

Ethical Issues in the Employer-Employee Relationship

A survey by Walker Information Inc. in association with the Society of Financial Service Professionals, March 2000

Background

- The survey was conducted on January 11th 2000. It was one of a series of surveys done by Watson Wyatt regarding the attitudes of US workforces.
- More than 7,500 workers responded.
- Respondents were statistically representative. They were workers at all job levels and from a cross-section of the full-time working population. They represented organizations in various industries, such as financial services, healthcare, hi-tech, manufacturing, retail trade, consumer products and utilities.
- The objectives of the survey were to assess the attitudes of US workers towards their workplace and their employers, to identify key factors affecting employee commitment, and find out the relationship between employee commitment and the bottom line.

Study Results

- Companies with highly committed employees had a 112% three-year TRS; versus a 76% return for companies with low employee commitment.
 - Slightly more than half (55%) of workers are committed to their employer, while 16% are not committed at all. The remaining 29% were neutral.
 - Even fewer employees have trust in top management (approximately 50%).
 - Seven main factors were found to drive employee commitment (and the relative impact of each factor is given in percentage terms below):
1. Trust in senior leadership (14%)
 2. Chance to use skills on the job (14%)
 3. Job security (11%)
 4. Competitiveness of rewards (11%)
 5. Quality of company's products/services (10%)
 6. Absence of work-related stress (7%)
 7. Honesty and integrity of company's business conduct (7%)
 8. All other factors (26%)

- Companies that manage change effectively have higher employee commitment and better shareholder value.

Study Conclusion

Companies and organizations face a significant challenge in developing a committed, engaged workforce. Employee commitment and increased trust in leadership can give better results in terms of the bottom line. High TRS is inseparable from an energized, enthusiastic workforce. A committed workforce is also the most basic element to being an employer of choice.