

Press Release
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Milwaukee, WI

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Milwaukee Area Companies Concerned that Pay, Training Cuts Impacting Employee Engagement

A survey released today by Marquette University's College of Professional Studies and The QTI Group found that Milwaukee-area companies are concerned that budget cuts are taking a toll on employee engagement and recruiting efforts. The survey found that travel, employee training, educational reimbursement, and charitable contributions have all been cut significantly this year.

"Combined with other pulse surveys we've conducted recently, it seems like many organizations are looking beyond the crisis mode we saw earlier in the year to position themselves for the economic recovery," said Marshall Heyworth, Chief Operating Officer of QTI Consulting, Inc. "Many firms are concerned with the impact of pay and staffing cuts on the morale and effectiveness of the workforce. So they are trying to simultaneously enhance firm effectiveness and manage through very uncertain labor markets."

Three-quarters of surveyed organizations believe employee concerns about job security and career development are creating problems for their organizations. A similar number believe that employee engagement and motivation are a problem this year.

"Organizations are beginning to realize that, while pay cuts may be necessary in the short-run, they are not without cost in terms of organization performance," observed Mr. Heyworth. He pointed out that sixty-four percent of surveyed firms said that recruiting top talent is a problem this year.

"We are definitely seeing a plateau in pay and employment numbers", said Mr. Heyworth, "In fact, fifty-four percent of those responding to the survey are concerned that staffing levels may be too low for the economic upturn when it occurs."

Budget cuts for employee development and training may have similar adverse impacts. Fifty-four percent of firms said that the lack of skills and training to perform at a high level is a problem. Seventy-three percent are concerned about lack of career development opportunities due to the cuts.

"Companies and organizations who recognize that their employees are their only truly sustainable resource will add value by continuing to offer education and professional

development opportunities. The smart organizations will be well positioned for the coming economic upturn with an educated workforce," commented Dr. Robert Deahl, Dean of the Marquette University College of Professional Studies, whose college offers bachelor's and master's degrees for working adults.

The survey reiterated lots of other evidence that the recession has had a severe impact on jobs in the Milwaukee area. Forty-three percent of the organizations surveyed have implemented a hiring freeze, sixty percent have already undergone lay-offs, and twenty-eight percent have instituted mandatory reduced schedules.

The survey, covering seventy-four companies in the seven-county Milwaukee region, was conducted in late June and early July.

About the Survey:

- 12 questions focusing on pay, employment, and employee development
- Response rate of the survey was 16.2% with 74 companies completing the survey in June-July, 2009
- 42% of the respondents are in manufacturing and 36% employ over 1,000 employees
- 75% are for-profit organizations

About the Marquette University College of Professional Studies:

Marquette University's College of Professional Studies offers values-based educational opportunities for adults with a focus on ethical leadership, civic engagement and social responsibility. With flexible scheduling, students can earn a Marquette graduate degree, graduate certificate or undergraduate degree by taking weeknight, Saturday and selected online classes. For more information, please call 414-288-3153 or visit www.marquette.edu/cps.

About The QTI Group:

The QTI Group is a privately-owned human resources and staffing organization. Since its inception in 1957, The QTI Group has been partnering with Wisconsin businesses and organizations by providing staffing and recruiting solutions and delivering outsourced human resources (HR) functions and HR consulting.

The QTI Group has 11 branch offices in Wisconsin including two in Milwaukee. Our Milwaukee offices are located at 8415 W. Greenfield Avenue West Allis, WI 53214 and 8112 Bluemound Road, Suite 100 Milwaukee, WI 53213.

For an electronic copy of the full survey results, contact Melissa Garner of the QTI Group at (608) 663-4801 (e-mail melissag@qstaff.com).