Leadership Pulse™

Energy and Age

eepulse
the measure of your success

MICHIGAN
ROSS SCHOOL OF BUSINESS

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Preliminary Report
April, 2006

Leadership Pulse Introduction

- **Monthly Leadership Learning**
  - Over 4,500 executives around the world are part of the Leadership Pulse Dialogue since it began in June, 2003
  - All individuals in the study receive Pulse Dialogues (surveys) every two months and all results (both on-line reports and executive summaries)

- **April Topics**
  - The Aging Workforce and Energy Trends (369 responses)

- **Why do the study?**
  - Data and Dialogue drive learning; we are providing real-time learning to our stakeholders.

April, 2006 Sample Characteristics

Sample size = 369

Average age of respondent = 51.9 yrs (standard deviation = 8.1)

Gender: 54.4% male and 45.6% female

Company size ranged from “less than 100” (51.1%) to “more than 25,000” (7.8%)

Realities of Aging Workforce

- **In 2000, 13 percent of the U.S. Workforce was 55 and older.**
- **The U.S. Department of labor's bureau of labor statistics reports that this figure will likely increase to 17 percent by 2010.**
- **By 2012, nearly 10,000 Americans will turn 65 EACH DAY.**
- **By the year 2050, 19 percent of workers will be 55 and over.**

Realities

- **Mid-life and older workers want to continue to work.**
- **They want viable work options later in life.**
- **Nearly 7 out of 10 workers age 45-74 tell AARP that they plan to work in some capacity after retirement.**

Survey Questions

Aging questions were designed to understand the current affect of and future readiness to address issues related to an aging workforce (AWF). Therefore, two factors were created to assess current and future concerns of the AWF.

We continue to trend Energy of respondents.

This set of questions on the aging workforce were prepared in conjunction with consultants from Lee Hecht Harrison's Talent Solutions team.

Pulse Dialogue Questions

SECTION II: THE AGING WORKFORCE

2. Please rate the degree to which you think the aging workforce will affect the following within your organization:

   Our overall ability to recruit

   The quality of talent in our organization

   Our organization's culture

   Our ability to compete in our particular industry

   Please use this space to comment on any of your answers to the above questions.

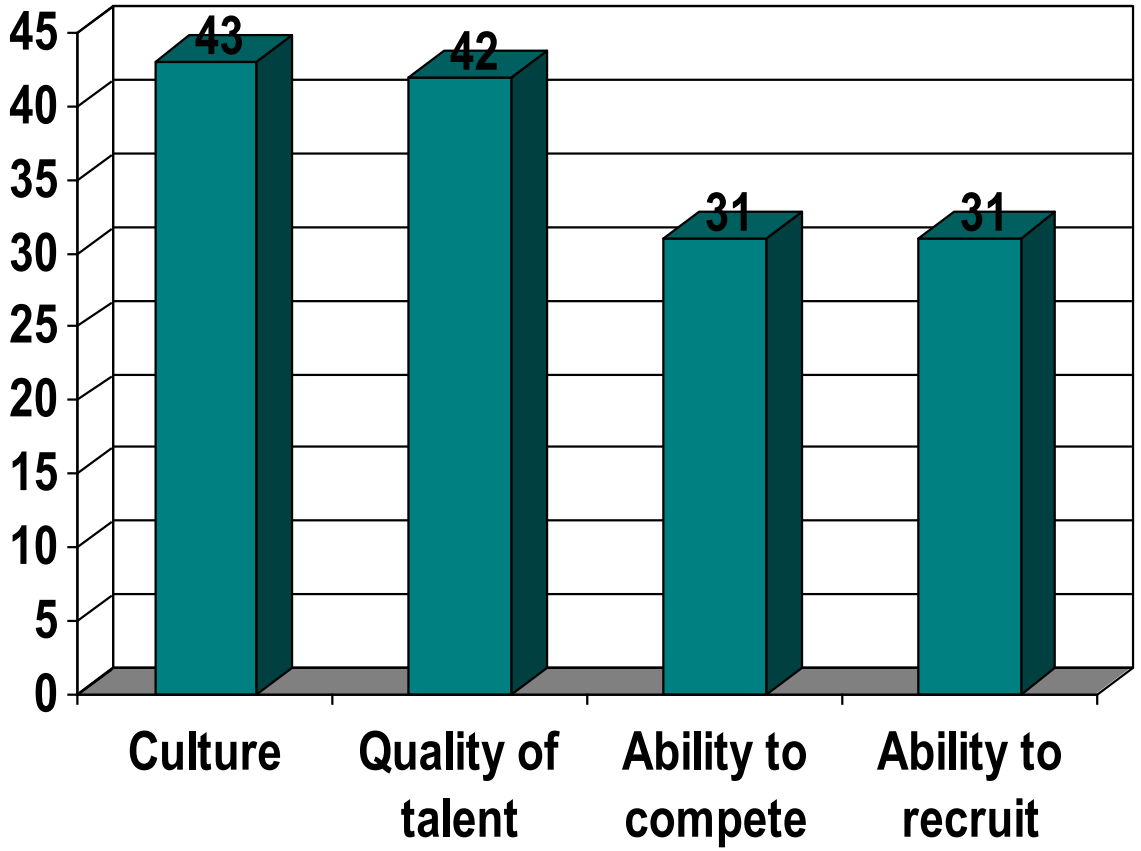
3. To what degree is your organization ready to to recruit older workers?

4. To what degree is your organization ready to retain older workers?

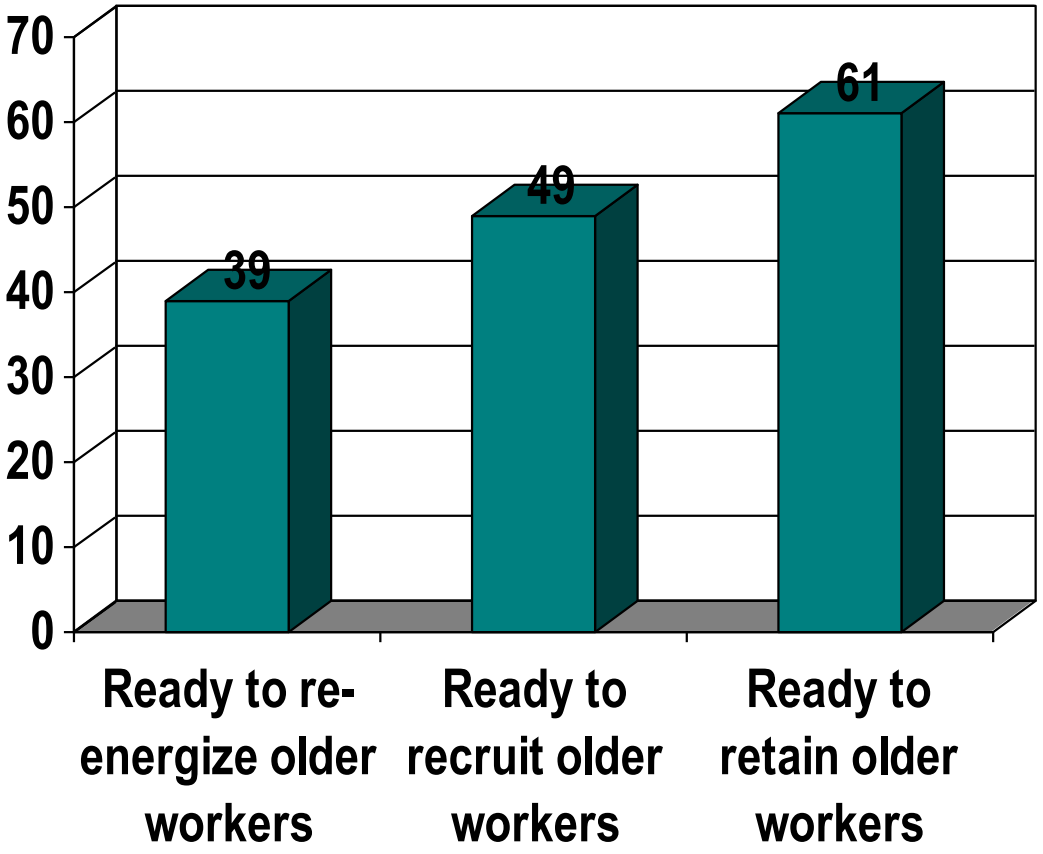
5. To what degree is your organization ready to re-energize older workers?

6. Please use this space to comment on any of the answers to the above questions.

Affect of aging workforce on the following (report shows percentage scoring 4 or 5 on the 1 to 5 scale, represents "agree or strongly agree").



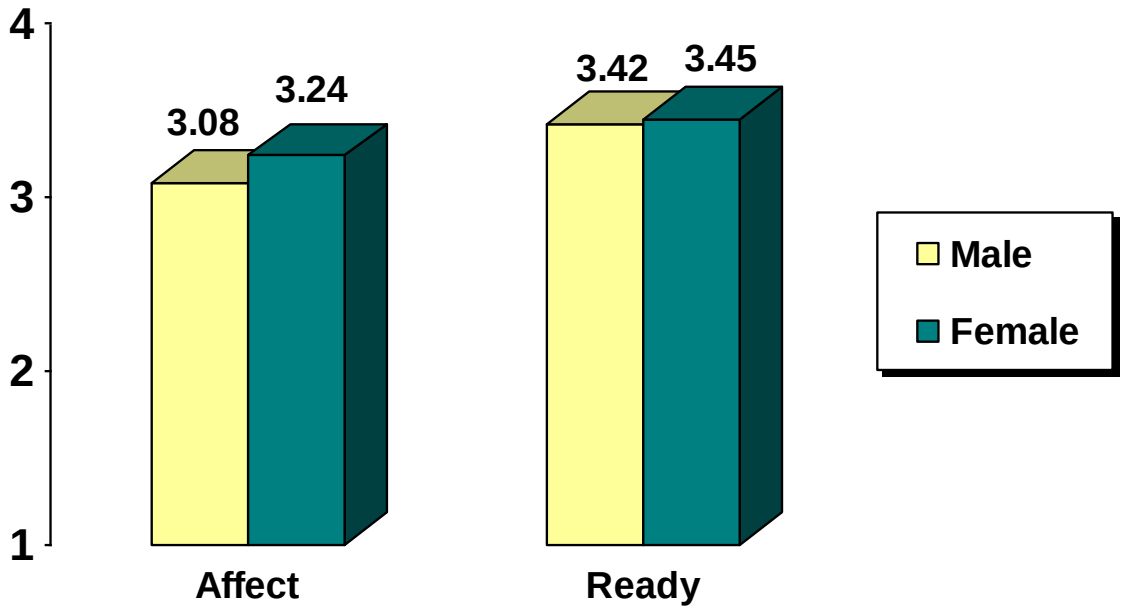
To what degree is organization ready to do the following (reports shows percent agreement):



Analysis of two scales

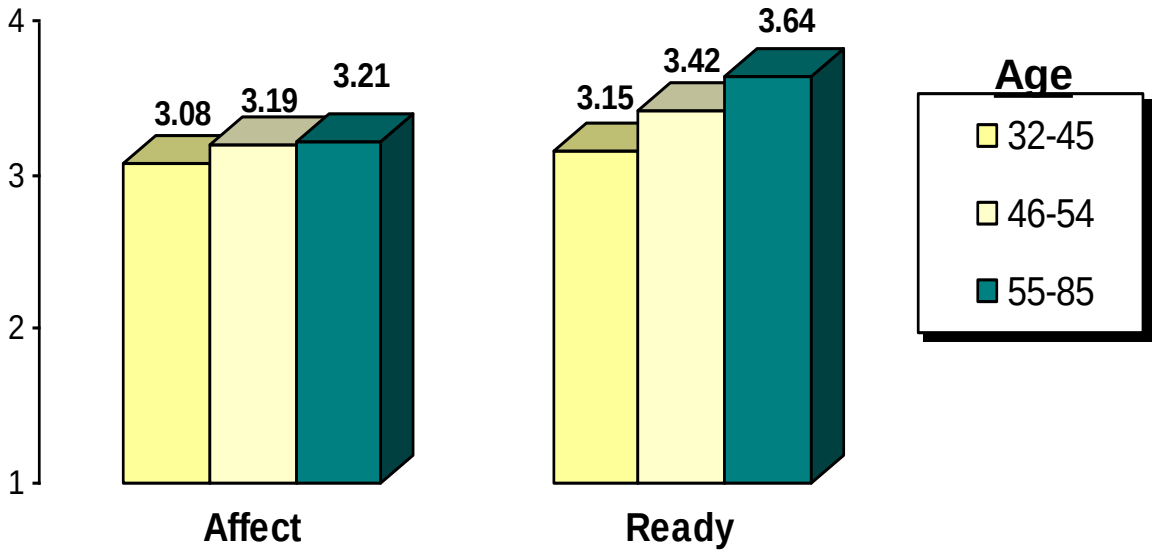
- The four “affect” questions were combined to create a single “affect” score
- The three “readiness” questions were also combined to create a single “readiness” score
- We investigated how these two factors related to various individual and organizational demographic variables collected in the study

Gender



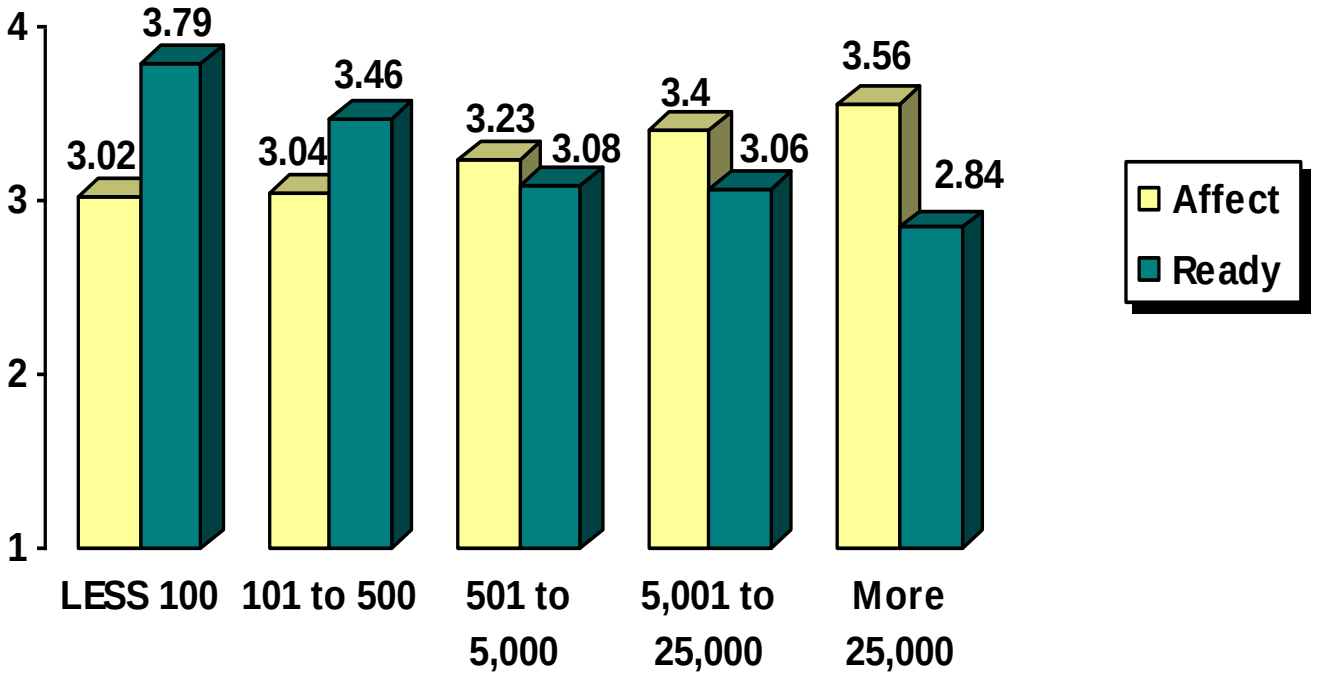
- Male and female respondents differ on the degree to which they think aging workforce (AWF) will affect their organization. Male respondents believe the AWF has a higher degree of effect on their organization than do the female respondents ($p < .05$).
- Both male and female respondents report their organizations have higher degrees of readiness to deal with the AWF.

AGE



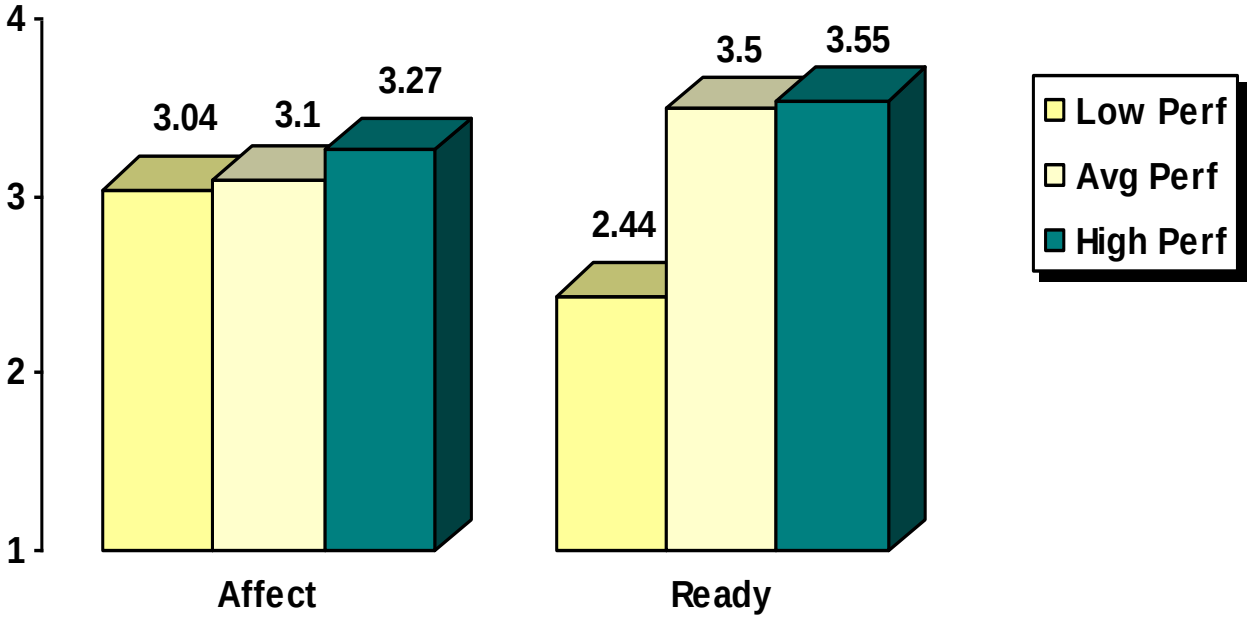
- Older respondents report their organizations have higher levels of readiness to deal with the AWF than younger respondents ($p < .01$).
- Additionally, the older a respondent was, the more likely he/she was to view the aging workforce as currently affecting various aspects of their business.

Firm Size (# of employees)



Larger organizations report higher AWF effects, while reporting lower readiness to address future AWF issues

Firm Performance



Respondents who report being in higher performing companies report greater readiness to deal with the AWF ($p < .05$) and a higher degree of current AWF affects on business.

Energy Pulse Results: By Industry

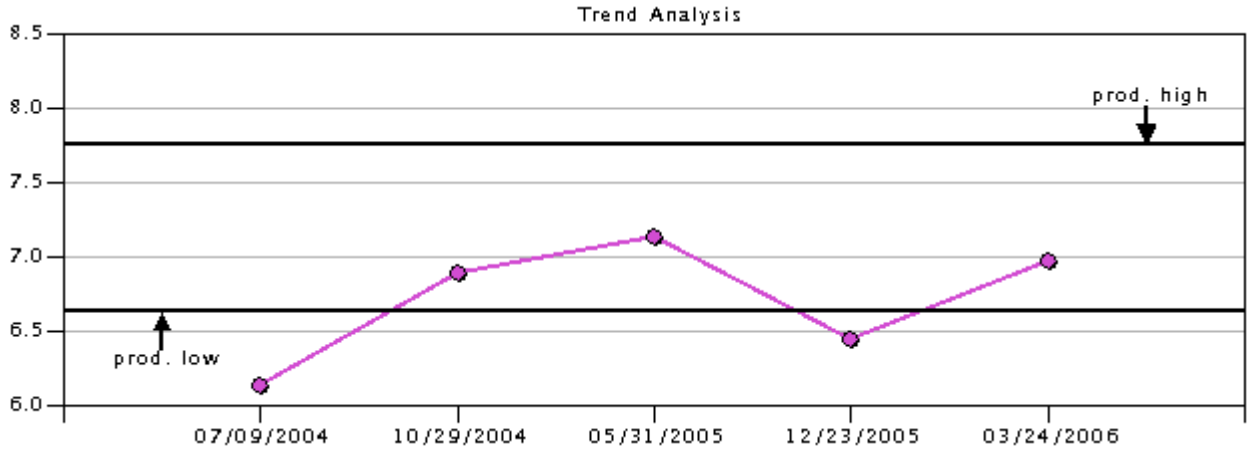
Group	Pulse (SD)[a]	Change[b,g]	WPC (#)[c]	Zone[d]	PLow[e]	PHigh[f]	Energy (%)
All Industries	6.62 (1.87)	0.31	0.46 (109)	-0.33	6.95	7.99	7 / 32 / 61
Agriculture	8.50 (0.00)	NA	NA	NA	NaN	NaN	100
Biotechnology	6.97 (1.86)	0.53	1.30 (1)		6.63	7.76	29 / 71
Communications	6.57 (1.85)	-0.02	0.50 (3)	-0.79	7.36	7.97	8 / 32 / 60
Construction	7.57 (0.98)	1.43	0.33 (3)		7.30	8.05	14 / 86
Consulting	6.51 (1.78)	-0.11	0.74 (19)	-0.48	6.99	8.09	8 / 26 / 66
Engineering	6.13 (1.57)	-0.69	-0.25 (8)	-0.77	6.90	8.02	5 / 53 / 42
Finance, Insurance, and Real Estate	6.52 (1.83)	0.17	0.29 (9)	-0.55	7.07	7.94	48 / 52
Government	6.30 (1.32)	-1.20	0.00 (2)	-0.17	6.47	7.80	50 / 50
Health Care	6.40 (1.85)	0.59	-0.17 (9)	-0.16	6.56	7.94	8 / 38 / 54
Information Technology	6.58 (2.08)	0.50	0.70 (14)	-0.48	7.06	8.03	13 / 26 / 62
Manufacturing	6.76 (1.89)	0.28	0.96 (18)	-0.23	6.99	8.09	5 / 35 / 60
Mining	8.00 (0.00)	0.50	0.00 (0)	0.50	7.50	7.50	100
Not-For-Profit Agency	6.99 (2.08)	1.41	1.23 (8)	-0.15	7.14	8.09	5 / 37 / 58
Other	8.00 (0.41)	4.37	3.25 (1)	0.86	5.37	7.14	100
Retail Trade	5.63 (2.52)	-0.58	0.13 (4)	-0.68	6.31	7.75	25 / 25 / 50
Services (other than consulting)	6.58 (1.76)	0.75	1.00 (3)	-0.34	6.92	8.02	8 / 31 / 62
Transportation and Public Utilities	6.54 (2.19)	1.75	-0.25 (2)	-0.80	7.34	7.66	14 / 29 / 57
Web-based Technology	7.33 (1.72)	0.45	-0.38 (4)	-0.07	7.40	7.72	8 / 8 / 83
Wholesale Trade	6.13 (2.43)	-0.87	-9.00 (1)	-0.24	6.37	7.41	10 / 30 / 60

Low Energy (0.0 - 3.74)
Medium Energy (3.75 - 6.25)
High Energy (6.26 - 10.0)

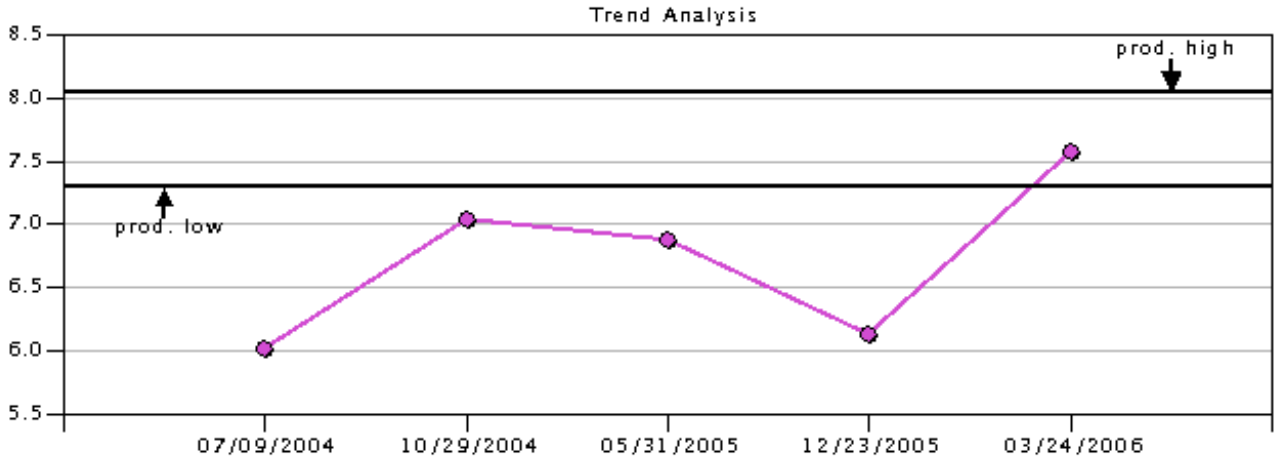
[a] Average (Standard Deviation) | [b] Change from Previous Time Asked | [c] Change for Respondents Answering two periods in a row
[d] Points above or below Productivity Zone | [e] Lower Productivity Boundary | [f] Upper Productivity Boundary
[g] = 0 to 2.5%; = 2.6 to 5%; = 5.1%+;

Two industries report being in their productivity zones, and overall numbers are far closer to the productivity zones than reported in the last year. Overall, the number (both group mean and within-person change) is up.

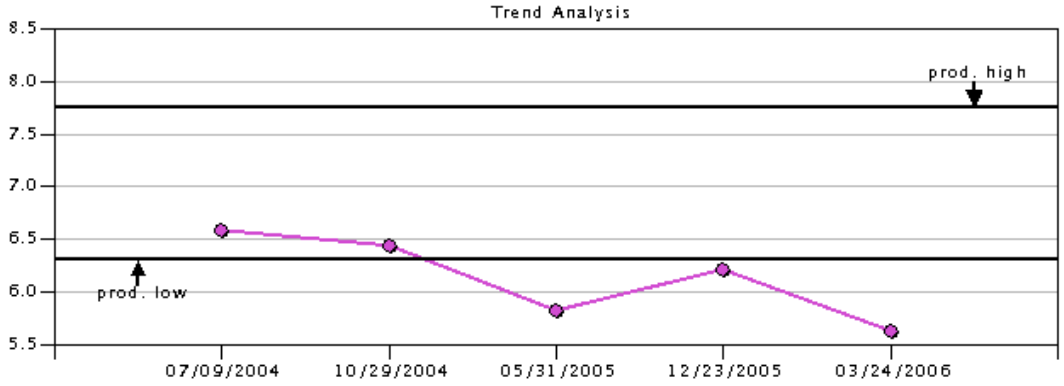
Few Industry Trends of Interest



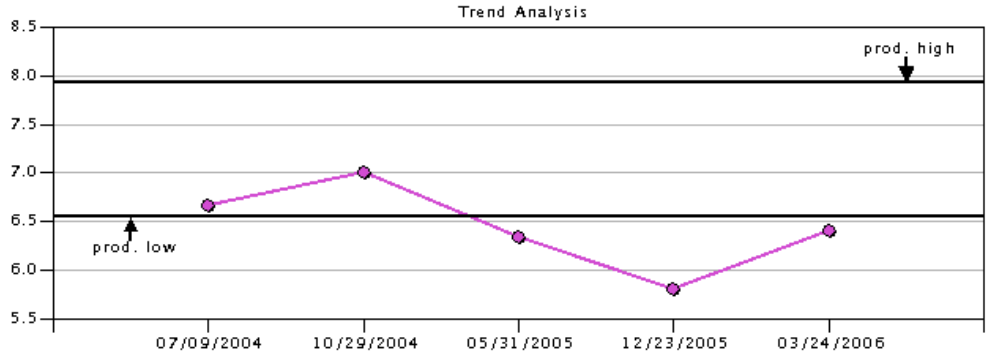
Biotechnology



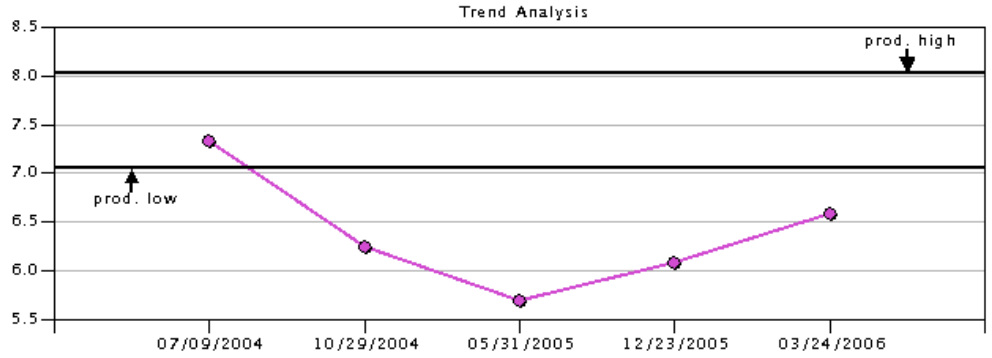
Construction



Retail trade

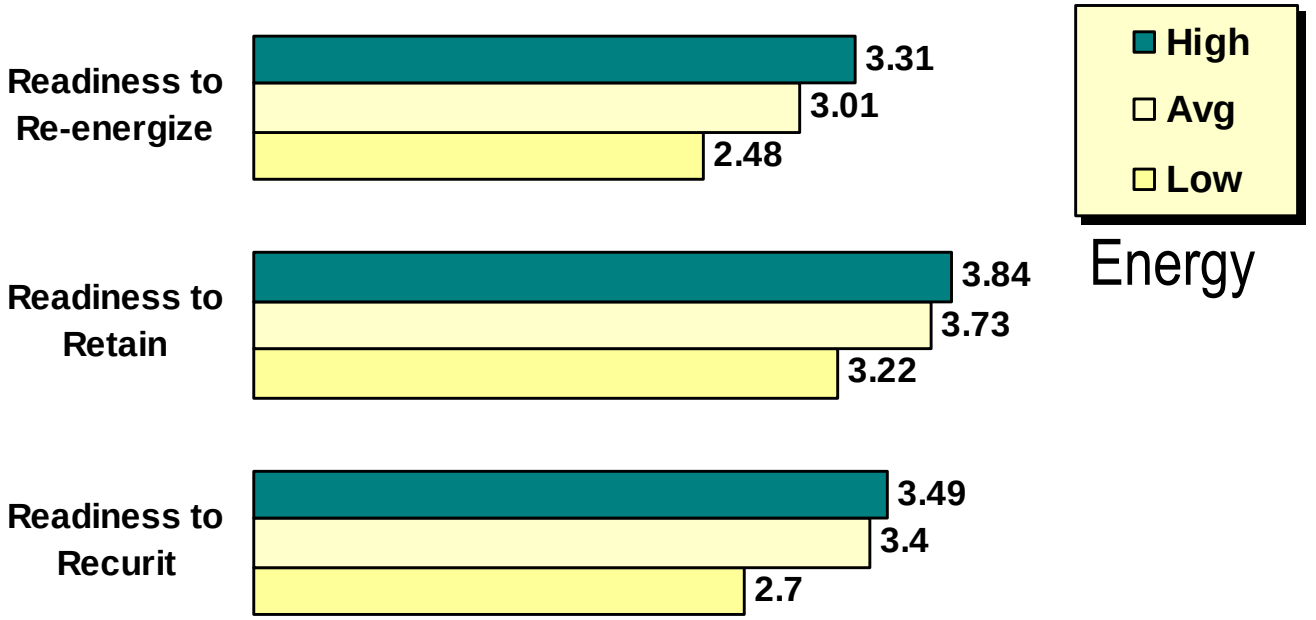


Health care



Information technology

Energy Levels and Readiness



Higher levels of energy are related to perceptions of higher levels of readiness to:

- Recruit
- Retain and,
- Re-energize

Next Steps

- eePulse research team is working on the full report; it will be available on the web site within next few weeks

- If you want to diagnose how your leaders compare to the trends in this study, contact the eePulse research team at info@eepulse.com

FOR MORE INFORMATION
ABOUT THIS RESEARCH,
TO READ MORE REPORTS, PRESS RELEASES, AND ARTICLES, VISIT:

www.eepulse.com
See the following sections of the web site:

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If interested in expanded participation for an organization,
please visit the following web site: www.umbs.leadership.eepulse.com.

For more information about the study or how you can get involved,
contact Dr. Theresa Welbourne:

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