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Rocky Mountain Poll

NEWS RELEASE
RMP 2002-I-14

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EIGHT IN TEN SAY EMPLOYEE LOYALTY IS STABLE OR IMPROVING SEE REVERSE TREND FOR BIG BUSINESS

Phoenix, Arizona, March 6, 2002. Fatter salaries and fringe benefits may always be advantages major corporations have over smaller companies in the competition for top employees. Today, however, it appears that the wholesale axing of thousands of jobs by big companies and recent revelations of cutthroat management practices toward employees by such corporate giants as Enron may be sharpening the interest of workers in seeking jobs in smaller, more employee-friendly companies. That at least is the view of executives at small businesses here in the Phoenix area. Further, if mutual respect between employers and workers can be taken as evidence that working in smaller company environments has growing appeal, the results of polls taken five years apart suggest that smaller businesses may be gaining the edge.

In 1997 when employers in the small business sector were asked to characterize the loyalty of their employees compared to the past, 68 percent characterized them as "more" or "equally" loyal as in the past. That figure has now risen to 74 percent. At the same time, only 32 percent said the same in 1997 of employees in large companies, a figure that has today shrunk to 31 percent. Sixty-five percent believe employees in large companies are less loyal to their employers than in the past. Only 24 percent think that of small company employees.

Employers in the small business sector also believe that they are more loyal to their employees than in the past, and far more loyal when compared to big business. Thus, a paltry five percent are willing to characterize large companies as evincing greater loyalty to their employees than in the past, whereas 37 percent believe that to be true within smaller companies. While only 18 percent believe small companies may be less loyal to employees than in the past, an astonishing 71 percent believe that is true of big business.

The findings outlined in this report are drawn from **BusinessTRACK™**, a survey of 400 business owners and managers in Maricopa County conducted between January 9th and February 5th, 2002, by the Behavior Research Center of Arizona as part of the Center's independent and non-partisan Rocky Mountain Poll series. For more information you may visit www.brcpolls.com.

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EDITOR'S NOTE: This Rocky Mountain Poll Arizona (2002-I-14) is based on 400 telephone interviews conducted from January 9th through February 5th, 2002, with owners or managers of businesses in the metropolitan Phoenix area which have from three to 100 employees and which are not subsidiaries of larger corporations. In a sample of this size, one may say with 95 percent certainty that the results have a statistical precision of plus or minus 5.0 percent of what they would have been had the entire population of owners and managers of such small businesses been surveyed. **BusinessTRACK™** Arizona is co-sponsored by the Maricopa Community College District and Behavior Research Center.

This statement conforms to the principles of disclosure of the National Council on Public Polls.

STATISTICAL DATA

Behavior Research Center
Rocky Mountain Poll - Arizona
RMP 2002-I-14

For this and other polls, see www.brcpolls.com/results

“Compared to the way things used to be, do you think the following types of employees show more loyalty to their employers today, less loyalty to their employers today or about the same amount as in the past?”

EMPLOYEE LOYALTY TO EMPLOYERS	2002	1997
In Large Companies		
More loyal	4%	10%
As loyal	27	22
Less loyal	65	64
Net to more loyal	(- 61)	(- 54)
In Small Companies		
More loyal	36%	36%
As loyal	38	32
Less loyal	24	30
Net to more loyal	+ 12	+ 6

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*“Compared to the way things used to be, do you think the following types of companies show more loyalty to their workers today, less loyalty to their workers today or about the same amount as in the past?”*

| EMPLOYER LOYALTY TO EMPLOYEES | 2002          | 1997          |
|-------------------------------|---------------|---------------|
| <b>In Large Companies</b>     |               |               |
| More loyal                    | 5%            | 12%           |
| As loyal                      | 21            | 16            |
| Less loyal                    | 71            | 68            |
| <b>Net to more loyal</b>      | <b>(- 66)</b> | <b>(- 56)</b> |
| <b>In Small Companies</b>     |               |               |
| More loyal                    | 37%           | 40%           |
| As loyal                      | 42            | 23            |
| Less loyal                    | 18            | 34            |
| <b>Net to more loyal</b>      | <b>+ 19</b>   | <b>+ 6</b>    |

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