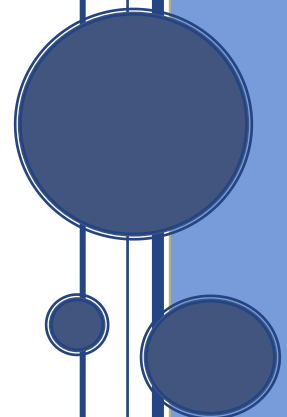




# **Rating Philadelphia as a Place to Live and Work: Senior Executive Insights**

**December 2015**



# Executive Summary

## Introduction

Motivation and job satisfaction are topics of great interest to employers. Countless studies, surveys and initiatives have been undertaken with the goal of identifying what makes employees feel fulfilled in their work environment. The topic remains of great interest, as employers compete for top talent.

Salveson Stetson Group, a Philadelphia-based retained executive search firm that places executives in senior-level roles at corporations and nonprofits, wanted to uncover the motivators and attitudes held by senior executives in the Philadelphia region toward their jobs.

The firm surveyed a pool of senior talent and analyzed the responses to determine how satisfied executives feel in their current positions, what might motivate them to change roles and how they feel about the Philadelphia region.

The following report and analysis aims to identify the key drivers that senior executives use to make decisions about their careers.

## About the Study

Salveson Stetson Group (SSG) surveyed 863 senior executives – defined as those making more than \$150,000 and holding management responsibilities at their

employers – between September and October 2015. Participants completed an online survey.

### Respondent Pool

- 82 percent had 20 or more years of work experience
- Respondents came from eight industries: education, energy, financial services, healthcare, manufacturing, professional services, retail and information technology
- Functional areas included: human resources, information technology, marketing and sales, finance, general management and operations

The primary questions asked in the survey were:

- Which public companies with headquarters in the Philadelphia region would you most like to work for?
- What appeals most to you about these companies?
- What size company do you prefer to work for?
- How satisfied are you in your current position?
- How likely are you to change jobs?
- What factors play the biggest role in your decision to accept or stay in a job?
- What do you value most in the community in which you live?
- Does Philadelphia provide an environment that meets your living criteria?
- How likely are you to leave the Philadelphia region to accept a new position?

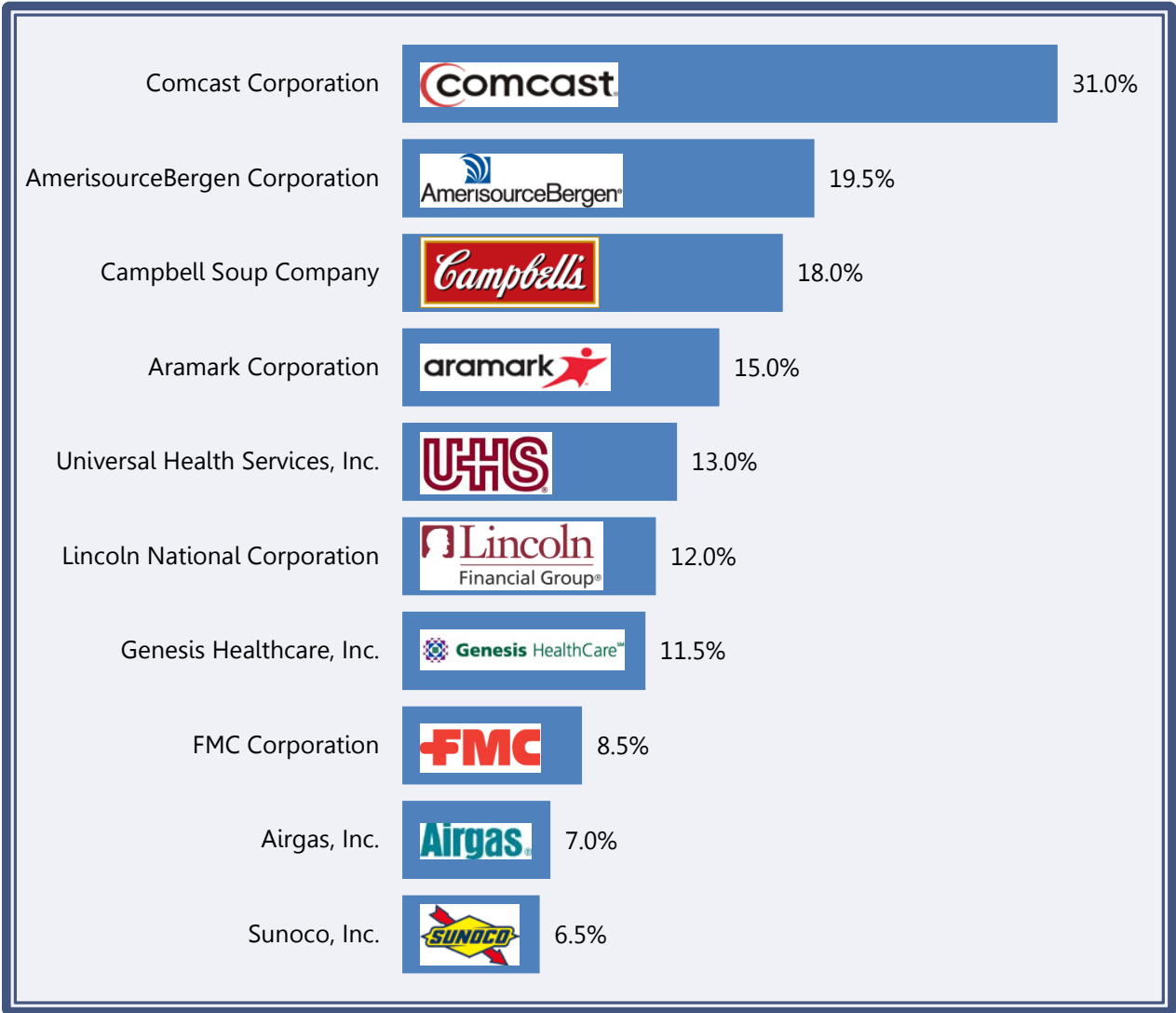
# Key Finding #1

## The Companies They Admire as Potential Employers – and Why

If companies want to retain senior talent, they need to focus on innovation and culture.

Comcast, AmerisourceBergen and Campbell Soup were named the most desirable companies to work for from a list of the region’s largest, public organizations. However, it is worth noting that 40 percent of respondents

expressed no opinion on this question. When asked what drew them to those organizations, 44 percent named corporate image, 38.5 percent said innovation and 38 percent said mission/values.



## Mid-sized companies are the most desirable to senior executives.

When asked what size company senior executives preferred to work for, 41 percent said they would prefer to work for a mid-sized company. 15 percent said they preferred to work for a large corporation, 9 percent selected a small

company, and 3 percent said they wanted to work for a start-up. Of note, 31 percent said they had no strong preference for the size of company they worked for.

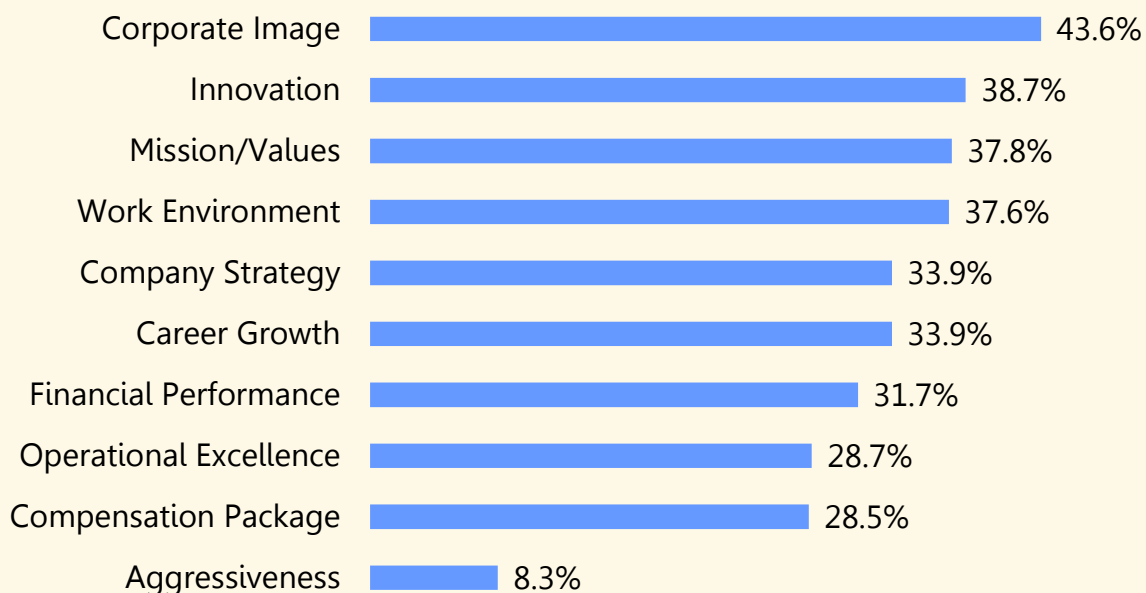
## What the Results Say

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Based on the responses from senior executives, it appears that brand image does make an impact on prospective talent. Comcast's clear lead over comparably-sized organizations in the region demonstrates the effect that brand awareness yields. However, the

highest response was no preference, which may reflect the preference by most respondents to work for a mid-sized organization. It should be noted that the respondents were only offered choices of the region's largest public companies.

### Appealing Company Characteristics



## SSG's Analysis

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Despite the perceived importance of employee value proposition, the responses to these questions beg the inquiry: "How much does employment brand matter?" The companies named in this survey invest a great deal of resources into building brand awareness, yet senior executives who responded seem to have more interest in pursuing employment at smaller organizations in the region. This preference for smaller companies may also be more reflective of the state of the local economy, which is home to only 12 Fortune 500 company headquarters.

The majority of the surveyed participants have more than two decades of work experience. It's likely they've witnessed

the benefits and drawbacks of working with companies of all sizes and structures. For many of them, a senior position at a mid-sized company may offer an opportunity to make more of an impact in a job they can truly "get their arms around." However, Comcast's position as the employer of choice amongst respondents bears out its importance to the region as an employer and a driver of economic growth. Further, the high value respondents place on characteristics like innovation and company culture demonstrate that large employers should not disregard brand image initiatives.

# Key Finding #2

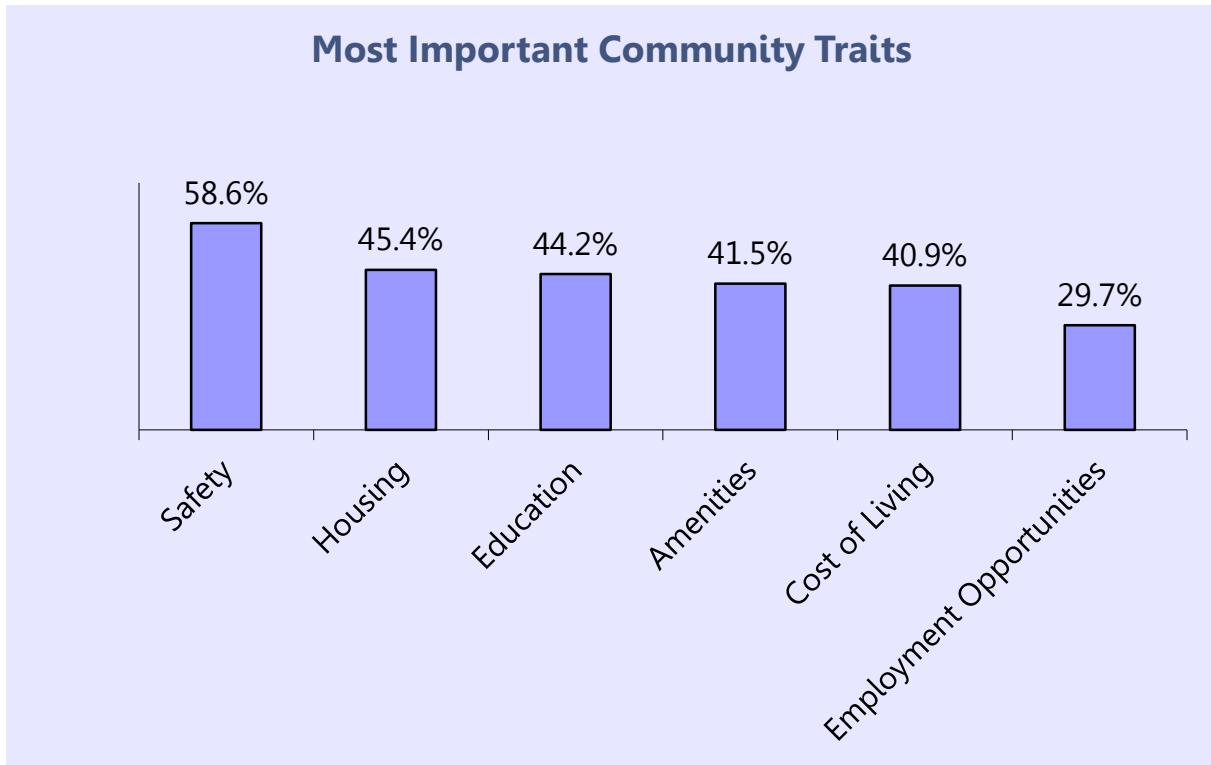
## What They Think of Philadelphia

**Senior executives feel lukewarm about Philadelphia as a place to work and live.**

Four out of ten senior executives think Philadelphia ranks “very high” or “high” as a place to work and live, but the remaining 60 percent say the area is only average, low or very low in work-living desirability.

**Safety is the most important trait when choosing a community in which to live and work.**

When asked to rank what is most important about the community in which they live, nearly 60 percent of senior executives listed safety first. Housing, quality of education and cost of living were also highly valued. 42 percent of senior executives believe Philadelphia scores high in terms of what they value most, while 36 percent rated the area as average.



## What the Results Say

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Based on the responses from senior executives, it appears Maslow's Hierarchy of Needs reigns true for Philadelphia's senior executives. Although a majority of respondents rated Philadelphia average, those

pleased with the area outweighed the naysayers by a 2:1 margin. One in three executives would never consider leaving Philadelphia, but 60 percent reported they would consider leaving the area for the right opportunity.

## SSG's Analysis

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Based on firsthand experience, we're inclined to believe the numbers of executives who said they would consider relocating for "the right opportunity" to be artificially high. Individuals often underestimate the financial and emotional toll of a relocation. So, while in theory a majority of respondents said they would consider relocation, the reality is probably far lower.

The Philadelphia area continues to build on a growing and positive reputation. National publications including [The New York Times](#), [The Wall Street Journal](#), [Condé Nast Traveler](#) and [USA Today](#) have commended Philadelphia for its art, culture, food and tourist accommodations. In addition, Philadelphia was the host of 2015's [World Meeting of Families](#) and has been named the first [World Heritage City](#) in

the U.S. Looking forward, the city will host the Democratic National Convention in 2016.

Although a majority of respondents report they would consider leaving the area, senior executives believe that Philadelphia offers adequate living and working conditions. If companies are concerned about losing talent to competing areas around the country, they should continue to prioritize the factors that executives value in a community.

Many of these issues, however, are beyond the control of any one company and will require the attention and cooperation of a combination of private and public sector stakeholders in addressing them.



## Key Finding #3

### How Content They Are in Their Current Positions

**Philadelphia-area senior executives are happy with their jobs.**

70 percent of senior executives reported being “very satisfied” or “somewhat satisfied” in their current position, while 20 percent reported being “somewhat unsatisfied” or “very unsatisfied.” The remaining 10 percent were neutral on their current position.

**Even “happy” executives are a flight risk.**

Despite reports of high job satisfaction, a majority of senior talent (60 percent) said they would consider leaving their jobs and Philadelphia for the right offer. However, one in three executives said they would “never” consider relocating from the Philadelphia region. Nearly nine percent said they would like to find a new job in another part of the country.

**Money matters, but is not the sole motivator.**

According to senior executives in the Philadelphia region, job satisfaction may not stop them from taking or considering a new position. When asked to rank the top three motivators that influence their decisions to stay at or accept a new position, work environment and overall job responsibilities tied for first at 57 percent, followed closely by salary at 54 percent.

### What the Results Say

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This report provides evidence that salary isn't the sole deciding factor when it comes to satisfaction or motivation to make a move, but it's still highly influential and should not be

underestimated by employers. The report also reveals that job satisfaction does not prevent executives from considering or accepting new opportunities.

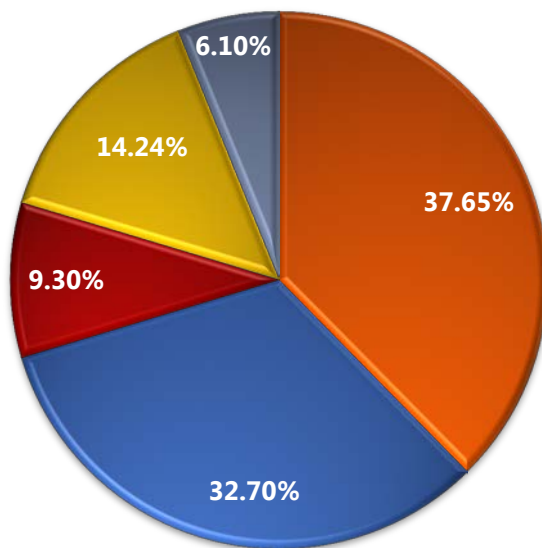
## SSG's Analysis

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We often see executives reporting high job satisfaction – until they're presented with a new opportunity. Being contacted by another employer can spark a desire for something new or bring to light issues with a current position that might not have been realized by the executive. And once a senior executive has been contacted in a professional, intelligent way, chances increase that she or he will become more active in searching for a new position.

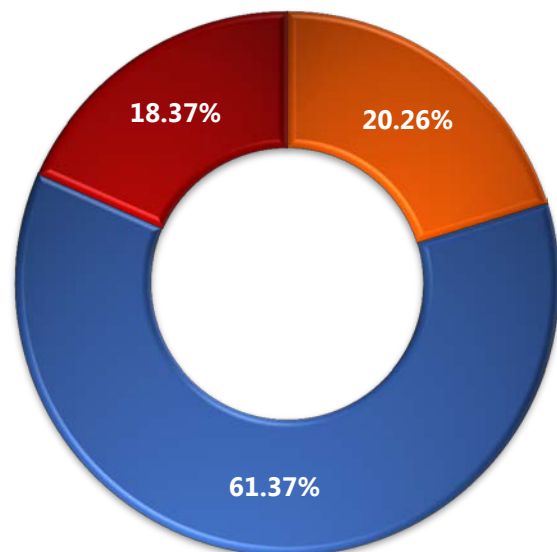
As the economy strengthens, more talented executives will be contacted by other employers. To guard against talent loss, employers must ensure that their valued executives see a clear, future career path – whether it's positional, organizational or monetary. Current job satisfaction, no matter how high, does not inoculate an executive against the appeal of a new opportunity.

### Job Satisfaction Level



- Very Satisfied
- Somewhat Satisfied
- Neither Satisfied nor Dissatisfied
- Somewhat Unsatisfied
- Very Unsatisfied

### Interest in Making a Job Change



- I am very satisfied in my present job and would not consider changing jobs
- Although I am not actively looking for a new job, I would consider changing positions if the right opportunity presented itself
- I am actively looking for a new job

## Conclusion

The data collected from this survey conflict slightly with what we observe in our day-to-day work conducting executive searches. The difference may be attributed to speculative and concrete options – or, more precisely, how an executive feels at this moment in time vs. what he or she reports when asked to imagine the future. It's one thing to indicate a willingness to relocate for the right job opportunity; it's another matter entirely to actually commit to the upheaval of a relocation.

That being said, this survey underscores a critical truth – current job satisfaction, no matter how high, will not guarantee a senior executive won't be seduced by the charms of a new job opportunity. Although most senior executives in the Philadelphia region report overall satisfaction in their current role, the novelty of a new opportunity can bring to light issues they would not have otherwise recognized. Once an executive is deeply engaged with the prospect of a new opportunity, they are increasingly likely to leave.

What does that mean for Philadelphia companies looking to retain talent? Progression plans, adequate compensation and an engaging culture will play significant roles in retaining senior talent. But, that does not mean that "happy" executives are not at risk of leaving. As the economy continues to improve, more opportunities will

present themselves to senior executives. Exposure to the unknown can ignite a desire for a new environment, which, once sparked, can be difficult to reverse. Three of the four top motivators that attract senior executives to employers are intangibles – innovation, mission / values and work environment. Employment branding remains an excellent tool through which to communicate important intangibles.

However, in our work with executives across the nation, we can strongly say

*"We often see executives reporting high job satisfaction – until they're presented with a new opportunity ... As the economy strengthens, more talented executives will be contacted by other employers."*

*Salveson Stetson Group*

that salary remains a critical factor in attracting talent. If Philadelphia-based companies want to attract top talent, they must be prepared to pay them first. Employers should periodically assess what it would cost to bring in new talent at a senior level – and make sure their current talent is being adequately compensated.

It is obvious that Philadelphia must continue to invest in areas important to residents (safety, schools, housing, etc.). A minority of respondents (40%) said they have a “high” or “very high” view of Philadelphia as a place to work and live. This relatively low satisfaction rate,

combined with the fact that a majority of respondents indicated a willingness to leave the region for an attractive employment opportunity, indicates that Philadelphia’s most in-demand senior executive talent is at risk of being poached by other metropolitan areas.

### Implications for Regional Employers

- Employment brand is an important vehicle for communicating company values to prospective talent.
- An improving impression of Philadelphia is helpful when attracting and retaining talent, but not enough to eliminate the need for companies to invest in ongoing cultural, compensation, and succession plans.
- Key stakeholders in the Region (private and public sector) must continue to invest in initiatives that enhance Philadelphia’s reputation as a great place to work and live.
- Motivation extends beyond compensation – but compensation is not to be devalued.
- Even satisfied talent can be lured away by the novelty of a new opportunity. Invest in retaining top talent.
- Companies should strive to communicate their unique employment proposition to prospective executives – and back it up with clear progression plans, complete with accompanying monetary, organizational, and cultural benefits to retain top talent.