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Are Companies Prepared for the Looming Manager Shortage?

Randstad World of Work Topic Report survey reveals employees opting out of management track

ATLANTA, July 23, 2009 – As the corporate landscape continues to shrink, companies more than ever need stronger managers who are flexible, innovative and can motivate fellow employees. Yet, many businesses are facing a shortage of trained and experienced managers. According to the tenth annual *World of Work* survey from Randstad, 52 percent of employees felt there are not enough qualified managers in their organizations. Forty-five percent feel there's going to be a shortage of qualified managers in the future. Survey results reveal that finding and preparing the next generation of managers is emerging as one of the most critical issues companies will face in the near future.

Randstad's survey explores the causes of this potential managerial deficit and finds, surprisingly, that many of those (49 percent) with the experience to become managers don't want any part of it. When asked, 50 percent of Boomers (age 45-63) and almost seven out of ten Matures (age 64+) said "no" to the prospect of becoming managers. Increased stress is the number one reason for 82 percent of employees surveyed. Generation Y (age 18-29), however, cited handling disgruntled employees as their number one reason. Other reasons why employees of all ages don't want to become managers include having to deal with increasing paperwork (63 percent) and having to terminate or layoff employees (63 percent).

"To retain managers and head off a potential shortage, organizations need to rethink how they define and communicate managerial roles," says Eileen Habelow, Randstad Senior Vice President – Organizational Development. "Especially in periods of economic recessions, companies rely on managers to problem solve, drive productivity and innovation, motivate and provide opportunities for workers to learn new skills and achieve new successes. It's not just doom and gloom that managers are focusing on today. Companies need to be sure they are consistently reiterating managers' valuable contributions, not only to the company, but to the broader workforce."

These positives of performing in a management role today are clearly not coming through to employees. More than half of employees surveyed felt the roles of managers need to change. Fifty-two percent see a difference between the managers of today and what's needed in the future.

So what do employees think would be the attractive elements of management positions? Surprisingly, respondents did not point to a desire for increased power, recognition or even more money. Instead, 89 percent of employees reported they would want to be a manager if they were able to share their knowledge and experience with others. Eight-five percent of surveyed employees cited both being responsible for the success of an organization and being able to influence decisions as other positives. On the flip side, being responsible for a budget (47 percent) and working in a high pressure environment (37 percent) ranked much lower.

"The survey findings demonstrate that workers understand the importance of effective managers to the success of the organization given the new realities of the workplace. The world of work has changed, and employees are not only looking for a new standard of manager, but our survey indicates that they are actually looking for a new sort of role model as well," said Habelow.

In fact, only 29 percent of employees have a role model for their working life, but 99 percent rate role models with some degree of importance. Interestingly, only 25 percent think the importance of workplace role models has increased in the past few years.

Outside of work, both employees and employers agreed that parents were the number one role model they look to for inspiration. Where employees differ from employers is in choosing other role models. Employees considered co-workers (31 percent) and teachers or professors (30 percent) as number two and three. Employers were more likely to select business leaders (34 percent) and, more specifically, a leader in their own company (29 percent) as their next two choices. This illustrates that managers may look up to higher-level managers, but employees don't see value in emulating managers because they aren't aspiring to that role. Yet, both groups valued the impact business role models can make in setting the right example, inspiring and motivating others (70 and 73 percent).

"Companies need to be very deliberate about how they identify, train and develop their managers," added Habelow. "They also need to be on the look out for role models at all levels in the organization. Cultivating both role models and managers can not only help companies survive the recession, but can ensure they thrive once better economic times return."

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Abbreviated Survey Methodology

This survey was conducted online within the United States from March 23 to April 15, 2009, among 2,199 employees and 833 managers. Harris Interactive® panel members reflected the U.S. population of adults age 18+, employed full-time or self employed, and employers involved in decision making on strategic HR issues for at least six months. Data is weighted using Propensity Score Weighting, a proprietary weighting technique that balances all of the characteristics (e.g. demographic, attitudinal, and behavioral) of online respondents in order to project the U.S. general population.

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