strongest predictors of job turnover are workplace relationships, job meaning, contribution, and schedule control.

Schedule Control. This feature is keenly important to mid-career employees—parents and non-parents alike; mid-career employees with children who are dissatisfied with schedule control are twice as likely to say they expect to leave, and those without children are ten times more likely to predict leaving. For younger workers, schedule control is somewhat less important. Curiously, young men prize schedule control more than young women, and young non-exempts value it more than their exempt colleagues. For mature workers, schedule control does not predict turnover.

Contribution. This aspect predicts turnover for younger and older workers, but not mid-career workers. Among older workers, satisfaction with one's contribution appears more important to women than men.

Other findings:

- *Compensation* does not generally predict turnover, though a slight tendency emerged for younger workers to trade off salary for flexibility. Employees under 30 who enjoy flexibility on the job—even though their compensation is unsatisfactory—are somewhat less likely to predict leaving.
- *Job Autonomy* does not predict turnover except among mid-career workers. The desire for autonomy is especially pronounced among employees in their 30s, who are four times more likely to predict leaving if they are dissatisfied with their job autonomy.
- *Development* does not predict turnover, a surprising finding given the importance of advancement stated by many respondents.
- *Being dissatisfied with one's immediate manager* does not predict turnover.



We also analyzed whether life fulfillment factors predict job turnover. We found that:

- People who cite quality family life as their number one factor in a general sense of fulfillment are not highly likely to leave their jobs.
- Similarly, people who cite financial security as their number one factor in a general sense of fulfillment are also more apt to stay with their current employers. The exception is mature workers (especially those in their 60s); those who cite financial security are much more likely to expect to leave.

These findings help disentangle the complex interaction of factors that influence a decision to leave an organization. While we know that compensation is of very real importance for employee satisfaction, it does not substantially predict turnover. So if compensation doesn't predict turnover across the life cycle, what does?

- For employees of all ages, lack of job meaning predicts turnover
- For young and mid-career workers, lack of schedule control predicts turnover
- For younger and mature workers, dissatisfaction with workplace relationships and contribution predict turnover
- For mid-career workers, dissatisfaction with autonomy also predicts turnover.

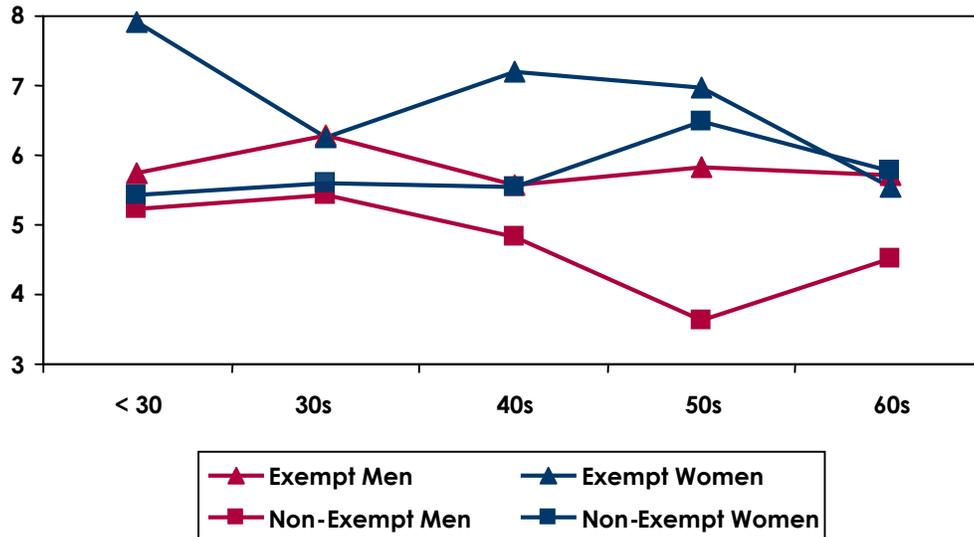
### Engagement

To investigate employee satisfaction and job change from another perspective, we included questions about engagement at work. Engagement measures an employee's initiative and drive for quality. Engaged workers feel deeply involved in the organization and attached to its success. We know from considerable previous research that high employee engagement correlates with stronger morale, greater productivity and lower turnover. In this study, engagement is highly correlated with job meaning, contribution and workplace relationships, which in turn predict turnover. Additionally, engagement is highly correlated with career development. While career development is not predictive of turnover, it is a source of dissatisfaction among many employees.

We found that engagement varies dramatically across the life cycle, both by gender and job category.



Figure 4: Engagement Index by Age, Gender, and Job Status



Intent on building their careers, exempt women under 30 exhibit the highest engagement of any of the groups displayed in Figure 4. Engagement is lower for exempt women in their thirties, perhaps due to the convergence of work and family demands. Engagement rebounds for women in their 40s but then trends down. It is noteworthy that exempt women’s engagement is higher overall than men’s; the gap is clearly apparent among exempts in the 20s, 40s and 50s.

Non-exempt women exhibit a fairly steady level of commitment across all age groups, peaking in their 50s, perhaps because the nest begins to empty and they have more energy to devote to work. As with exempt employees, engagement is higher for non-exempt women than for non-exempt men.

Exempt men exhibit a pattern of engagement strikingly similar to that of non-exempt women—but instead of a “bump up” in engagement in their 50s, exempt men experience higher commitment in their 30s. Non-exempt men display the lowest levels of engagement, falling sharply in their later careers.

Intent on building their careers, exempt women under 30 exhibit the highest engagement of any of the groups.

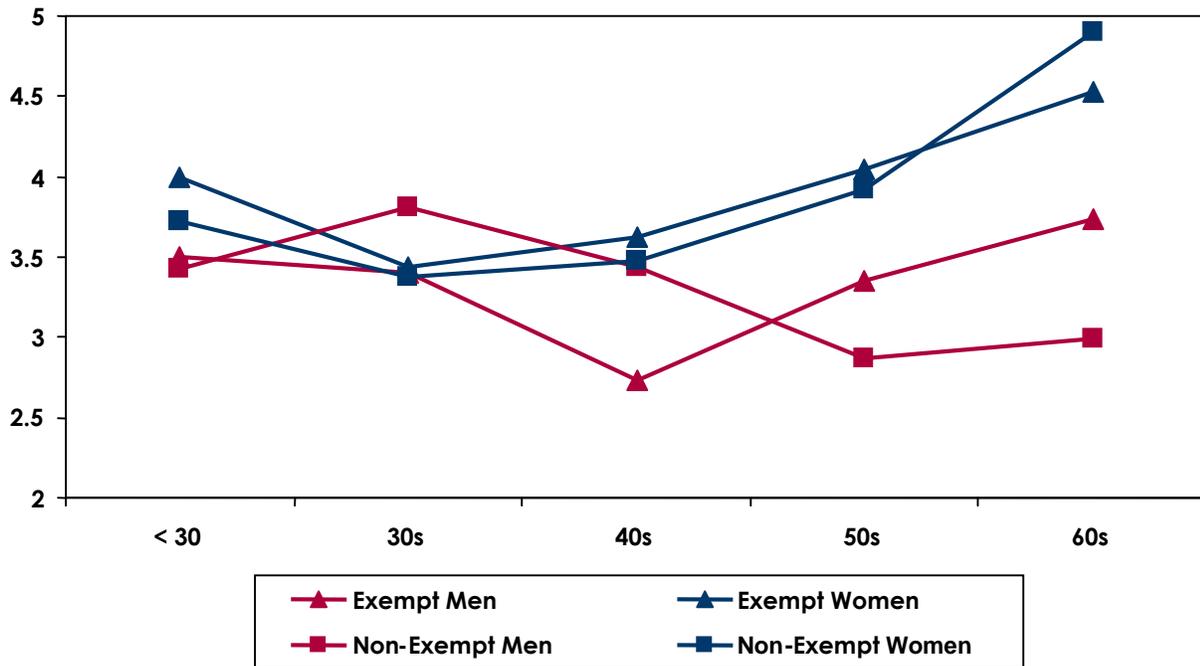


### Resilience

Another predictor of workplace satisfaction is employee resilience. Resilience measures the ability to adapt to change, manage job pressure and have a fulfilling life outside of work. Resilience is highly correlated with schedule control and workplace relationships, which are predictive of turnover.

Resilience is highly correlated with schedule control and workplace relationships, which are predictive of turnover.

Figure 5: Resilience Index by Age, Gender, and Job Status



Overall, women's resilience levels are much higher than men's. While resilience drops among women in their 30s, it rises steadily throughout the remaining decades. Non-exempt men exhibit a decline in resilience in their 40s and 50s, while exempt men dip down in their 40s.



### WHAT DO THESE FINDINGS TELL US?

The results from the New Career Paradigm survey have clear implications for corporate leaders. Our findings demonstrate that today's workers are diverse in both the factors they consider important for job satisfaction and in the goals and priorities they deem important. Organizations that want to recruit, retain and engage today's critical talent—in particular, young employees, women and mature workers—must know in advance what compels and inspires these distinctly different groups across the life cycle. With this information, they can customize their recruitment and retention strategies to meet the priorities of their critical talent.

The data show that the assumptions underlying some corporate recruitment and retention policies may miss the mark. While competitive salary is extremely important to workers, other job factors tip the balance in favor of staying or leaving. These factors include a fit with the organization's workplace culture, job meaning, schedule control and job contribution. Moreover, the study uncovered general dissatisfaction in the workplace with employee development. While this factor does not per se predict turnover, it is highly correlated with employee engagement.

The survey findings suggest seven actions organizations can take to attract, retain and engage critical talent.

1. Create a “*New Career Paradigm*” culture where the complexity of employee requirements is an opportunity for competitive advantage rather than a burden. Tailor careers to individual requirements rather than just expecting individuals to tailor their work/life requirements to prescribed career paths.
2. Determine the talent segments that are most critical to business success. Then design unique programs and packages that appeal to these segments.
3. Ensure that compensation packages are competitive as these are fundamental to employee satisfaction.
4. Create “self-employment and entrepreneurial opportunities” that are internally driven, rather than externally imposed.
5. Create opportunities for employees to change careers without leaving the company.
6. Maintain an open and on-going career dialogue with employees.
7. Provide a wide range of choices around how, when, and where employees work. Remove barriers to exercising those choices, so employees can utilize flexible work and career alternatives without fear of sacrificing career advancement.



### APPENDIX: PROFILES BY DECADE

#### Employees under 30

Younger employees are one of corporate America's key critical talent groups, poised to fill the gaps created by the retiring Baby Boomers. But these workers have expectations and priorities different from those of their older colleagues. Having invested the time and money to recruit and train this next generation of leaders, organizations that want to realize a return on their investment must focus thoughtfully on these valuable employees.

- For exempt women under 30, as in all age groups, salary is the most important criterion for job satisfaction. Other top priorities are meaningful work and work/life balance. More than half of this group say financial security is their number one factor for a general sense of fulfillment.
- Young exempt women are extraordinarily committed to their jobs—indeed, they have the highest engagement level of any group.
- Exempt men in this age category cite advancement second to salary as their top priority in job satisfaction. This group ranks family life as most important to personal fulfillment.
- Both exempt men and women cite advancement as an area of dissatisfaction. In addition, men cite meaningful work and work/life balance as areas of dissatisfaction—in contrast to women, who cite dissatisfaction with benefits and workload.
- Salary and benefits are top areas of importance for non-exempt workers. Women also value work/life balance while men value job security.
- Non-exempt workers tend to be dissatisfied with utilizing their abilities and with salary. Non-exempt men also cite dissatisfaction with advancement.

#### **Emma: Focused on Career and Financial Goals**

After graduating from college with a degree in business, Emma was recruited by a large consumer products company in Chicago. She was attracted by the salary, benefits and seemingly unlimited opportunities for growth—and with the excitement of living in Chicago. With few obligations at home, Emma does not mind occasional business travel or working longer hours when necessary, but she protects her evening visit to the gym and regularly gets together with friends. With hefty student loans to repay, Emma keeps her discretionary entertainment and purchases to a minimum, and tries to squirrel away money for a down payment on a condominium. Emma loves her job and the people at her company. She is thinking about taking advantage of the company's tuition reimbursement program to attend business school part-time.



### Employees in their 30s

Companies highly value employees in their 30s, who typically have several years of experience, are advancing in their careers, and are profitable for their employers. For many employees in their 30s, however, job and family responsibilities are growing at the same time. Marriage and/or the arrival of children often lead to changes in work and life priorities. Nearly one-third of all respondents in their 30s say they expect to leave their company within three years.

- Exempt women in this age group cite work/life balance and flexible work options as highly important to job satisfaction. They also cite family life as the top criterion for personal fulfillment.
- During their 30s, exempt men cite flexible work options as key to job satisfaction. Their chief source of personal fulfillment is family life. Tellingly, for exempt men, resilience is somewhat lower in the 30s than it is for exempt men in their 20s—perhaps a reflection of the competing demands of work and family.
- Exempt employees in their 30s tend to be dissatisfied with career development and advancement opportunities. Exempt men in their 30s, like those in their 20s, cite work/life balance as an area of dissatisfaction. Interestingly, women report high dissatisfaction with having their opinion valued.
- For non-exempt men and women, job security is important to satisfaction, and for men, opportunities to learn and grow. Family life is by far their most important source of personal fulfillment.
- Areas of dissatisfaction include career development (cited by men and women), salary and benefits (cited by women) and utilizing abilities (cited by men).

#### **Greg: Wants More Flexibility for Family**

Married for 15 years, Greg is 36 with two school-age children and a rewarding family life. His wife works part-time as a secretary at a small law firm. Greg works the swing shift in the distribution warehouse of a large auto parts company, and his job is the family's primary source of income and health benefits. His shift worked out well when the children were young, and he could help with child care during the day. Now that they are in school, his schedule permits little time with them during the week, and limits his involvement in after-school activities like coaching. There has also been strain on the family because Greg's mother-in-law is ill and needs assistance from Greg and his wife. And lately, Greg has been frustrated at work. He gets little satisfaction from the job itself. And the company has been rigid about his schedule; as a result, he has received several "occurrence" reports for being late because of family health issues. Greg is ready to quit, but is worried about the financial consequences.



### Employees in their 40s

Employees in their 40s are another prized talent group—trained, experienced and knowledgeable. These mid-career employees are at risk of leaving at the very point when employers hope to see them ramping up for leadership. It is therefore especially important for companies to glean this cohort's top criteria for job satisfaction and life fulfillment.

- Exempt women in their 40s cite the chance to learn and grow in their jobs as among the most important factors to their satisfaction with work. The majority of women in this age group consider family life key to personal fulfillment.
- By contrast, exempt men indicate that job security is most important to satisfaction with work. Like women in this age group, however, they cite family life as the most important criterion to personal fulfillment. Strikingly, exempt men's engagement drops to its lowest point in the life cycle.
- Examining areas of dissatisfaction, men and women—exempt and non-exempt alike—report dissatisfaction with advancement and career development.
- In addition, exempt men are dissatisfied with work/life balance, and non-exempt men are dissatisfied with having their opinion valued.
- By their 40s, exempt men have had six employers; typically, they will not add more employers over the remainder of their work lives.
- By their 40s, exempt women have worked for five employers, but are poised to add an average of two more over the next two decades.

#### **Sean: In Search of Better Work/Life Balance**

Sean is 43 years old and an IT Consultant. He and his partner have been together 11 years, own a nice home, earn large salaries and don't plan to have children. Sean had stayed with the same large IT consulting firm for nearly 20 years, building his skills and assuming more responsibilities. Several years ago, the company was acquired and everything changed: workload increased along with bureaucracy and micro-management. He seemed to be spending more and more time on irritating, low-value tasks. With the increase in stress at work, Sean was also finding he couldn't enjoy his weekends, and it was taking a toll on his relationship. With little difficulty, he found a similar position with another firm—taking his training and experience to a competitor. Sean has settled into his new job and is optimistic that he can regain his work/life balance.



### Employees in their 50s

Our survey data show that for employees in their 50s, benefits and job security are key to job satisfaction for men and women, exempt and non-exempt alike. While financial security and family life are primary sources of personal fulfillment, physical/mental health emerges as important for a large proportion of respondents.

- Religion and spirituality is cited as important for a general sense of fulfillment for 36 percent of non-exempt women.
- Career development continues to be a source of dissatisfaction among exempt employees (both men and women) and non-exempt men.
- Exempt men also cite dissatisfaction with utilizing their abilities and work/life balance, while exempt women are dissatisfied with advancement and workload.
- Non-exempt men and women report dissatisfaction with having their opinion valued.
- Engagement drops dramatically for non-exempt men, while non-exempt women exhibit a “bump up” in their 50s.
- Similarly, resilience drops for non-exempt men, but climbs for non-exempt women.

#### **Gloria: Skyrocketing in her 50s**

Gloria worked for twenty years in marketing and sales. At 44, with one child out of college and the other two years away from graduating, she decided to become an attorney. Entering law school at 45, she was one of the older students in her class, yet also one of the most dedicated and studious. Graduating magna cum laude, she joined a large law firm in their litigation department. She loves her work and excels in her new profession. At age 55, eight years into her law career, her husband has retired but Gloria is at a different career milestone: she expects to be considered for partner. She feels she has tapped into a reservoir of energy and self-confidence she never knew existed.



### Employees 60 and older

Mature workers 60 and older are remarkably diverse in their goals and outlook. While they cite salary and job security as the most important factors in job satisfaction, nearly as important are benefits, flexible work options, the opportunity to use their abilities, and authenticity on the job. With an increase in life expectancy, better overall health and a focus on life-long learning, this demographic group may prove to be an important segment for many employers.

- Exempt women cite job security second to salary in job satisfaction, but the opportunity to utilize their abilities is close behind. They cite financial security as most important to their general sense of fulfillment. Non-exempt women, on the other hand, cite family life as the most important factor in a general sense of fulfillment by a wide margin.
- For exempt men in this age group, job security ranks second to salary as most important to job satisfaction. Exempt men also cite financial security as most important to a general sense of fulfillment.
- Unlike all other age and gender cohorts, non-exempt men in their 60s say that physical and mental health is the most important factor in their general sense of fulfillment. This may reflect the toll that strenuous physical labor exacts over their work lives.
- Non-exempt women add flexible work options to their most valued list, behind salary and benefits.
- Exempt women in this age group display far higher resilience than exempt men; indeed, the only cohort higher in resilience is non-exempt women in this age group.
- The greatest area of dissatisfaction among exempt men is having their opinion valued. For exempt women, the greatest area of dissatisfaction is salary, followed by career development and company culture.
- For non-exempt women, benefits is the area of greatest dissatisfaction. For non-exempt men, the top source of dissatisfaction is salary.

#### **Martha: Looking for Congenial Colleagues and Meaningful Work**

Martha is 62 and divorced, with three grown children and four grandchildren. She is active in her community, volunteering with various civic groups, and spends as much time with her grandchildren as she can. Deeply religious, Martha is active in her church as well. She is proud of the small home she inherited from her parents, and tends it with care. Martha has worked for 31 years for an insurance company, processing claims. The job has never been challenging or interesting, and she has not felt respected. In fact, younger workers seem dismissive of her. Fit and energetic, Martha is not ready for retirement. She has decided to leave her employer for a job with her church.



## ENDNOTES

### (1) Study Design

- 2,775 exempt and non-exempt employees working in medium and large corporations
- Over-sampling of these industries: Banking, Credit, Investment Services (n=202); Consulting: Business or Technology (n=366); Energy (n=312); Health Care (n=201); Hi-Tech: Electronics Manufacturing, Software, and Services (n=457); Insurance (n=205); Professional Services: Law and Public Accounting (n=186); Pharmaceuticals/Medical Products (n=242)
- Data weighted by age, gender, education, race/ethnicity, region, household income, company size, industry, and "propensity score" (adjusts for attitudinal and behavioral differences between those who are online versus offline)
- 200 individuals not currently in the workforce but planning to return within three years. These respondents were previously employed in a large corporation in one of the eight target industries listed above.

### (2) Elements Included: Job Satisfaction and Importance

- Advancement opportunity
- Job challenge
- Meaningful work
- Opportunity to learn and grow
- Education and training
- Career development, mentoring, coaching
- Performance feedback
- Autonomy (control over work)
- Flexible work options (i.e., formal arrangements – such as flexible start/end times, telecommuting, job share, reduced hours, compressed work week—or occasional flexibility to work from home or adjust hours to attend to personal/family needs)
- Salary/wage
- Benefits
- Job security
- Immediate manager
- Fully utilizing my abilities
- Having decision-making authority
- Having my opinion valued
- Collaboration and teamwork
- Workload
- Work/life balance
- Quality of colleagues
- Social relationships at work
- Authenticity/being myself at work
- Company mission
- Company culture
- Workforce diversity

### (3) Elements Included: General Sense of Fulfillment

- Career advancement
- Making a lot of money
- Occupational prestige
- Work that is satisfying
- Ability to make a contribution to society
- Financial security
- Having discretionary income for personal purposes
- Physical fitness/athletic pursuits
- Quality family life
- Quality social life
- Keeping active
- Personal interests, hobbies, recreation
- Religion, spirituality
- Volunteering, social activism, community involvement



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