

WHAT MATTERS MOST: ATTRACTING TALENT IN THE RECOVERING ECONOMY

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Table of Contents

Introduction and Executive Summary 3

Employees in Search of a Caring Company 4

Opportunities for a Good Match 6

The Link Between Financial Protection and Caring 7

The Need for Communication 9

The Importance of Financial Protection Benefits During the Recovery 10

Conclusion..... 11

Research Methods and Participant Profile..... 12

This study is sponsored by Unum and conducted independently by Monster.com.



Unum is a market leader in Financial Protection Benefits, including group disability, group life, long term care and voluntary benefits. The company’s products and services meet the needs of more than 171,000 businesses in the US and UK, including 38% of the Fortune 500. Unum supports employers as they navigate the shifting landscape of employee benefits, offering expertise, innovative products and relevant solutions that help them manage their businesses and take care of their employees. Visit unum.com for more information.

INTRODUCTION AND EXECUTIVE SUMMARY

After several years of difficult staffing decisions and workforce cutbacks, the picture for businesses and employees may finally be improving. Employment rates have increased, if slowly, and consumer confidence is recovering as well. Economic indicators suggest the economy is on a slow but hopeful path to regaining its strength.

As the economy turns this corner, now is the time for companies to take stock in their human capital and to prepare their companies for the future. To capitalize on new growth opportunities, businesses require the energy and loyalty of an engaged workforce. They also need to position themselves so that they are competitive and attractive to prospective employees, both those leaving their current companies and those re-entering the ranks of the employed.

To gain a better understanding of the current employment market, Monster.com collaborated with Unum to conduct a study that explores the views of both sides of the employer-employee relationship. To understand the perspective of employers, Monster.com surveyed HR leaders who are on the front lines of the critical effort to attract quality employees. It also surveyed workers—both currently employed and unemployed—who are looking for new job opportunities. Among those looking for jobs, what are they seeking in their next employment opportunity? What matters most in choosing a company to work for? And on the other side, how effectively are recruiting companies positioned to deliver on what job-seekers really want?

The study found:

- In their quest for a new job, workers are looking for an employer that truly considers the well-being of its employees. Even coming out of a harsh recession, workers are intently focused on finding an employer who can offer fulfillment, growth, and learning opportunities.
- Employees are more aware of and interested in workplace benefits than they have been in the past. Compared to just a few years ago, they take benefits less for granted, and they are reviewing benefits plans more thoroughly as they explore new opportunities.
- Offering financial protection benefits that cover employees if they are unable to work is one way that companies can show they have their employees' well-being in mind, and workers who feel protected in this way are far more likely to rate their companies highly when it comes to caring.
- Many companies are not effectively communicating how their benefits programs provide an important safety net of financial protection for workers. For many businesses, this is a lost opportunity to demonstrate a high level of commitment and caring to employees.

EMPLOYEES IN SEARCH OF A CARING COMPANY

As they focus on their next job, both employed and unemployed workers are not just looking for a solid paycheck; they are looking for an employer that cares about their well-being, that offers personal fulfillment, and that provides opportunities for learning and development. According to the Monster.com.com survey, the top-ranked item on workers' wish list is to find a company "that truly cares about the well-being of its employees" — rated by 87% of workers as being a very important characteristic they seek when looking for the ideal company to work for. In addition to having a challenging and fulfilling position and opportunities for learning and development, job security was among the most coveted attributes of an ideal employer – a finding not surprising given the recent recession.

What is noteworthy is that the hard dollars and cents of a job ranked lower in the overall picture of what workers sought in an ideal employer: a high base salary, bonuses, profit-sharing and perks are third- and fourth-tier characteristics among those that jobseekers evaluated. An attractive benefits package, perhaps suggesting an element of concern for the well-being of the employee, ranked higher than a high base salary. Among employed workers, 78% indicated that an attractive benefits package was very important to them versus 69% who considered the high base salary very important. Unemployed workers were similarly more focused on the benefits package (71% identified it as very important) than on the high base salary (63%).



It is also striking how small the differences are between currently employed jobseekers and those who are unemployed. The ranking of ideal employment characteristics for the two groups is nearly identical, suggesting that a caring environment that provides personal fulfillment and opportunities for learning is highly sought no matter how urgent the economic need.

Jobseekers’ Ratings of Ideal Employment Characteristics Figure 1

Question: How important are each of the following to you when you think of the company you would ideally like to work for? (1= not at all important, 10=extremely important)

		% very important Rated 8, 9, or 10	
		Employed Workers	Unemployed Workers
Top Tier Rated very important by at least four out of five	• A company that truly cares about the well-being of employees	86%	89%
	• A challenging and fulfilling position	83%	85%
	• Job security	82%	82%
	• Opportunities for learning and development	83%	78%
Second Tier Rated very important by about three-quarters	• The company provides work/life balance to its employees	81%	72%
	• It is a growing organization with plenty of room for advancement	76%	75%
	• They offer an attractive benefits package	78%	71%
Third Tier Rated very important by about two-thirds	• An ethical and widely-admired organizational culture	72%	69%
	• It has a strong focus on internal communications	69%	65%
	• They offer a high base salary	69%	63%
	• The company has culture of transparency and shared information	67%	63%
Fourth Tier Rated very important by half or fewer	• They offer a results based bonus program	53%	54%
	• They offer an excellent profit sharing plan	55%	52%
	• The company is a recognized market leader	49%	49%
	• Attractive perks (company car, health club membership, etc.)	38%	27%

OPPORTUNITIES FOR A GOOD MATCH

Workers were also asked how well their current or former employers performed in these areas. Given that these workers were seeking new employment, it is no surprise that they graded their companies harshly. In most areas, fewer than one-third of workers felt their companies were doing very well.

But how are the recruiting companies who hope to attract quality employees performing on the characteristics that are highly valued? A unique feature of this study was that it surveyed both halves of today's job market: those looking for positions and those looking to fill them.

The findings offer encouraging news for both sides, with most HR leaders seeing their companies as strong players when it comes to providing what jobseekers want most. Eighty-four percent agreed that their companies truly care about the well-being of their employees, with more than half (60%) indicating strong agreement. Likewise, 85% felt their companies offered challenging positions, and 74% indicated that they offered job security. While a majority gave positive ratings on learning and development opportunities, notably fewer gave very strong ratings, suggesting a competitive edge for those companies who excel in this area.

Recruiting Employers' Ratings of What Their Companies Offer Figure 2

Question: To what extent would you agree that the following attributes describe your company? (1= strongly disagree, 10= strongly agree)



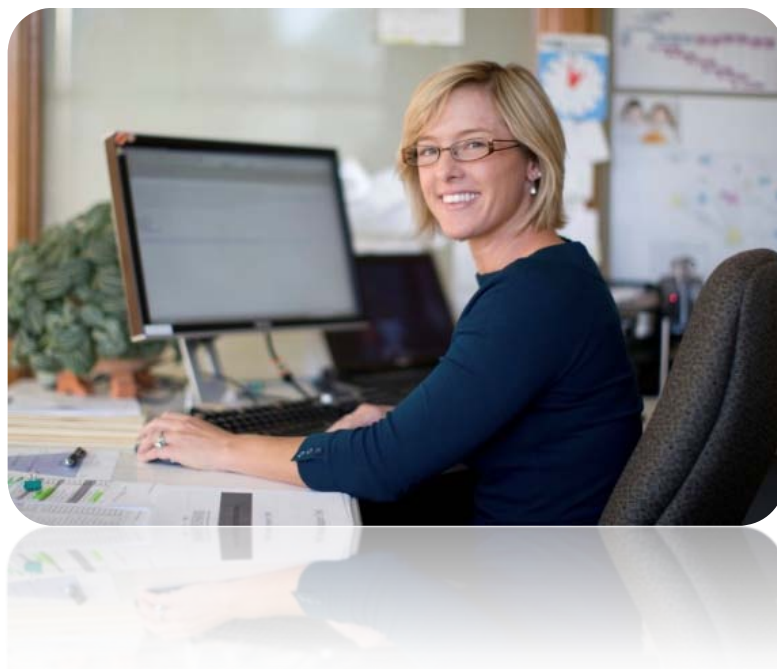
THE LINK BETWEEN FINANCIAL PROTECTION AND CARING

The worker perspective confirms what some HR leaders already suspected from their own efforts to recruit in a recovering economy. In a recent survey conducted by Harvard Business Review Analytic Services for Unum, 78% of HR leaders agreed that “being a company that cares about the well-being of employees” was very important to attracting and retaining talent, landing it in the top tier of the most important employer characteristics from both the employer and employee perspectives. And the Monster.com survey shows that HR leaders feel confident that their companies can speak to what workers want.

But what are some specific ways of demonstrating this? One idea explored and confirmed in this research is that both employees and HR leaders associate looking after the well-being of employees with providing financial protection beyond the paycheck. As such, it suggests that options for disability coverage and life insurance can be an essential piece of the overall “caring equation” for companies trying to recruit and retain staff.

A majority of both workers and recruiting employers strongly agree that offering financial protection benefits signifies that a company truly cares about its employees. Eighty-six percent of HR leaders indicated that making sure employees and their families were covered should something happen to them was an important reason for deciding to provide these types of benefits. And 82% of workers agreed that being offered financial protection benefits shows that a company is concerned about the well-being of its employees.

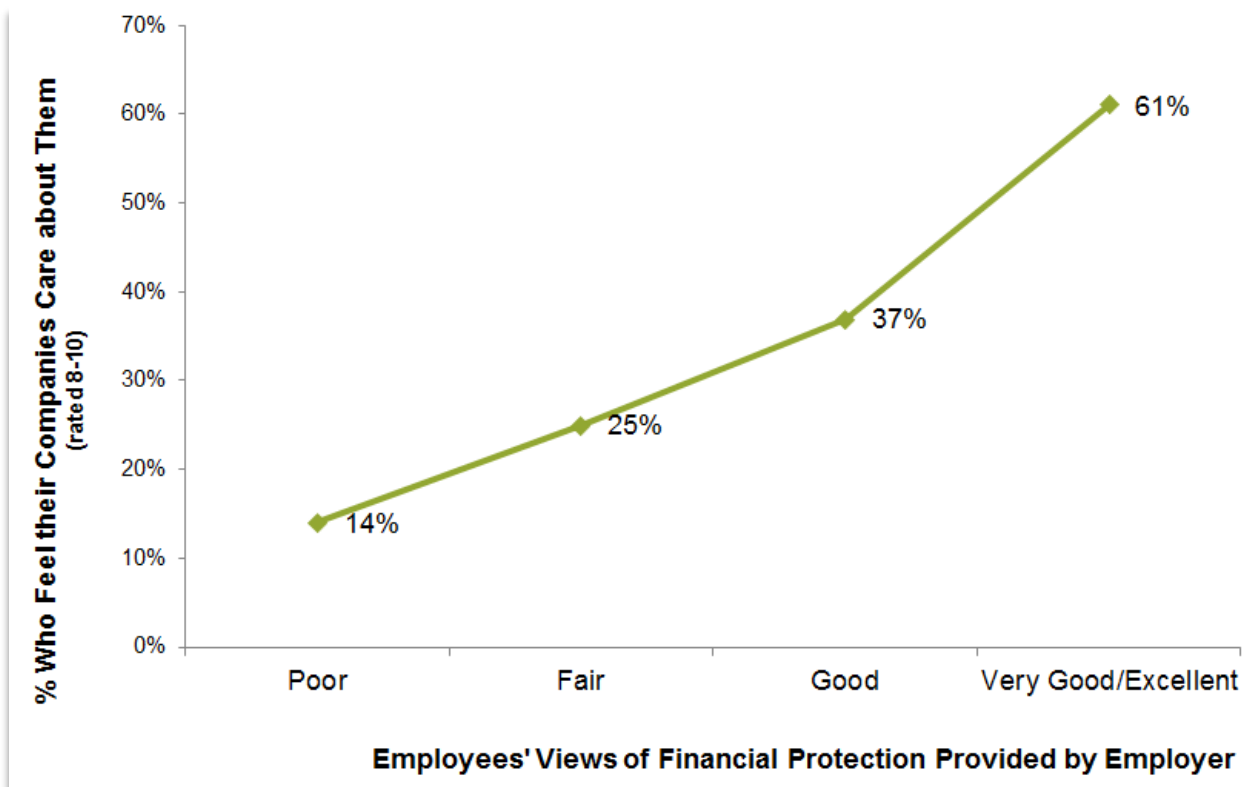
Furthermore, regardless of the specific benefits plans that workers have, their feelings about the financial protection offered by their current employer correlate strongly with their feelings about the company’s level of caring, as shown in Figure 3. Nearly two-thirds of workers who rate their companies highly on financial protection similarly rate their companies highly on caring for their well-being. And in an open-ended follow-up question to employees who felt good about how their companies would protect them financially if they could not work, nearly half specifically mentioned disability benefits.



The Relationship between Financial Protection and Caring for Employees Figure 3

Question: Beyond your salary, how would you rate your current employer when it comes to protecting your financial well-being if you should become ill or injured and cannot work?

Question: How well does your current employer rate on the following: The company truly cares about the well-being of its employees? (1=Very poorly, 10=Extremely well)



THE NEED FOR COMMUNICATION

A key implication of these findings is that financial protection benefits can be an important component of how companies care for current and future employees. In that regard, the recruiting employers represented in this study are well-positioned for today's job market. Nearly all of them (91%) reported offering short term disability (STD), long term disability (LTD) and/or life insurance benefits. Two-thirds reported offering the full suite of all three.

However, merely offering benefits is not enough. As has been shown in other workplace studies, there will always be a critical need for clear communications to employees about the value of their benefits. When it comes to benefits like STD, LTD, and life insurance, companies will need to help workers understand their benefits as not so many programs and plans, but as an umbrella of financial protection to care for them and their families.

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The need for effective communication is especially evident when considering the large gap between jobseekers in this study who felt financially protected and those who reported access to insurance benefits. Fewer than half (45%) of those now employed rated their companies positively when it comes to protecting them financially if they become ill or injured and cannot work, but most reported access to, and awareness of, a variety of important employee benefits. Sixty-one percent reported access to disability benefits and 69% reported access to life insurance.

Likewise, when it comes to the broader issue of caring, workers who had disability and life insurance benefits did not necessarily rate their companies as more caring than those who did not have them. What mattered was whether they understood their benefits as providing a measure of financial protection. Those who did were far more likely to feel that their companies cared.



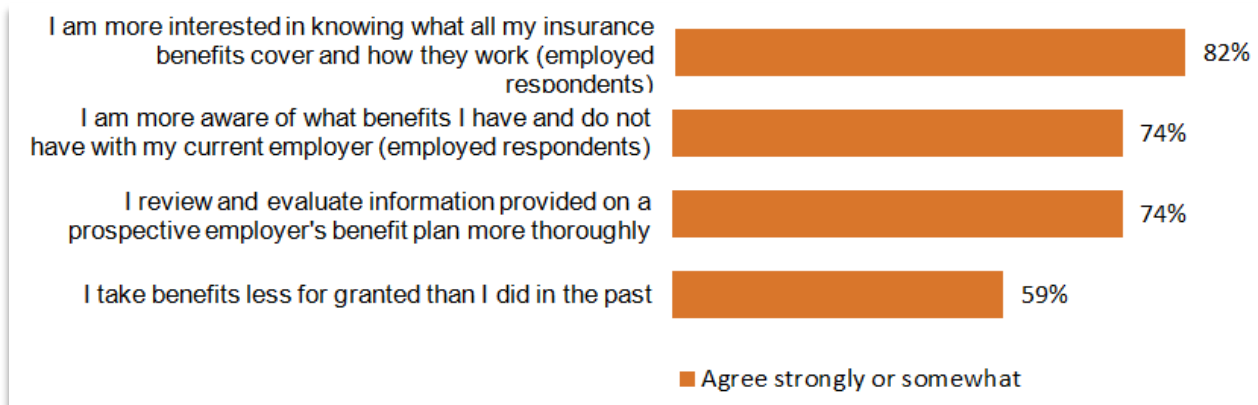
THE IMPORTANCE OF FINANCIAL PROTECTION BENEFITS DURING THE RECOVERY

With the early stages of recovery underway, and workers hoping to see the rewards of an improved economy in the next job, now is the time to communicate clearer messages about benefits, what they mean, and why companies offer them.

Workers overwhelmingly agree that, compared to just a few years ago, they are more interested in knowing about their benefits, more aware of what they have, and more likely to review and evaluate benefits as they seek new jobs. HR leaders agree. About two-thirds consistently say that employees and prospective employees are more aware of benefits, are asking more questions, and take benefits less for granted compared to a few years ago.

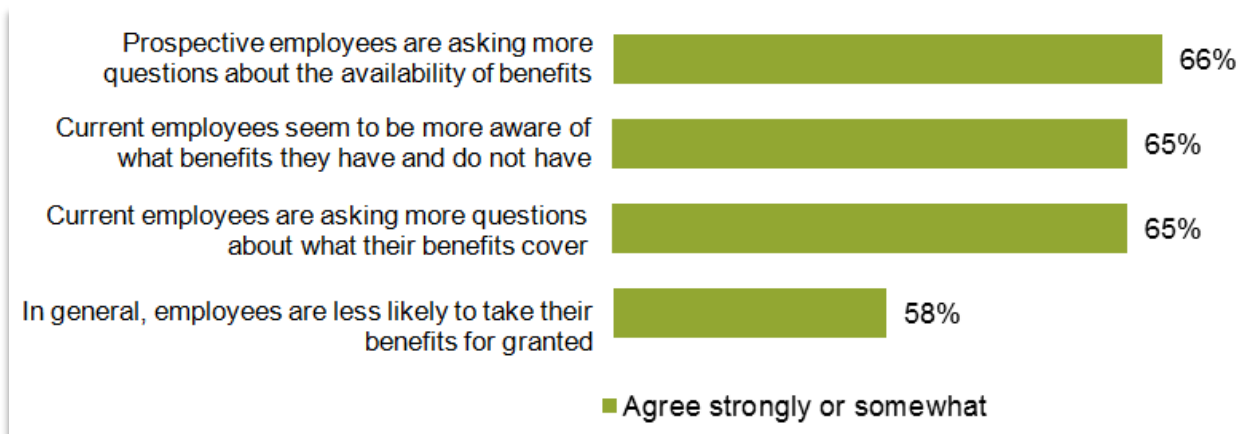
The Heightened Importance of Benefits for Jobseekers Figure 4

Question: Compared to two to three years ago, to what extent do you agree/disagree with each of the following statements?



The Heightened Importance of Benefits According to HR Leaders Figure 5

Question: Compared to two to three years ago, to what extent do you agree/disagree with each of the following statements?



Indeed, what this survey reveals is that in times of heightened cost cutting, work pressures and a tight economy, employees do not focus solely on the bottom line. They become more interested in protection and benefits beyond their paychecks, all of which tells them their companies care.

CONCLUSION

As competition heats up for the next round of employment growth and renewed economic opportunity, companies with strong benefits packages will be closer to their goal of capturing the attention of today's quality jobseekers. In addition, those who can differentiate themselves with a clear message about workplace benefits providing crucial financial protection will capture the hearts and minds of a workforce that is ready to offer its best.



RESEARCH METHODS AND PARTICIPANT PROFILE

Monster.com.com completed research with 196 employed workers and 272 unemployed workers, all of whom were seeking new employment opportunities through its online employment services. In addition, Monster.com.com interviewed 190 HR decision makers from a diverse set of industries and company sizes again drawn from among customers of its website services. Surveys were fielded and completed in October, 2010.

Nineteen percent of jobseekers were under the age of 35, while 52% were between 35 and 54, and another 29% were age 55 or older. Almost half of fulltime workers (45%) and unemployed workers (44%) reported their current or most recent annual job income as being greater than \$50,000.

Among HR executives included in the research, 21% represented large companies with 2,000 or more employees, while 39% worked for small businesses with fewer than 100 employees. Another 40% were at medium-size companies with between 100 and 1,999 employees.

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