



By Kelly Jones

What do employees really want from work? During the past 10 years, Sibson Consulting, the human capital consulting division of The Segal Company, developed a framework to better understand what attracts, motivates, and retains the U.S. workforce and how employers can use this information to improve desired outcomes in their organizations. The initiative has included a national study conducted in 2000, 2003, and 2006 that surveyed a broad sample of American workers to track, among other things, employee satisfaction levels in five key areas: affiliation, compensation, benefits, career, and work content.



These five categories comprise Sibson's Rewards of Work (ROW) model and encompass both financial and nonfinancial components of how employees are rewarded. The ROW model provides a framework for understanding the relationship between employees' attitudes and perceptions and their relationship to organizational effectiveness outcomes such as performance, engagement, and turnover. These categories also represent the major components of total rewards strategies. **(See companion article, "[The Complete Package](#)," in this issue.)** While each category is intended to be independent of the others, some overlap among the categories is unavoidable. For example, a staff member's relationship with his or her supervisor may be represented by several categories, since the supervisor may be responsible for giving the employee feedback (i.e., work content), raise distribution (i.e., compensation), and training opportunities (i.e., career).

While the ROW studies have traditionally focused on the corporate, for-profit sector, Sibson's "The Rewards of Work Study 2006: Improving Employee and Organizational Outcomes," included a small number of higher education institutions. Although the higher education sample for the 2006 study is too small to be statistically significant, it does provide some directional insight. This article briefly presents some key findings of Sibson's 2006 study along with interpretation of what the higher education responses might suggest.

Affiliation. Among corporate respondents, overall satisfaction with employer organizations fell from 77 percent in 2003 to 61 percent in 2006. Organization commitment and organization support—both indicators of potential employee turnover—dropped most dramatically, followed by equal drops in understanding of vision

and trust in management.

Compared to the corporate-sector satisfaction rating (61 percent), higher education responses indicated a 67 percent overall satisfaction with employer affiliation. The higher rating may in part confirm the general sense that college and university employees typically enjoy a strong bond with their employers. While that certainly doesn't mean that institutions should not provide competitive compensation packages, it may signal that a staff member or administrator who is attuned to the mission and vision of the institution and involved in the community isn't as likely to move to another college or university for an additional \$5,000 or \$10,000, for example. (The size of the higher education sample and the fact that this was the first year for which this data was collected, might be the cause of the close correlation to the corporate findings, but there is no historic information to measure against as yet.) This result may suggest that when designing rewards programs and strategies, institutional leaders should not underestimate the value that affiliation represents, even though there is no clear dollar value that can be associated with affiliation.

Compensation. The most striking thing we saw in the higher education responses was the sharp difference presented in overall satisfaction levels for compensation. Higher education respondents indicated only a 30 percent satisfaction rating compared to a 70 percent satisfaction rating from corporate respondents. For the private sector, this finding was consistent with the 2003 (71 percent) and 2000 (72 percent) studies.

Higher education respondents were also less satisfied than corporate respondents with pay levels (42 percent satisfaction in higher education versus 55 percent satisfaction in corporate) and pay raises (35 percent versus 42 percent). Yet, comparisons to previous studies show steady decreases in satisfaction in these areas for corporate-sector respondents—from 66 percent satisfaction with pay levels in 2000 and 2003 to 55 percent in 2006; and for pay raises, a drop from 57 percent in 2000, to 53 percent in 2003, to 42 percent in 2006.

Satisfaction with pay systems saw the most dramatic drop-off for the corporate sector, from 41 percent in 2003 to 20 percent in 2006. In part, this may suggest a growing gap in employees' understanding about how pay grades, ranges, and levels are set; how pay compares across the organization; and how pay and performance are related. One key implication: Many organizations are simply missing the mark in actively sharing information about compensation and incentive systems. Higher education respondents were somewhat more satisfied than their corporate counterparts, with 9 percent more responding favorably to pay-system openness. Colleges and universities frequently have strong cultures of openness, which may be driving this result, but the overall satisfaction with the pay system mirrored corporate respondents at only 20 percent.

Benefits. For corporate-sector respondents, levels of satisfaction with benefits continued to slide. Specifically, drops occurred in satisfaction with retirement benefits (56 percent in 2003 to 42 percent in 2006) and health care benefits (66 percent in 2000, to 60 percent in 2003, to 54 percent in 2006). Even so, corporate-sector respondents were more satisfied overall with benefits (69 percent) than those from higher education (58 percent). This is likely due to the fact that institutions have begun to move away from paying for 100 percent of benefit costs toward introducing increases in contributions, copayments, and other plan features. This anxiety on the part of higher education respondents was felt years ago by corporate respondents. In addition, this result may indicate that higher education institutions need to do a better job in communicating the

tremendous value of their benefits as compared to other employers. Higher education did surpass the corporate sector in satisfaction with time off (87 percent versus 74 percent) and retirement benefits (51 percent versus 42 percent).

Career. Overall, higher education respondents were more satisfied (60 percent) with various aspects of their careers than were corporate respondents (53 percent). Corporate employees voiced a sharp decrease between 2003 and 2006 in satisfaction with such elements of their career as understanding the performance management system (92 percent versus 76 percent), their belief in the effectiveness of the performance management system (64 percent versus 47 percent), and level of training (70 percent versus 47 percent).

Work content. Following the career trend, satisfaction levels among corporate respondents declined sharply in the areas of supervisor feedback (72 percent in 2003 to 51 percent in 2006) and job feedback (from 88 percent to 71 percent). In terms of overall satisfaction with work content, higher education respondents appear happier with their work, with a 90-percent satisfaction rating versus a 75-percent rating among corporate respondents. Those relatively high ratings of overall satisfaction may bode well for both sectors, since both rate work content as the most important factor—above compensation—for retention (85 percent for higher education, 81 percent for corporate) and motivation (83 percent for higher education, 80 percent for corporate). Worth noting, however, is that for corporate-sector respondents, satisfaction with compensation did see a sharp rise from 2003 to 2006 as a key factor in retention (from 48 to 70 percent) and motivation (from 48 to 67 percent).

Anticipating Turnover

Given the overall and, in some cases, dramatic drops in satisfaction levels for the American worker in the five areas studied, one reality for the corporate sector is that unwanted turnover is likely to increase in the near term. Further, this turnover will likely be driven in significant measure by factors other than compensation and benefits.

Having said this, at least two points are worth bearing in mind. First, turnover drivers vary by demographic group and typically differ among organizations. Second, by recognizing that some of the most significant drivers of unwanted turnover are connected to dissatisfaction with affiliation such as organizational commitment, organizational support, and trust in management, institutions can take a proactive role in enhancing the employer–employee connection.

While neither conclusive nor directly comparable to corporate-sector feedback, the responses from higher education participants in the 2006 ROW study provide a helpful benchmark for how institutions might look at designing compensation and benefits systems to attract and retain top talent. Before tinkering with or substantively redefining what the institution offers employees, leaders need to take a critical look at the current state of employee satisfaction and engagement. The unique work environment of academic institutions and strong connections that many individuals feel towards their institution and its mission provide rich opportunities to develop a distinctive strategy for attracting, retaining, and engaging faculty and staff.

Kelly Jones is vice president and higher education practice leader for Segal/Sibson;
e-mail: kjones@segalco.com.

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