

# 2011 Indiana CEO Survey

## **Background of the Project**

As a group, the executive officers of Indiana's organizations have a significant influence on the economic and social well-being of the state. Especially in times of economic upheaval, policymakers and other members of the community can benefit by understanding the attitudes, opinions, perspectives and plans of these executives.

Inside INdiana Business, Ice Miller LLP, and the Butler University College of Business joined together in a unique partnership, starting in 2007, to collect and disseminate information gathered from Indiana CEOs and other executive officers. The results reported here are from the 2011 administration of the Indiana CEO Survey.

The objective of this project is to identify key issues from the perspective of Indiana's business leaders and to track these issues over time. The survey is conducted annually.

Topics addressed include:

- General CEO business and economic challenges;
- Indiana's economic climate;
- The role of state government in economic development;
- Human resource issues; and
- Planning, managing, and assessing information technology.

This report summarizes results of the fifth annual survey of this group.

## **Methodology of the 2011 Online Indiana Executive Survey**

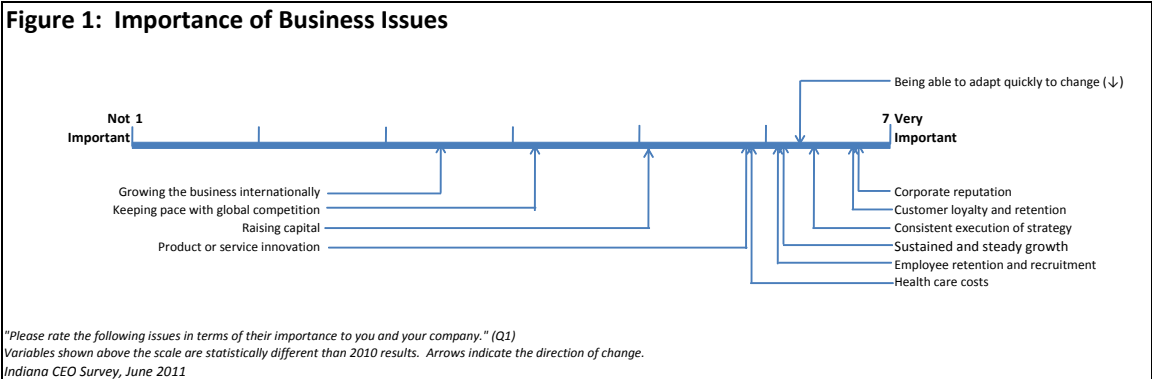
The 2011 survey was designed to replicate key portions of the previous four annual surveys. The 2007 survey was designed based on extensive qualitative and secondary research. Since one main goal of the project is to track changes over time, many of the key questions in 2011 were unchanged between 2007 and 2011. In the 2011 survey we included new questions on legislative issues and shortened the survey slightly.

The revised questionnaire was administered online between February 21 and March 31, 2011. A total of 768 usable responses were received. We continue to see the number of responses grow with 210 received in 2007, 227 received in 2008, 360 received in 2009 and 428 in 2010. The larger sample in 2011 is primarily due to a larger initial sample frame of 4,443. This 17 percent response rate is slightly lower than in prior years.

A detailed description of the methodology can be found in Appendix 1 at the end of this report.

# Section 1: CEO Challenges and Issues

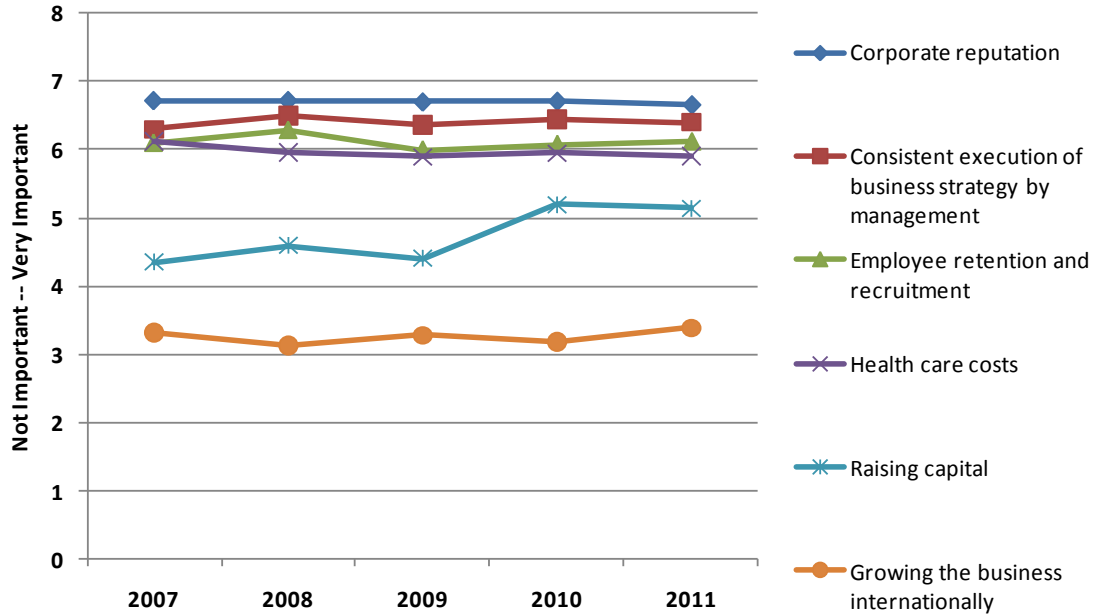
The first section addresses several general issues raised by CEOs during the qualitative stage of the research in 2006 and which were validated by the results of the previous four CEO surveys. In the first question, respondents are asked to rate the importance of 11 business issues on a seven point scale ranging from “not important” to “very important.” Summary results are presented in Figure 1.



Most issues with the exception of “being able to adapt quickly to change,” received importance ratings that are statistically equal to ratings received in 2010 as well as all past years of the survey. This indicates that even in times of major economic change CEOs maintain a relatively consistent structure of priorities.

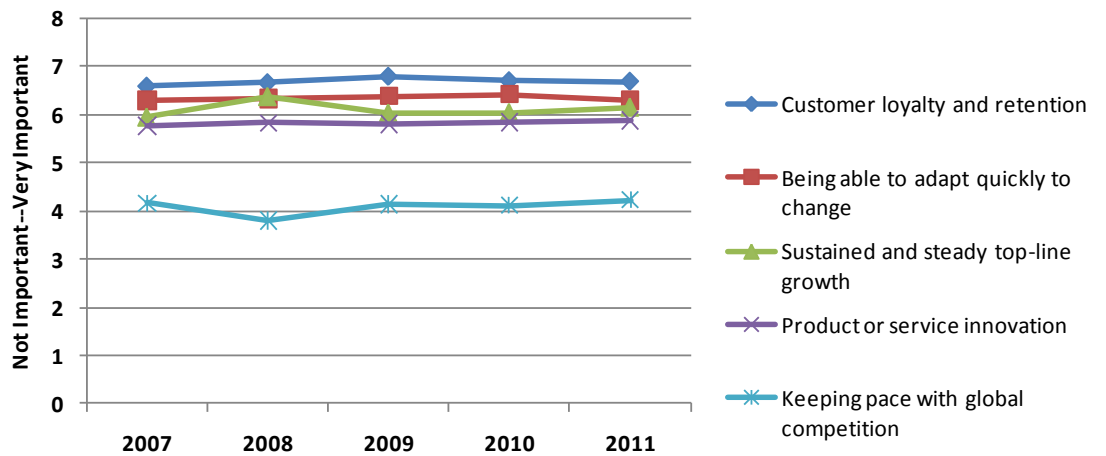
Trends of responses to these issues can be seen in Figure 2a and Figure 2b. The trend lines are spread over two graphs for readability. Other trend graphics in this report are split over two graphs for a similar reason.

**Figure 2a: Importance of Business Issues**



"Please rate the following in terms of importance to your company." (Q1)  
Indiana CEO Survey, 2007–2011 Trending

**Figure 2b: Importance of Business Issues (continued)**



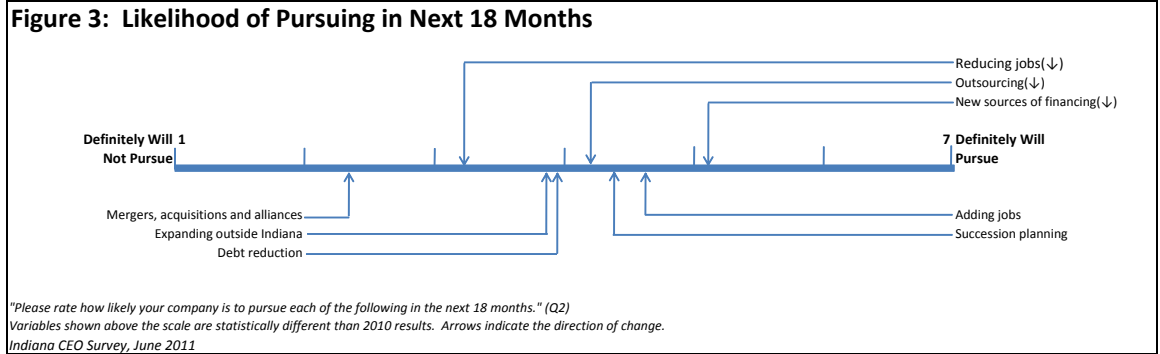
"Please rate the following in terms of importance to your company." (Q1)  
Indiana CEO Survey, 2007–2011 Trending

“Corporate reputation” and “customer loyalty and retention” remain on top of this list.

At the other end of the importance continuum are the two global issues. Once again, the lower rankings for these items do not indicate a general disinterest in global issues. Rather, the underlying distribution for each is bimodal, meaning that large numbers of executives think these issues are of great importance while large numbers also think these issues are unimportant. Not surprisingly, small companies feel “growing the business internationally” is not important. “Keeping pace with global competition” is not statistically significant between small and large companies.

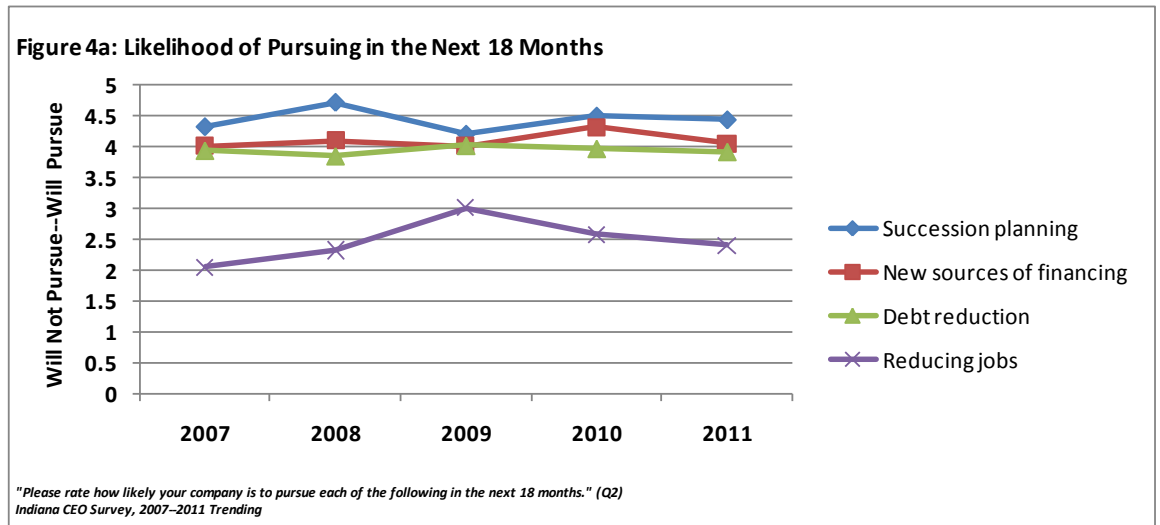
The remaining items are spread across the top half of the scale, and have about the same ratings they had in 2010.

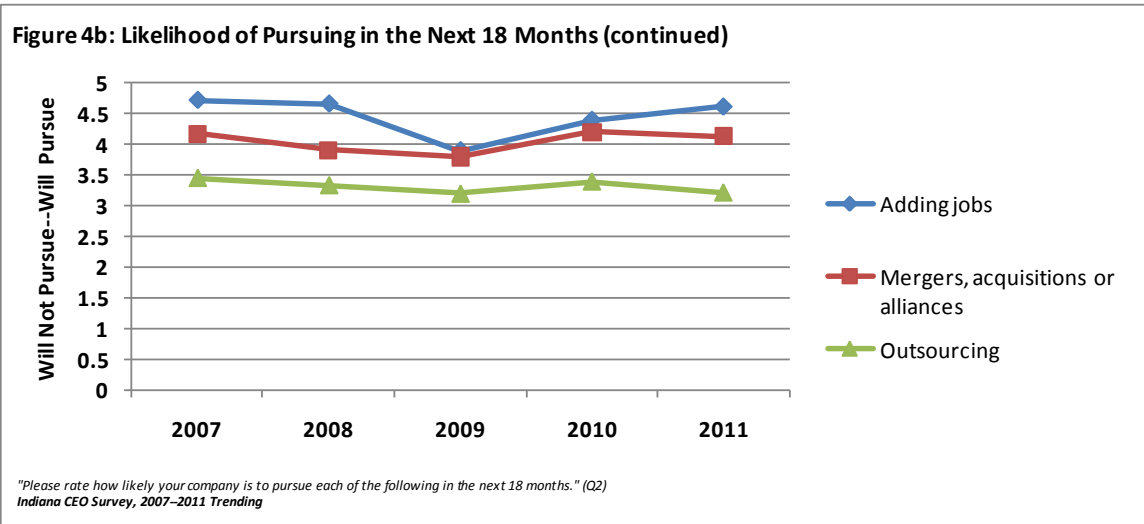
The second question of this section asked how likely it is that an organization will engage in one or more of several possible activities during the next 18 months. Summary results appear in Figure 3.



“Reducing jobs” moved down more than 0.5 statistically significant rating points since 2010 indicating that some CEOs are planning to reduce layoffs. Companies with less than \$10 million in revenue are most likely to curtail reducing jobs in the next 18 months. “Adding jobs” and “reducing jobs” had their worst ratings in 2009. More hiring and fewer layoffs are indicated for 2011.

Trends of responses to these questions can be seen in Figure 4a and Figure 4b.

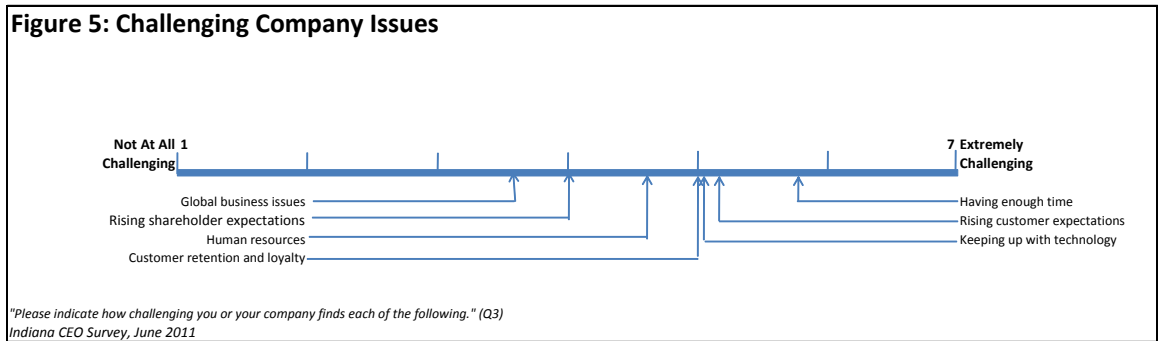




Most items seem to be moving in an optimistic direction from 2010, especially “adding jobs” and “reducing jobs.”

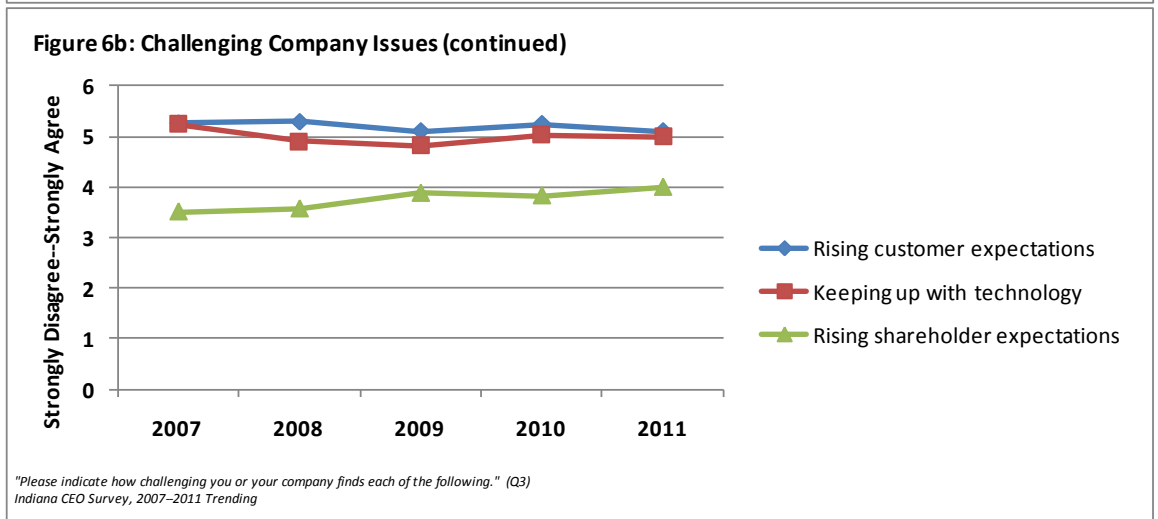
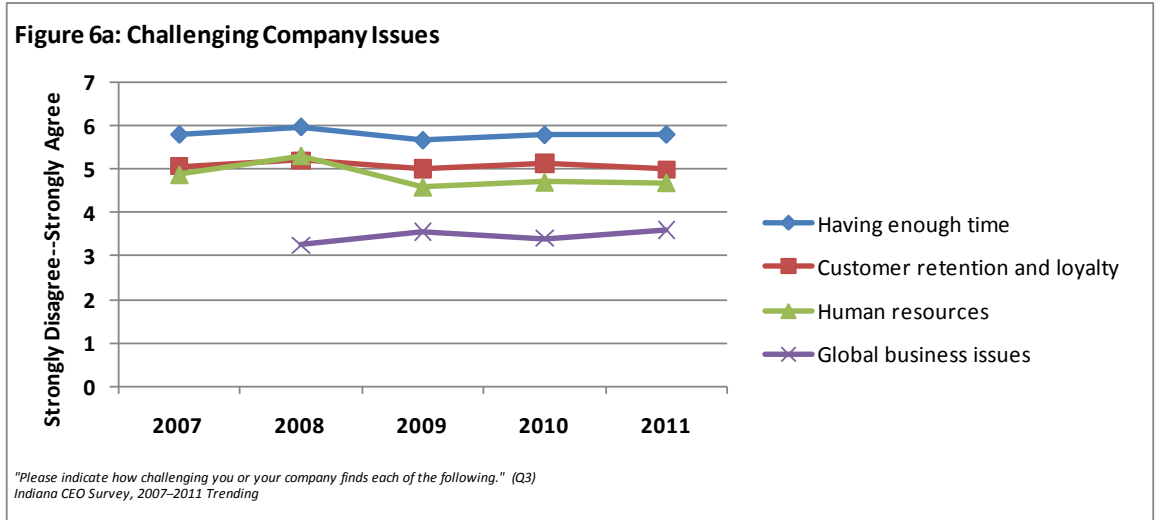
Fewer businesses will pursue “outsourcing” in 2011.

The third question of this section asks about “how challenging” several issues are to executives and/or their organizations. Summary results appear in Figure 5.



The items show no statistically significant difference from 2010.

Trends in responses to these challenges can be seen in Figure 6a and Figure 6b.

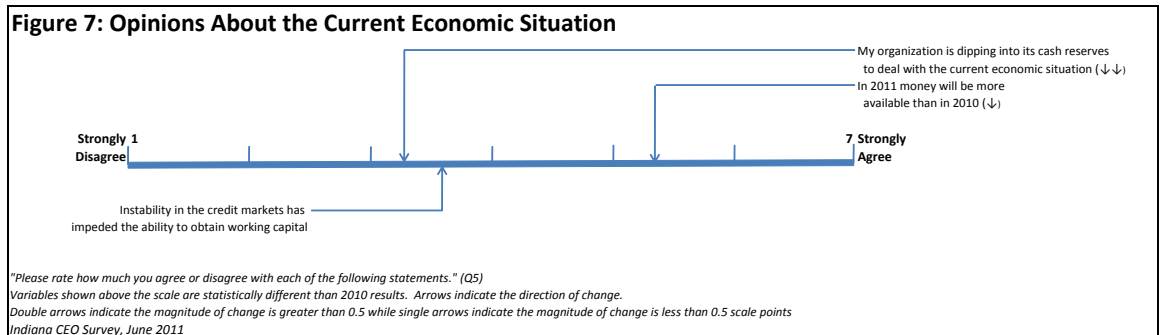


“Global Business Issues” was not asked in 2007.

We asked an open-ended question in the survey (Q4) to determine whether there are important issues on the minds of respondents which are not reflected in the first three questions. Two hundred forty-four respondents answered this question. Most comments were concerns about:

- government regulation and taxes;
- a need to maintain reign on costs; and
- uncertainty about health insurance costs.

Given the magnitude of the economic downturn, respondents were asked several questions related to their opinions about the economic downturn and their organization’s response to it. Results appear in Figure 7.



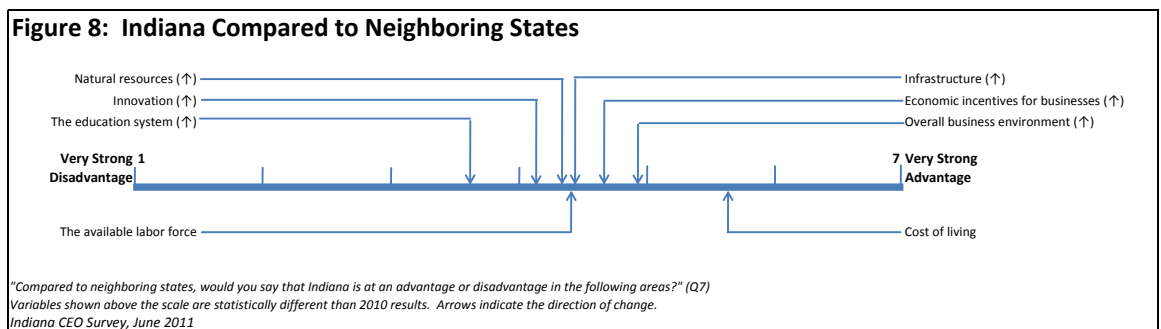
As seen in Figure 7, “my organization is dipping into its cash reserves to deal with the current economic situation” reduced in concern to CEOs by more than 0.5 rating points. However, CEOs did not agree as strongly with “in 2011 money will be more available than in 2010” as they did to the similar question on the 2010 survey.

As a follow-up question (Q6), respondents were asked to elaborate on what specific activities, if any, their organizations are taking “in response to current economic conditions.” A total of 411 (54 percent) responded to this question, which is a relatively high percentage for an open-ended question. Most comments mentioned:

- switching to Health Savings Accounts or other responses to health care legislation;
- cutting employees and overhead; and
- assigning more responsibilities to fewer people.

## Section 2: Indiana’s Economic Climate

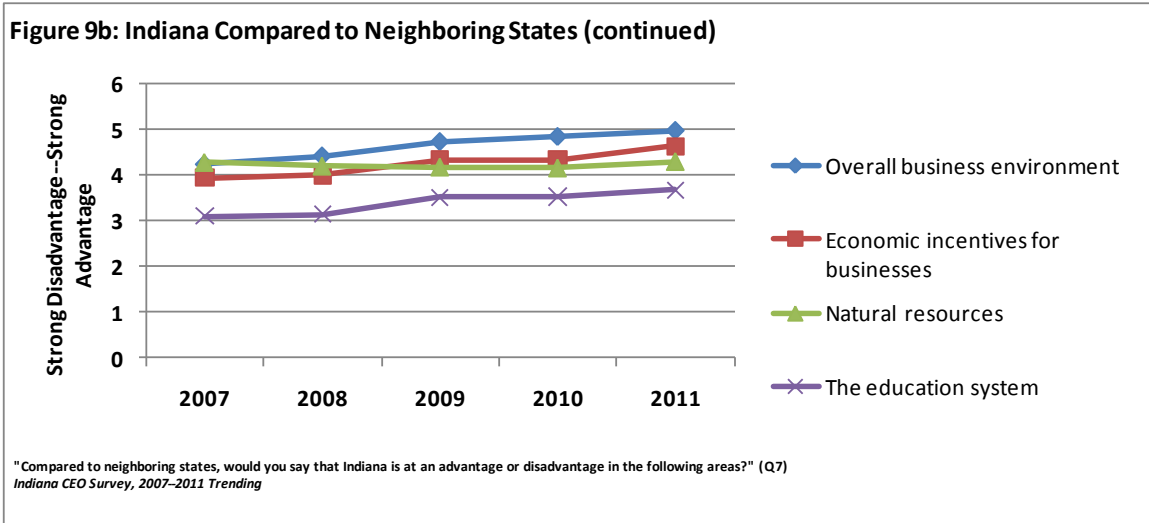
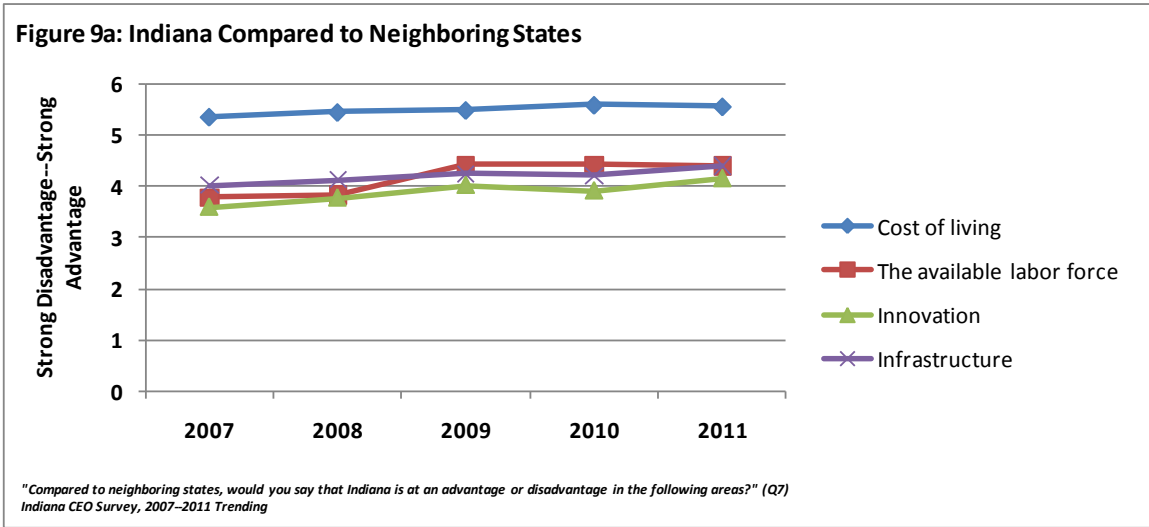
The second section of the questionnaire is a single question which deals with the economic and general business climate of the state. The question (Q7) simply asked about the areas in which Indiana has a relative advantage or relative disadvantage compared to neighboring states (see Figure 8). There are no significant differences between 2010 and 2011 results; however trends are on the rise.



As in the previous four years, most of the areas of comparison cluster near the middle of the scale. Also, as in previous years, Indiana is perceived to have a major advantage over other states with regard to “cost of living,” and a slight disadvantage with regard to the “education system” although that area moved up from 2010.

One question remains: are the increasing scale numbers the result of perceived improvement on the part of Indiana, or are they the result of a relative decline on the part of surrounding states? It could be that CEOs think Indiana is making strides faster than our neighbors or that CEOs think the current situation is having a more pronounced negative impact on our neighbors.

Trends to these areas can be seen in Figure 9a and Figure 9b.

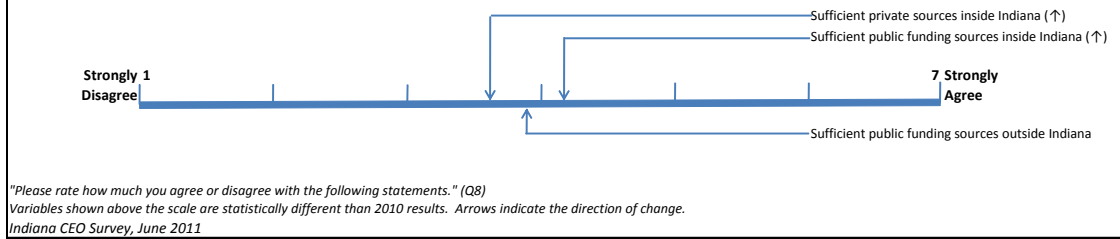


### Section 3: State’s Role in Economic Development

The third section of the questionnaire is closely related to the previous section and focuses on the state’s performance as an economic development catalyst.

The first question in this section asks respondents how much they agree that public and private financial resources are available to help businesses in Indiana succeed (see Figure 10). Please note that the terms “public funding sources” and “private resources” are clarified in the actual questionnaire.

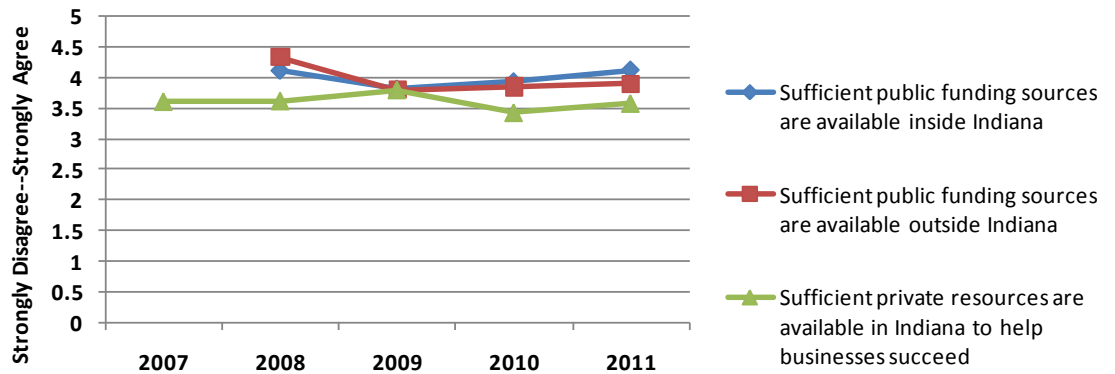
**Figure 10: The Sufficiency of Funding Sources in Indiana**



Once again, all three potential funding sources rate near the midpoint of the seven-point scale, indicating that respondents are neither especially enthusiastic nor especially negative about the availability of funding resources. However, the availability of “sufficient private sources in Indiana” and “sufficient public funding sources outside Indiana” are significantly higher than in 2010.

Trends to these questions can be seen in Figure 11.

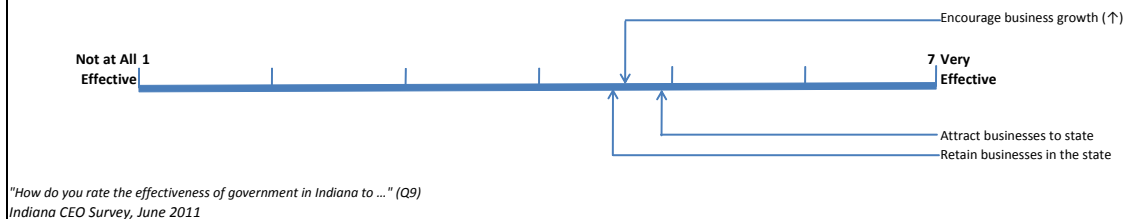
**Figure 11: The Sufficiency of Funding Sources in Indiana**



"Please rate how much you agree or disagree with the following statements." (Q8)  
 Indiana CEO Survey, 2007–2011 Trending

The next question of this section (Q9) addressed executive perceptions of the state’s effectiveness in encouraging business growth, attracting business to the state and retaining business in the state. Results from this question appear in Figure 12.

**Figure 12: Effectiveness of the State at Encouraging, Attracting, and Retaining Business**

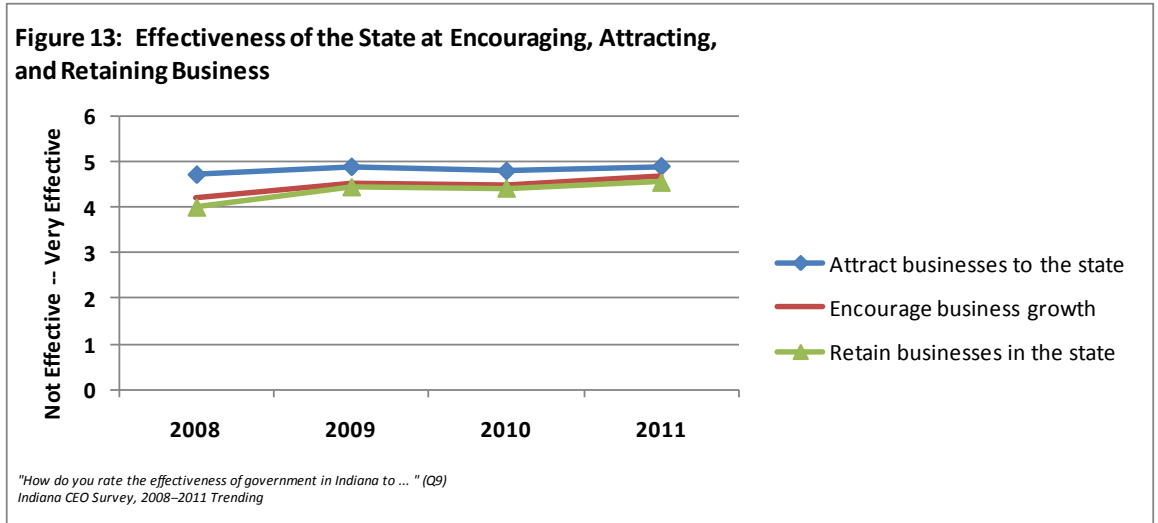


“Attract businesses to the state” and “retain businesses in the state” rate at about the same levels as last year indicating a slightly positive perception of the state’s effectiveness in “selling” Indiana to out-of-state businesses.

“Encouraging business growth” is slightly higher than in 2010.

Once again, very few respondents use extreme ratings – a “1” or a “7” – to describe the state’s effectiveness on these issues.

Trends to these questions can be seen in Figure 13.

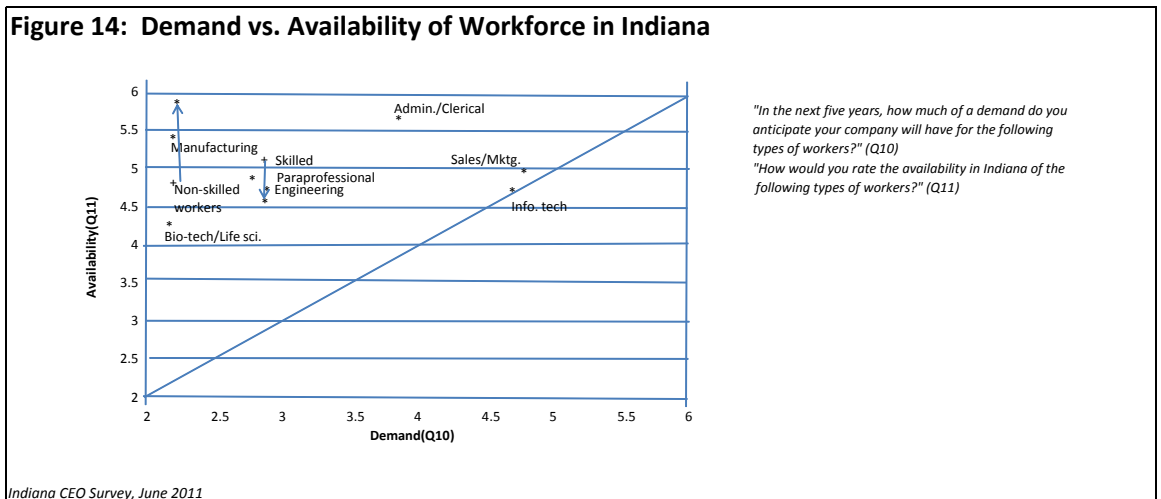


The graph above does not include 2007 data points as these questions were added to the survey in 2008.

## Section 4: Human Resources

The fourth section of the questionnaire asked respondents their opinions about the "demand for" (Q10) and "availability of" (Q11) specific types of workers, employee-related areas of concern and perceptions of specific career-related educational resources in the state.

Results of responses to both questions appear in Figure 14.



Note that responses to question 10 regarding demand appear on the horizontal axis while responses to question 11 regarding availability appear on the vertical axis. The presentation of responses to both questions in a single graph allows the reader to simultaneously assess perceptions of demand and availability. However, it is worth emphasizing that the questions

are somewhat asymmetrical in that question 10 asked about demand for a type of worker by the respondent's organization specifically, not demand for that type of worker in general, whereas question 11 implies a more general availability for that type of worker.

The diagonal line represents an exact match between perceptions of demand and availability. Worker types above the line would represent those for which perceptions of availability exceed perceptions of demand, while those below the line indicate a perception of demand exceeding availability.

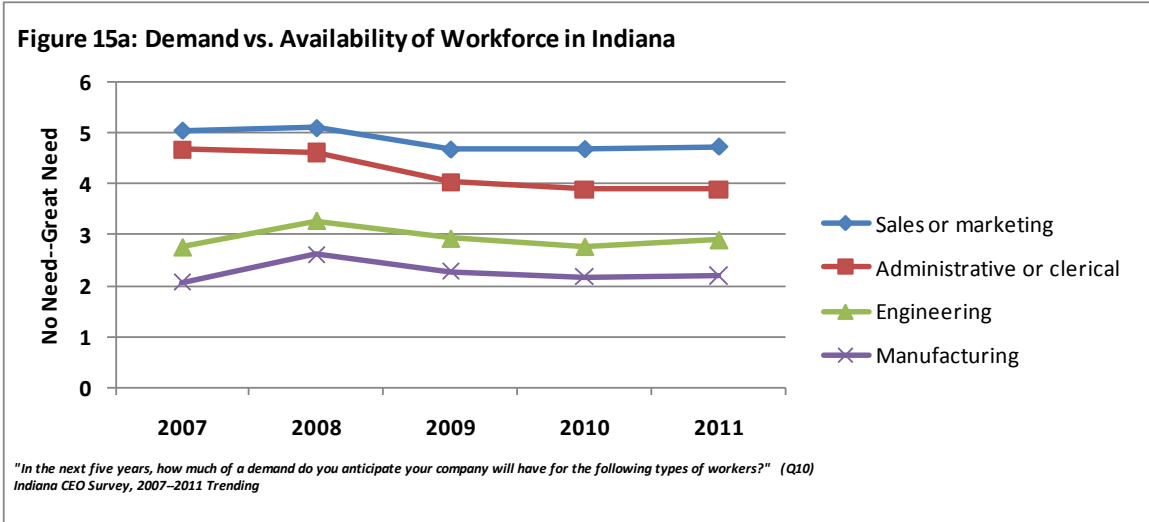
The two arrows indicate statistically significant shifts in perceptions compared with 2010 results. All of the significant change has been in the direction of greater availability of non-skilled workers and lesser availability of skilled workers.

The non-skilled worker was added to the list for 2010. As seen in Figure 14, this type of worker is perceived to be readily available but in low demand. Availability of the non-skilled worker jumped by a full rating point. Is retraining or educational support a solution to this availability?

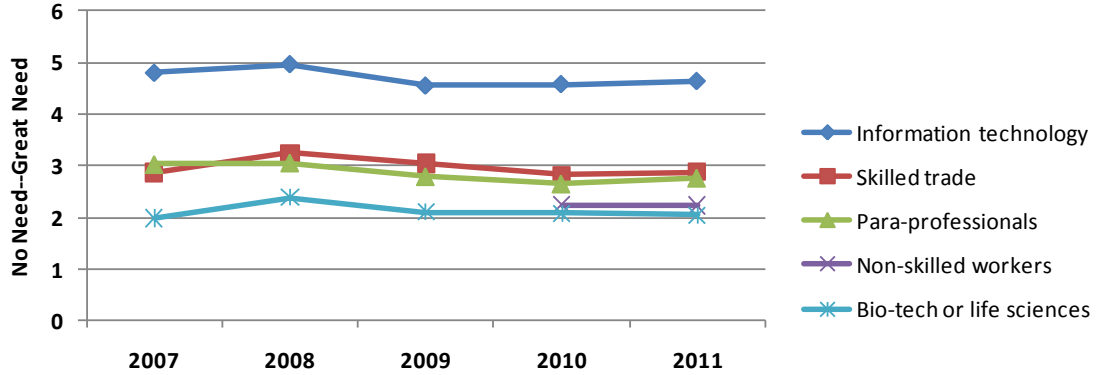
In short, availability for all types of workers is perceived to be relatively high, ranging from means of about 4.3 ("bio-tech/life sciences") to about 5.7 ("administrative/clerical"). There is much wider variability in perceived demand, ranging from a low of about 2.0 ("bio-tech/life sciences") to a high of about 4.7 ("sales/marketing"). Respondents believe that availability will exceed demand for all types of workers, though there is perceived to be a closer balance of availability and demand for "information technology" and "sales/marketing" workers than for the other categories tested.

Apparent "mismatches" between availability and demand may be due to a variety of factors including a potential under-representation in our sample of organizations that are likely to employ specific types of workers. Thus, one definitely should not conclude that within the state as a whole, there will be a surplus of workers in all categories because they all appear above the diagonal line.

Trends in demand and availability can be seen in Figure 15a through Figure 16b.

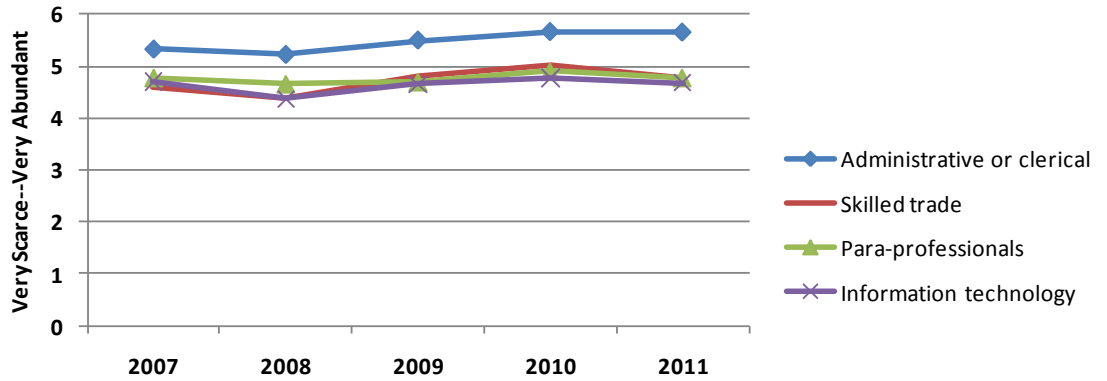


**Figure 15b: Demand vs. Availability of Workforce in Indiana**



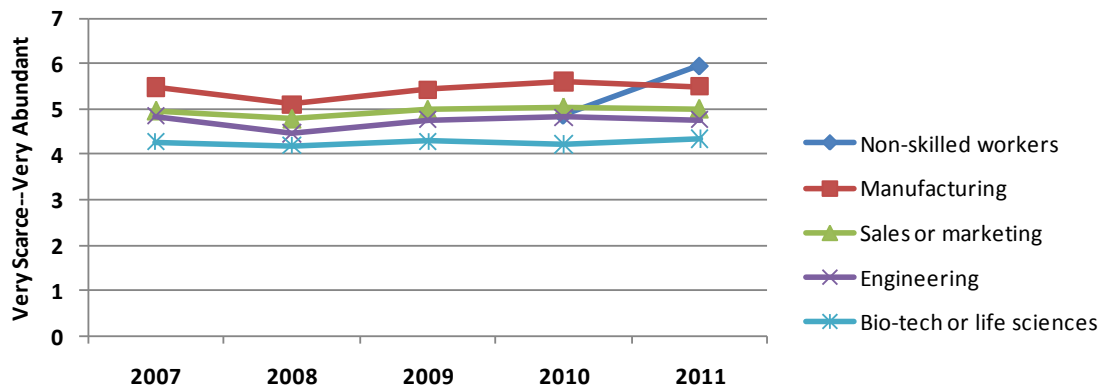
"In the next five years, how much of a demand do you anticipate your company will have for the following types of workers?" (Q10)  
 Indiana CEO Survey, 2007-2011 Trending

**Figure 16a: Demand vs. Availability of Workforce in Indiana**



"How would you rate the availability of the following types of workers in Indiana?" (Q11)  
 Indiana CEO Survey, 2007-2011 Trending

**Figure 16b: Demand vs. Availability of Workforce in Indiana**



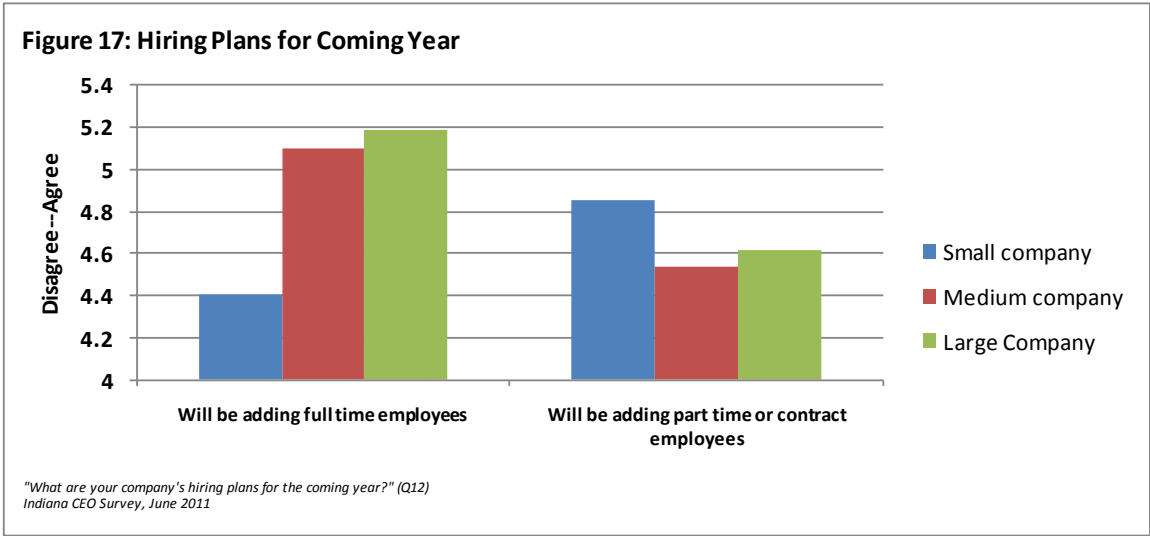
"How would you rate the availability of the following types of workers in Indiana?" (Q11)  
 Indiana CEO Survey, 2007-2011 Trending

It appears that 2008 is the high point in the recent demand cycle for all types of workers. In most cases the demand for workers has dipped below or come very close to the levels indicated in 2007.

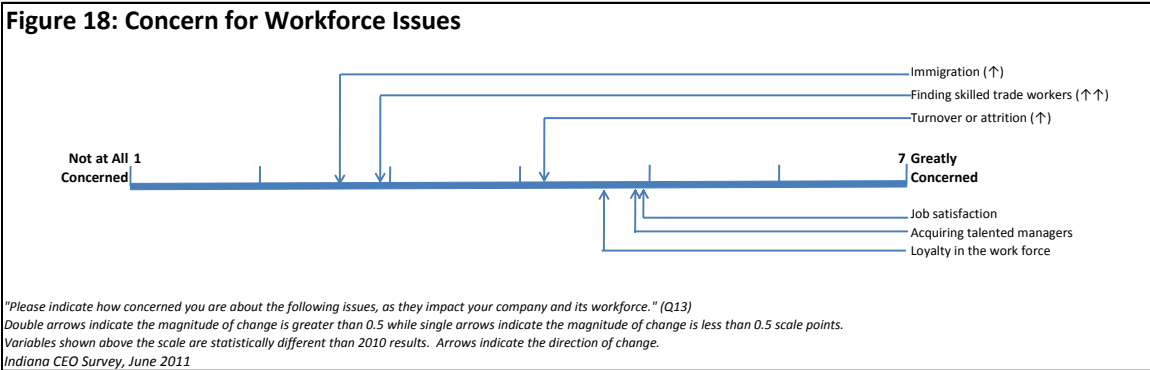
Demand for positions in “sales and marketing,” “administrative or clerical,” and “para-professionals” are all significantly less than in 2007.

Almost all availability trends are moving consistently in the opposite direction of demand, not surprising given the state of the economy. CEOs perceive that bio-tech and life science availability is relatively flat compared to all other professions but it does appear to be the only profession trending down slightly from the 2007 level. Availability of positions in “administrative or clerical” and “non-skilled workers” is significantly higher than in 2007.

A new question for 2010 asked CEOs their opinion about adding employees. In 2011 respondents again indicated slightly above the midpoint that they would be hiring again. See Figure 17. Here a small company is defined as one having fewer than 25 employees; a medium company has between 25 and 500 employees; and a large company has more than 500 employees.



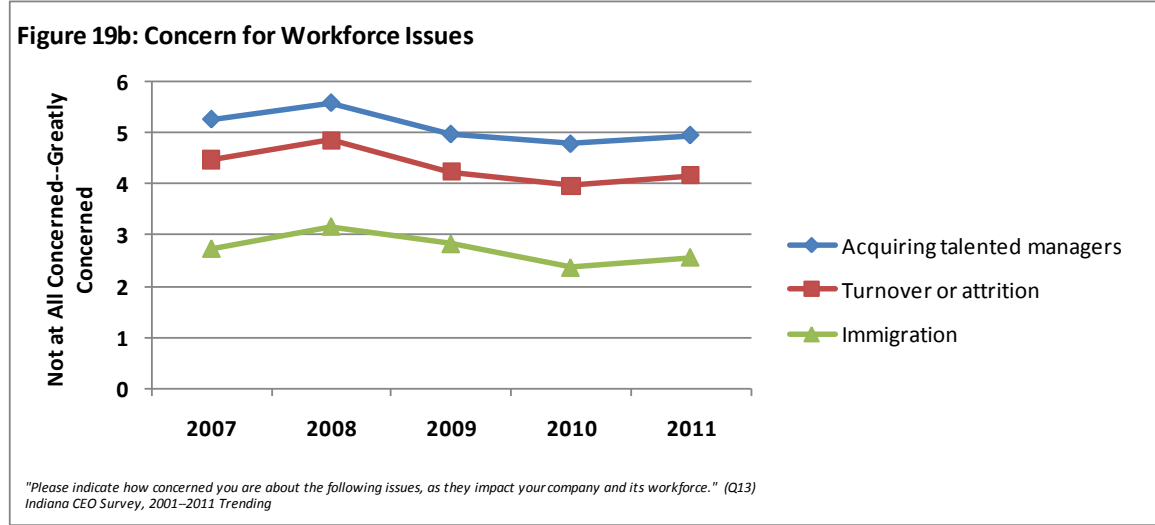
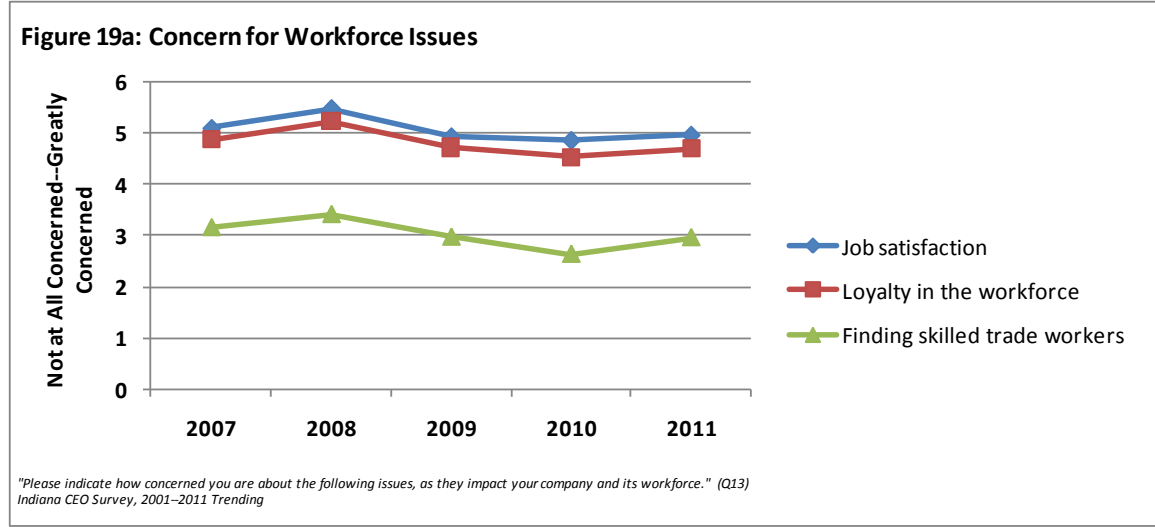
The next question asks executives to rate their level of concern with each of several issues related to the organization and its workforce. Responses to this question appear in Figure 10. Note that concern is significantly higher for three of the six issues compared with the 2010 ratings. Additionally, the trend graphs in Figures 19a and 19b show that all the workforce issue concerns are beginning to trend up.



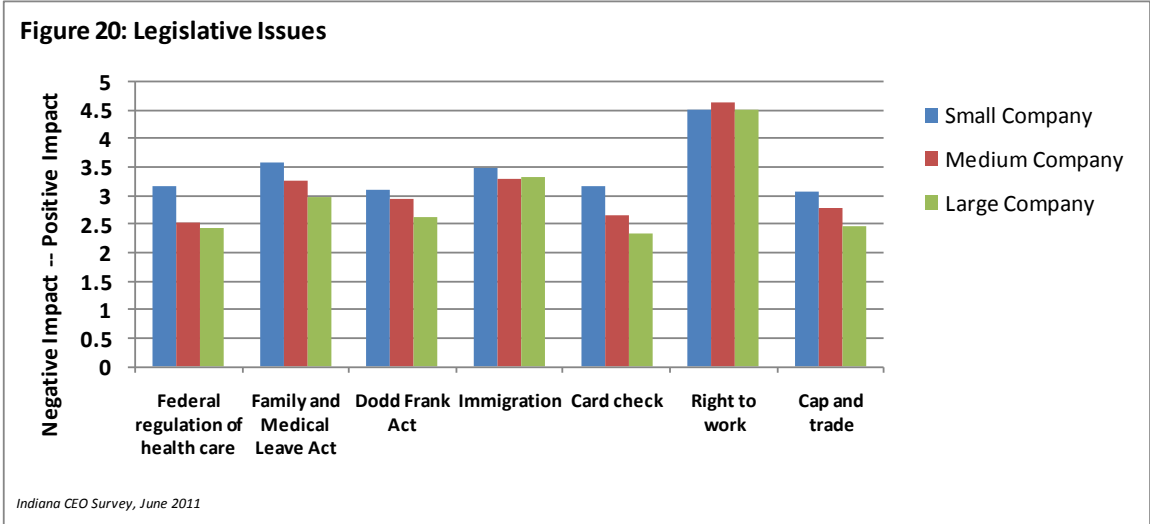
For the fifth year in a row, “job satisfaction” remains at the top of the ratings as a workforce concern, and it continues to share that ranking with “acquiring talented managers.” Also high on the concern scale is “loyalty in the workforce.”

As can be seen by the trend graphs in Figures 19a and 19b, all three of the issues that received lower ratings appear below the scale midpoint indicating these issues are of less concern to our respondents. As was the case in 2010, respondents outside central Indiana express higher levels of concern than do central Indiana respondents on the issue of finding skilled trade workers.

Trends of these concerns can be seen in Figure 19a and Figure 19b.



A new question on current legislative issues was asked for the first time in 2010. As seen in Figure 20, large companies are more pessimistic about most issues. “Right to work” is thought to have a positive impact for 2011.



Issues received different ratings depending on the size of the company where a small company was defined as having fewer than 25 employees; a medium company was defined as having between 25 and 500 employees; and a large company was defined as having more than 500 employees.

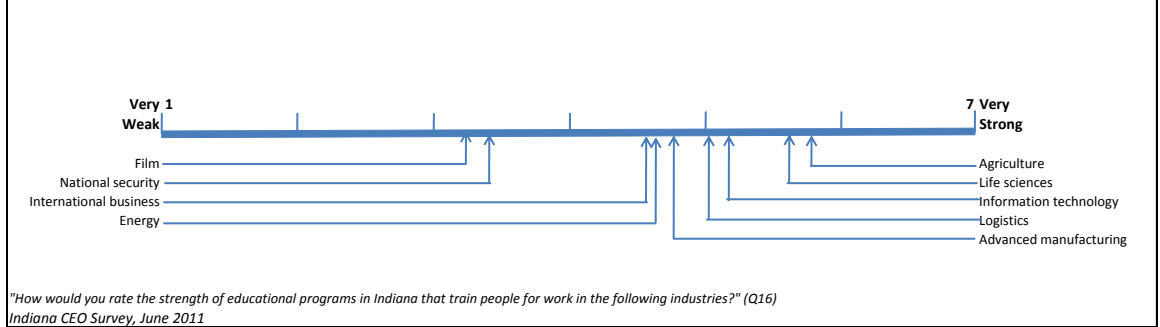
We asked an open-ended question (Q15) about how the health care reform initiative might affect a CEO’s company in the next two years. Three hundred ninety-three CEOs responded to this question. Although some thought the legislation would lower costs, most were uncertain or felt that it would increase costs.

**Section 5: Education**

The fifth section of the questionnaire asked respondents their opinions about education in terms of its ability to serve the needs of the business community. Beginning with last year’s survey, this section is considerably shorter than in previous years. Responses to the general education questions were extremely consistent over the first two years. Because of this consistency we decided that we could track perceptions of general education adequately by including the specific questions on a biannual basis.

The only question in this section of the 2011 survey asks about the strength of educational programs that train people to work in specific industries, most of them associated with the state’s economic development initiatives. Results for this question appear in Figure 21.

**Figure 21: Strength of Indiana's Educational Programs for Industries**

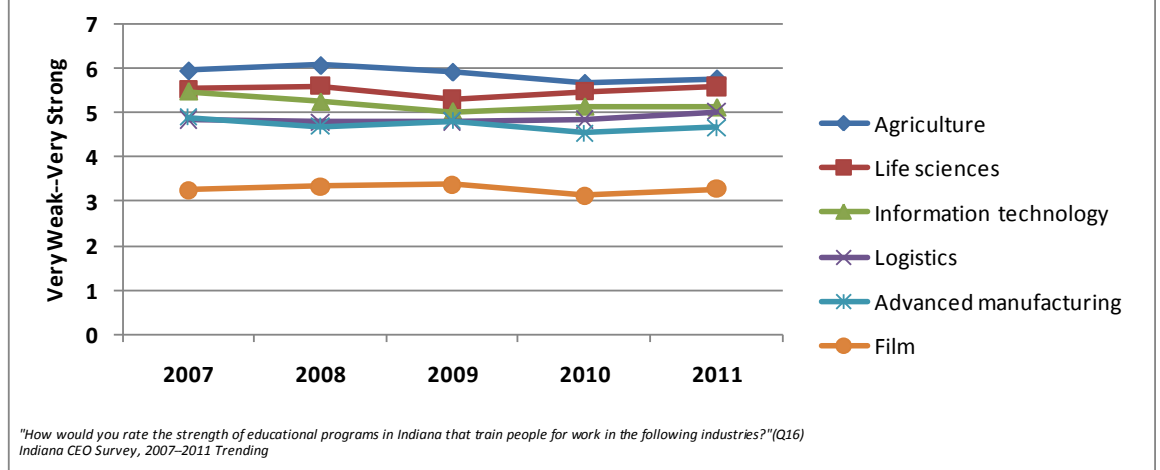


All of the ratings are statistically similar to those of last year's survey indicating that perceptions of these programs remain stable. Once again, "film" received the lowest rating.

It is important to consider that large minorities of respondents indicate they are unsure about how to rate specific programs. A low of 18.1 percent indicate they are unsure about the rating for "information technology," while half (54.2 percent) say they are unsure about how to rate the strength of educational programs in "film." In short, the results presented reflect the averages of those who expressed an opinion, not the ratings of the entire sample.

Trends for these industries can be seen in Figure 22a and Figure 22b.

**Figure 22: Strength of Indiana's Educational Program for Industries**



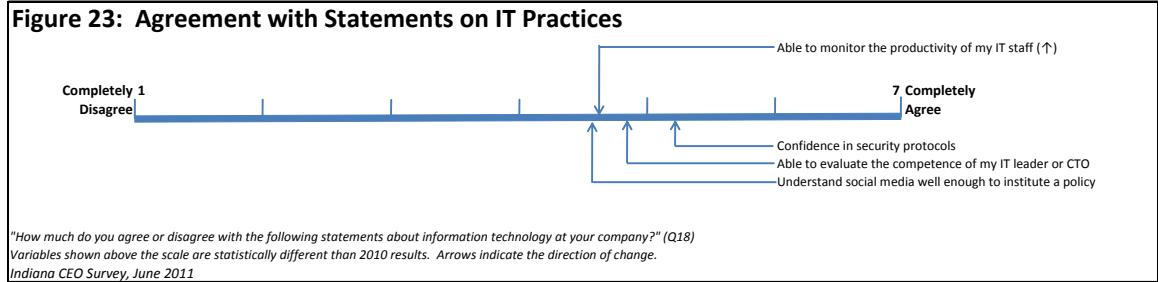
## Section 6: Technology

The final topical section of the survey addressed the issue of technology. Questions focused broadly on management of information technology and likelihood of outsourcing specific IT functions in the future.

An open-ended question (Q17) asked what actions, if any, were being taken with regards to data security. Only two hundred forty CEOs answered this question. Responses included:

- moves too quickly to keep staff current;
- must outsource; and
- one hundred percent off-site backups automatically generated.

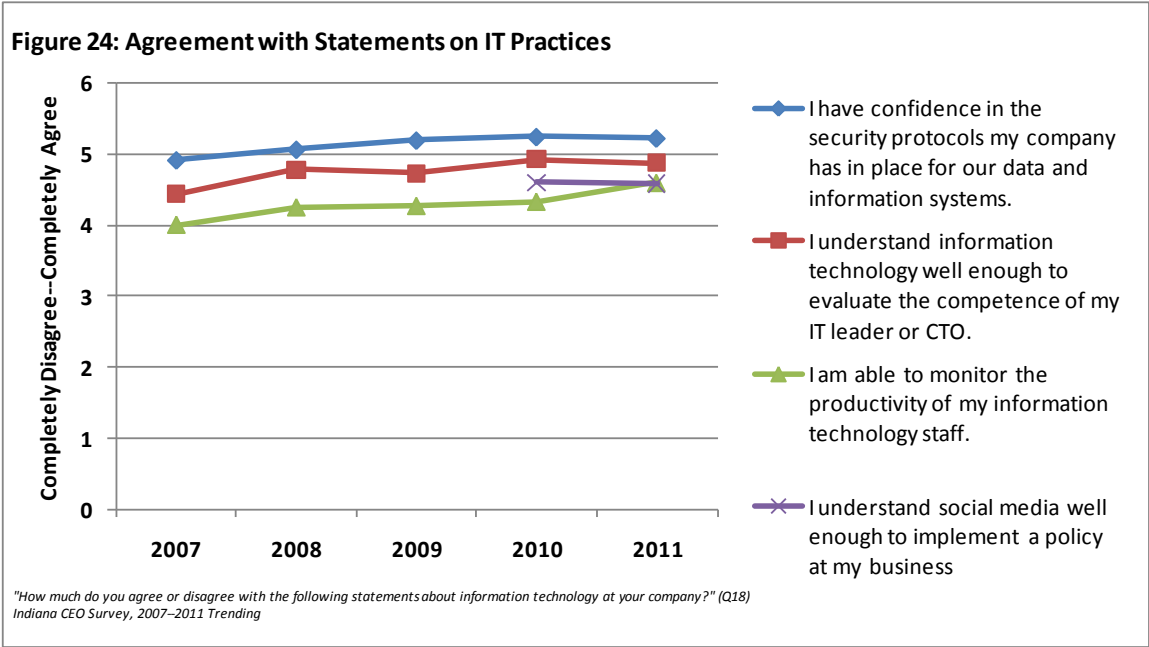
Question 18 asks about information system security, productivity and evaluation; results appear in Figure 23.



There has been only one statistically significant change on the ratings of these statements between 2010 and 2011. Mean responses indicate weak to moderate agreement with each of them. Although Figure 24 would indicate a slight trend up from 2007 in all these areas, as technology continues to drive organizations, executives seem to be becoming more confident in their abilities to monitor and understand it. The question about social media was only added in 2010.

Respondents from larger organizations seem to have more confidence in their IT security protocols than do respondents from smaller organizations.

Trends for these responses can be seen in Figure 24.



## Description of the Respondents and Their Organizations

The final section of the questionnaire solicited additional information which describes the respondents and the organizations for which they work. Detailed results of this section of the survey may be found in Appendix 2 (Organizational and Respondent Characteristics). In general, the profile of respondents to the 2011 survey is identical to the profile of respondents to the 2010 survey. The two relatively minor differences are:

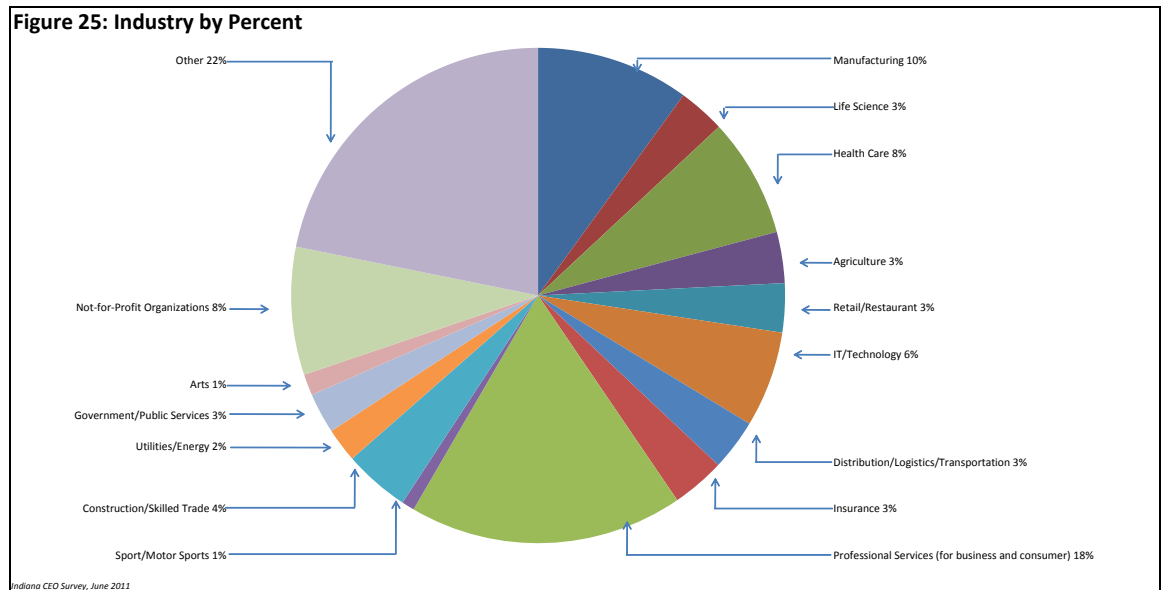
1. There are more companies with higher revenues in 2011 than in 2010;

2. There are more companies with a higher number of employees in 2011 than in 2010.

Given the large number of classification questions and the relatively small magnitudes of these differences, we are satisfied that the samples surveyed in 2011 and 2010 are functionally equivalent.

### Organizational Characteristics

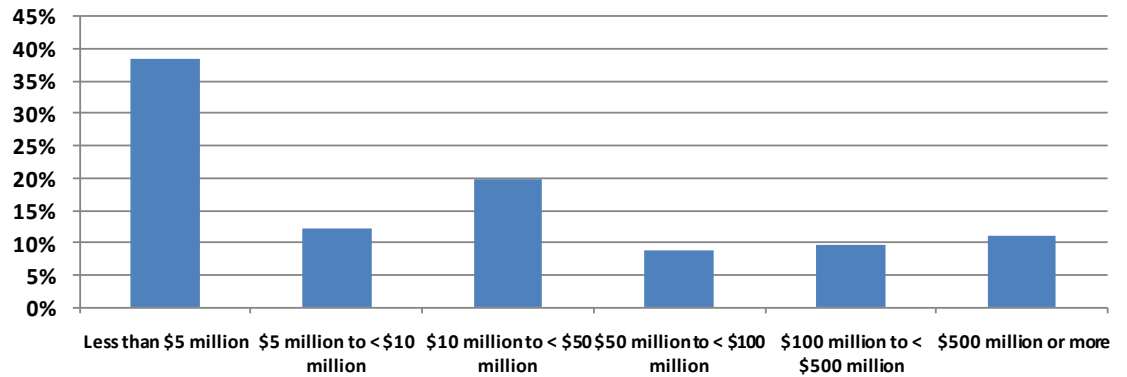
Respondents represent a wide range of industries but a relatively concentrated geographic area. Key industries represented include professional services (18 percent), not-for-profit organizations (8 percent), manufacturing (10 percent), health care (8 percent), and information technology (6 percent). No other industry was represented by more than five percent of our respondents (see Figure 25).



Four out of five (82 percent) respondents are from organizations headquartered in central Indiana. The remaining respondents are from organizations elsewhere in Indiana, indicating a potential for geography-based bias in the reported results.

About 39 percent of our respondents are from organizations with revenues of less than \$5 million; while about 11 percent have revenues exceeding \$500 million (see Figure 26).

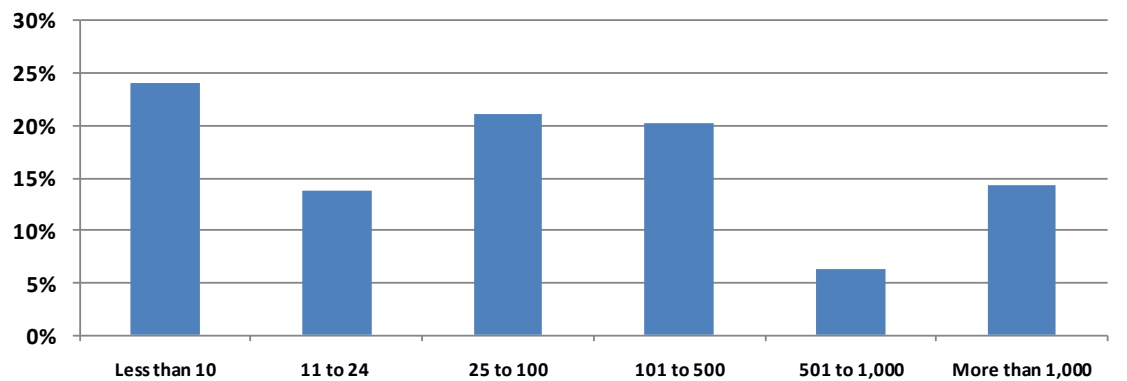
**Figure 26: Company Revenue**



"What was your company's 2010 revenue?" (Q22)  
Indiana CEO Survey, June 2011

A slightly different pattern emerges when looking at number of employees: about one quarter of the organizations has fewer than 10 employees and about 14 percent have more than 1,000 employees. Figure 27 presents this data.

**Figure 27: Number of Employees**



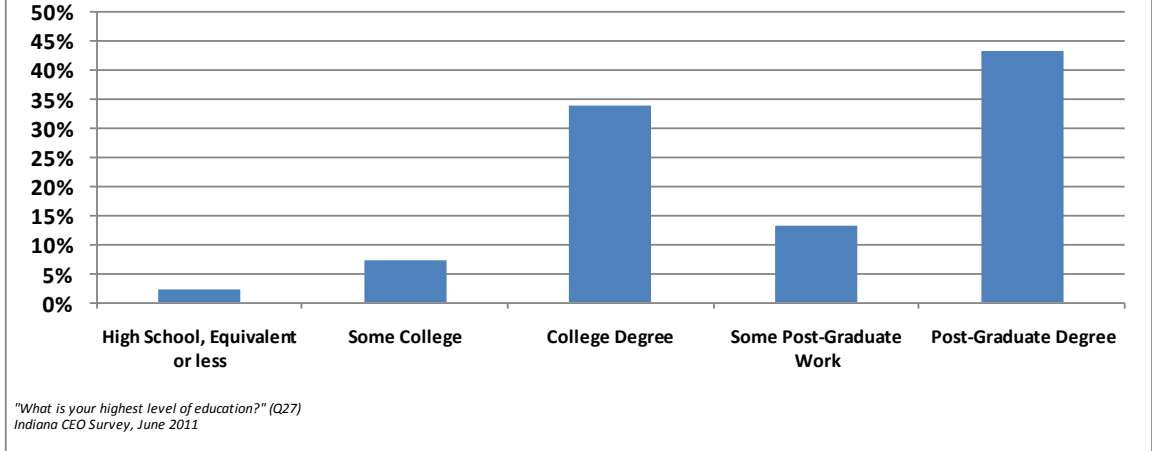
"How many people does your company employ?" (Q23)  
Indiana CEO Survey, June 2011

### Respondent Characteristics

Individuals who responded to this questionnaire primarily have job titles associated with chief executive status such as CEO, president or owner (81.1 percent). Small minorities are in positions titled managing director or partner (8.6 percent), or chief operating officer (6.2 percent). About half (47.4 percent) have held their position for more than 10 years, while a little more than one quarter (27.6 percent) have held their position for less than 5 years. Eighty percent are male.

The group is highly educated. Nearly one half (43.4 percent) have graduate degrees, another 13.2 percent have completed at least some graduate schooling and 34 percent have completed an undergraduate degree as their highest level of education. See Figure 28 for a complete summary of respondent educational levels.

**Figure 28: Education of Respondents**



## Plans for the CEO Survey

We plan to continue repeating this survey annually so that we may identify and track changes over time. While the core structure and content of the survey remains constant, we plan to make the project even more useful by implementing a few modifications each year. Most of these changes will simply be continuations of the improvements we included in the 2011 survey.

First, we plan to continue increasing the sample size by expanding the number and variety of sources containing required contact information. A larger sample will enable us to conduct more robust subgroup analyses. Indeed, the sample size has grown each year so far, increasing 7 percent from 2007 to 2008, jumping 60 percent from 2008 (n=225) to 2009 (n=360), increasing 19 percent from 2009 to 2010 (n=428) and then increasing by 79 percent from 2010 to 2011 (n=768).

Second, we will continue to attempt to increase the geographic representation of the sample. This will enable us to assess more accurately the degree to which there are or are not significant and systematic regional differences within the state of Indiana. So far, we have not been especially successful in these efforts as the sample remains heavily weighted toward central Indiana.

Third, we will continue to make a few alterations to the questionnaire itself. New questions will reflect new issues as they arise. For example, in 2008 we added questions on tax increases (a topical issue that year), in 2009 we added questions related to the economic downturn, in 2010 we added questions about legislative issues and in 2011 we added questions about health care reform.

Finally, since so many of the responses have been extremely consistent over time, we believe that many collective opinions are stable or change very slowly. Thus, we will continue to ask some questions every other year. This will shorten the questionnaire substantially and should make the task of responding less onerous.

## **Appendix 1: Methodology**

The value of the Indiana CEO Survey is that the methods are largely invariant over time, thus making it possible to uncover substantive changes in executive opinions. If the methodology changed each year, it would be unclear whether changes in findings were due to real changes in executive opinions or to changes in methodology. For that reason, much of the material in this appendix is very similar or identical to that contained in Appendix 1 of the 2010 report.

### **Qualitative Research**

In fall of 2006, MBA students at the Butler University College of Business conducted the qualitative research needed to focus and develop the study. These students analyzed two CEO Weblogs hosted by Inside INdiana Business, observed a quarterly CEO round table discussion, and conducted in-depth interviews with Indiana CEOs. The information gathered was used to identify issues of concern to Indiana executives.

Simultaneously, students gathered secondary information about the Indiana business environment from a variety of governmental and private sources. This information included descriptive information of companies (for example, number of employees, revenues, etc.) as well as information about industry classifications and geographic distribution of organizations.

### **Quantitative Research**

A total of 5,049 CEOs and executives of Indiana-based organizations were identified and comprised the sample frame for this project. Potential respondents were identified from a variety of sources including a database maintained by Ice Miller, as well as a list of other potential respondents identified by members of the project steering committee. Inside INdiana Business contacted each potential respondent by e-mail, requested their participation in the project, and provided a link to the online survey.

Of the original sample frame, 606 of the e-mails distributed were returned as “undeliverable” for a wide variety of reasons including a non-functioning e-mail address, a full inbox, a “spam” filter bounce, and so on. Additional contacts were directed to those who originally had undeliverable e-mails with functioning e-mail addresses. Of the 4,443 usable e-mail addresses, we obtained 768 responses yielding a response rate of 17 percent.

Most of the 768 who responded to the request to participate actually completed the survey. Seven hundred twenty-two respondents answered all questions.

Several caveats are necessary for interpreting survey results. First, the original sample frame was not a complete and accurate listing of all CEOs of Indiana-based organizations and thus the resulting convenience sample may not provide an accurate representation of all CEOs of Indiana-based organizations. As the project continues to expand, the sampling frame will become more complete and thus the sample should become more representative over time.

Second, because the sample may not be technically representative in a statistical sense, computations of statistical significance are presented for illustrative purposes only. A formal discussion of statistical significance in this context appears below.

Finally, we have not conducted a formal assessment of non-response bias associated with the obtained sample, so those who responded may be systematically different from those who did not.

Despite the limitations of this fifth iteration of the Indiana CEO Survey, we believe the results will prove useful in multiple regards. First, the project provides a “snapshot” of issues of

concern to Indiana's corporate leaders. Thus, it can provide a platform for discussion and analysis of a wide variety of topics critical to the economic future of the state.

Second, while there may be large error ranges around reported parameter estimates, the *relative* rankings of key variables are probably accurate. For example, while the reported mean importance rating of 6.66 for "corporate reputation" may actually be higher or lower in the total population, it is clear that "corporate reputation" has a higher perceived importance level than does "keeping pace with global competition" to Indiana CEOs and other executive officers.

Third, this is the fourth in a series of annual reports focused on Indiana CEOs. One key strength of this endeavor is the ability to track changes over time and thus to focus future discussions on trends rather than on one-time observations. This should make the project more valuable to policymakers and strategists.

### **Technical Notes on Statistical Significance**

The term "statistical significance" is often misunderstood by managers and other policymakers. This misunderstanding seems to be rooted in two sources: confusion about the technical statistical meaning of the term and confusion surrounding the word "significance."

*First*, the term statistical significance simply refers to information obtained from a sample which we have reason to believe is different from information that we may have obtained by chance alone. For example, if we say that high revenue companies are statistically significantly more likely than are lower revenue companies to pursue new sources of financing (Q2 in the survey), we are saying two things: 1) in our sample, the mean response for high revenue companies is higher than it is for low revenue companies; and 2) that this difference is likely due to a REAL difference between high and low revenue companies. In other words, we are **not** just "unlucky" in our choice of whom to talk to in each group and therefore have obtained results which are really not true. Several factors influence statistical significance including how sure we want to be that we are finding real differences or real relationships, how large the sample is, and the actual survey results.

Statistical significance is thus about making inferences from a sample to a population. To make such inferences accurately, we need to have a randomly selected sample from a population of interest. In this project, our sample is not random because we did not have access to an accurate listing of the e-mail addresses of all Indiana CEOs (an accurate population listing). Thus, it is not possible to determine statistical significance in a formal sense. However, we have reported "statistical significance at  $\alpha=.10$ " for our results as if we had obtained a truly random sample in order to highlight results which we believe have a higher likelihood of being "real."

*Second*, there is a difference between "statistical significance" and "managerial significance." Managers often think that if a difference is "statistically significant," it is somehow necessarily important and deserving of managerial attention. This may or may not be true. We use the term "managerial significance" to mean that a manager ought to consider the information in making some decision. While a piece of information must be statistically significant before it can be considered to be managerially significant, not all statistically significant information is of managerial significance. For example, if we were using an extremely large sample, even small and relatively meaningless differences would be "statistically significant." In many circumstances, it would be a mistake for managers to make decisions based on such information because although it is "real," it is too small to be of practical value. Managers must exercise judgment in deciding when to use or ignore statistically significant information.

## Appendix 2: Organizational and Respondent Characteristics

**Table 1: Corporate Revenue**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Less than \$5 million	278	36.20%	38.50%	38.50%
	\$5 million to < \$10 million	88	11.46%	12.19%	50.69%
	\$10 million to < \$50 million	143	18.62%	19.81%	70.50%
	\$50 million to < \$100 million	63	8.20%	8.73%	79.22%
	\$100 million to < \$500 million	69	8.98%	9.56%	88.78%
	\$500 million or more	81	10.55%	11.22%	100.00%
	TOTAL	722	94.01%	100.00%	
Missing	System	46	5.99%		
TOTAL		768	100.00%		

**Table 2: Number of Employees**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Less than 10	174	22.66%	24.10%	24.10%
	10 - 24	100	13.02%	13.85%	37.95%
	25 - 100	152	19.79%	21.05%	59.00%
	101 - 500	146	19.01%	20.22%	79.22%
	501 - 1,000	46	5.99%	6.37%	85.60%
	More than 1,000	104	13.54%	14.40%	100.00%
	TOTAL	722	94.01%	100.00%	
Missing	System	46	5.99%		
TOTAL		768	100.00%		

**Table 3: Respondent Job Title**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	CEO/Pres/Owner	459	59.77%	81.10%	81.10%
	CFO	23	2.99%	4.06%	85.16%
	COO	35	4.56%	6.18%	91.34%
	Managing Director/Partner	49	6.38%	8.66%	100.00%
	TOTAL	566	73.70%	100.00%	
Missing	Other	34	4.43%		
	System	168	21.88%		
TOTAL		768	100.00%		

**Table 4: Respondent Tenure in Current Job**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Less than 5 years	199	25.91%	27.56%	27.56%
	5 - 9	181	23.57%	25.07%	52.63%
	10 - 15	147	19.14%	20.36%	72.99%
	More than 15 years	195	25.39%	27.01%	100.00%
	TOTAL	722	94.01%	100.00%	
Missing	System	46	5.99%		
TOTAL		768	100.00%		

**Table 5: Respondent Age**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	30 or younger	8	1.04%	1.11%	1.11%
	31 - 40	70	9.11%	9.70%	10.80%
	41 - 50	170	22.14%	23.55%	34.35%
	51 - 60	289	37.63%	40.03%	74.38%
	61 - 70	169	22.01%	23.41%	97.78%
	> 70	16	2.08%	2.22%	100.00%
	TOTAL	722	94.01%	100.00%	
Missing	System	46	5.99%		
TOTAL		768	100.00%		

**Table 6: Respondent Planned Retirement Age**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Younger than 40	4	0.52%	0.55%	0.55%
	40 - 44	0	0.00%	0.00%	0.55%
	45 - 49	4	0.52%	0.55%	1.11%
	50 - 54	22	2.86%	3.05%	4.16%
	55 - 59	61	7.94%	8.45%	12.60%
	60 - 64	165	21.48%	22.85%	35.46%
	65 - 70	312	40.63%	43.21%	78.67%
	Older than 70	154	20.05%	21.33%	100.00%
	TOTAL	722	94.01%	100.00%	
Missing	System	46	5.99%		
TOTAL		768	100.00%		

**Table 7: Respondent Education**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	High school or less	16	2.08%	2.22%	2.22%
	Some college	52	6.77%	7.20%	9.42%
	College grad	246	32.03%	34.07%	43.49%
	Some grad	95	12.37%	13.16%	56.65%
	Grad degree	313	40.76%	43.35%	100.00%
	TOTAL	722	94.01%	100.00%	
Missing	System	46	5.99%		
TOTAL		768	100.00%		

**Table 8: Respondent Gender**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Female	142	18.49%	19.67%	19.67%
	Male	580	75.52%	80.33%	100.00%
	TOTAL	722	94.01%	100.00%	
Missing	System	46	5.99%		
TOTAL		768	100.00%		