Survey says Canadian employee loyalty heightens during economic recession

THE ECONOMIC RECESSION in Canada has generated a powerful sense of engagement between workers and bosses, with almost a third of employees surveyed saying they are more loyal to their employer, according to the latest survey from global workforce solutions leader Kelly Services (NASDAQ: KELYA) (NASDAQ: KELYB).

The survey, conducted between early October 2009 and the end of January 2010, finds that 30 percent say the economic downturn has made them more loyal, while 8 percent say it has made them less loyal, and 62 percent say it has made no difference.

Those workers who are more loyal to their employers attribute the shift to positive management, good company morale, and pay levels that have improved or remained steady. Those who are less loyal blame poor management, low morale and falling pay.

The findings are part of the Kelly Global Workforce Index, which obtained the views of approximately 134,000 people, including more than 15,000 in Canada.

The impact of the economic slowdown on worker loyalty has been somewhat more negative among baby boomers (aged 48-65) than it has on Gen Y (aged 18-29) and Gen X (aged 30-47). While only 6 percent of Gen Y are less loyal following the recession, this rises to 8 percent of Gen X and 11 percent of baby boomers.

Kelly Services VP and Managing Director of Canadian Operations Karin French says, "Employers who have communicated openly with their staff about the difficult economic conditions and who have tried their best to keep staff involved have been able to build stronger levels of trust in their organizations. This heightened loyalty is likely to become a real advantage, with a more committed and focussed workforce, as the economy recovers."

Results of the survey in Canada reveal:

- Across regions, the most noticeable impact of the recession has been in Ontario with 31 percent of survey participants stating they are more loyal to their employer, followed by Alberta (30 percent), British Columbia, New Brunswick and Nova Scotia (all 27 percent), Québec (25 percent) and Saskatchewan (24 percent).
- An average 45 percent of respondents say they feel 'totally committed' to their current employer, ranging from 48 percent among both baby boomers and Gen X to 40 percent for Gen Y.
- When asked to name the one thing that would make an employee more committed to their job, 43 percent cite 'more interesting or challenging work,' followed by 'higher salary or benefits' (18 percent).
- Company reputation is considered 'very important' to survey respondents in job selection and retention by 51 percent of baby boomers but only 39 percent of Gen Y.
- 45 percent of both Gen Y and Gen X respondents are 'very confident' in their employers' ability to be good corporate citizens, in contrast to 39 percent of baby boomers.
- Those most engaged workers are in Ontario, with 47 percent 'totally committed,' followed by Québec (44 percent), Alberta (42 percent), British Columbia (41 percent), New Brunswick and Nova Scotia (both 35 percent) and Saskatchewan (32 percent).

The reputation of an organization is shown to be a key element in the way that employees and prospective employees weigh their career decisions. In assessing a company's reputation, employees place most weight on the quality of its leadership, products and services, and employees. Least important are features such as global presence, financial performance and initiatives aimed at fostering corporate social responsibility.

"When we look at the things that motivate people in the workplace, it's clear that opportunities for personal growth and development are critical, as is the chance to perform stimulating and challenging work," notes French. "Pay is certainly a factor, but in many cases, it is not the most important motivator. Employers need to examine the right mix of employee engagement methods and features that will have the most positive impact on their workforce," she concludes.

Source: Canadian Market Wire

Fourth quarter 2009 and December 2009:
Canadian economic accounts

REAL gross domestic product (GDP) increased 1.2% in the fourth quarter, the largest quarterly increase since the third quarter of 2000. Final domestic demand advanced 1.1% as consumer spending continued to grow. Real GDP increased 0.6% in December, a fourth consecutive monthly advance. Additional data tables are available in the Canadian Economic Accounts Quarterly Review.

For a third consecutive quarter, growth in final domestic demand was led by increases in personal expenditures, government expenditures, and investment in residential structures. Export and import volumes both rose for a second consecutive quarter, with growth in exports outpacing that of imports in the fourth quarter.

Goods-producing industries rose 2.1% in the fourth quarter, the first quarterly gain since the second quarter of 2007. Production in mining and oil and gas extraction rebounded in the fourth quarter, while manufacturing and construction strengthened.

Service-producing industries advanced 0.8%, as wholesale trade and the activities of real estate agents and brokers continued to grow at a strong pace. The public sector (health, education and public administration combined) as well as the finance and insurance sector also increased.

Source: Statistics Canada