

# Global Workforce Insights

## Quarterly Report: Q1 2014

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Your Resource for the Latest Trends Affecting  
Your Workforce Plan

# ACCESS THE LATEST WORKFORCE AND HR FUNCTION INSIGHTS

Our quarterly publications keep you informed and enable you to act quickly on critical changes in the workforce and the HR profession. View these resources on our website: <https://clc.executiveboard.com>.

## Workforce Insights: Quarterly Publications

### Global Workforce Insights Report

Access the latest analysis on global workforce trends affecting your organization's human capital strategy in the following areas:

- Employee Attraction
- Employee Engagement
- Compensation

### CEB Minute Video

Watch a short video highlighting key insights from the Global Workforce Insight Report.



### Employee Engagement Insight Reports (Coming in Q1 2014)

Access the latest data and analysis on workforce trends about employee engagement levels and satisfaction with key EVP attributes in different countries, industries, and functions.

New reports available in Q1 2014 will cover:

- 15 countries across the world,
- 12 industries, and
- 3 corporate functions.

## HR Function Insights: Quarterly Publications

### HR News and Trends Report

Download data-driven analysis, action planning guidance, and resources to address critical HR function trends in the areas of HR transformation, organization design, performance management and productivity, recruiting, training, and development, and more.

### HR Function Workforce Insights Report

View the latest trending data and analysis on changes specific to the HR workforce in the following areas:

- Attraction
- Engagement
- Compensation

### CHRO Quarterly Magazine

Read about new insights from around the corporate suite and HR and personal stories from heads of HR at the world's largest organizations about leading their teams and organizations.

# USE THE UNIFIED BENCHMARKING PLATFORM TO ACCESS DETAILED WORKFORCE BENCHMARKS

CEB gives you access to highly customizable benchmarking data. To segment workforce data by the parameters that matter most to your organization, go to the Benchmarks tab on our website. Use this data to create a custom workforce report for your organization to better inform your workforce plans and influence your leaders' talent decisions.

## Workforce Benchmarks Available in the Unified Benchmarking Platform

### Employee Engagement

- Benchmark employees' levels of discretionary effort and intent to stay at their current organization.
- Segment benchmarks by country, function, gender, industry, employee level, and tenure.

### Employment Value Proposition

- Benchmark the drivers of employee attraction and attrition, and identify which job search channels employees use and trust.
- Segment benchmarks by age, country, function, industry, and employee level.

### Span of Control

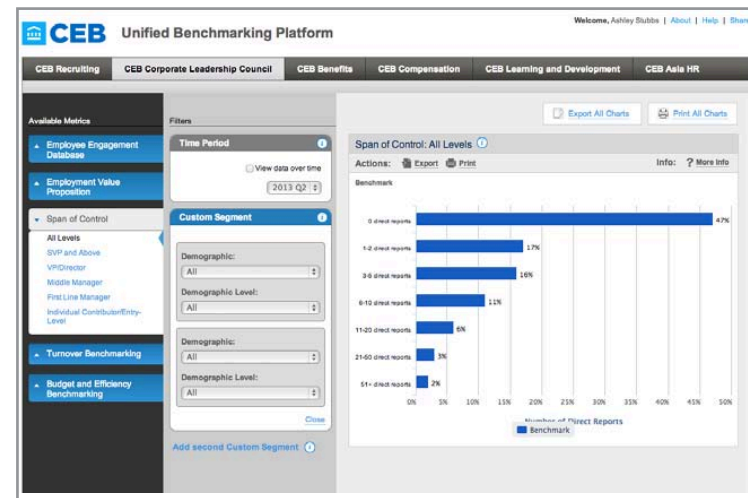
- Benchmark spans of control for employees at all levels, from first-line manager to senior vice president.
- Segment benchmarks by country, employee size, function, geographic region, industry, and employee level.

### Employee Turnover

- Benchmark voluntary and involuntary turnover.
- Segment benchmarks by country, employee size, exempt status, function, gender, HIPO status, industry, and revenue.

### HR Function Budget and Efficiency

- Benchmark 85 key financial and staffing metrics; financial metrics are available in 16 currencies.
- Segment benchmarks by employee size, geographic region, industry, and revenue.



Our members can access additional benchmarks on employee benefits, compensation, learning and development, and recruiting.



Executive confidence about the global economy reached a two-year high in Q4 2013.

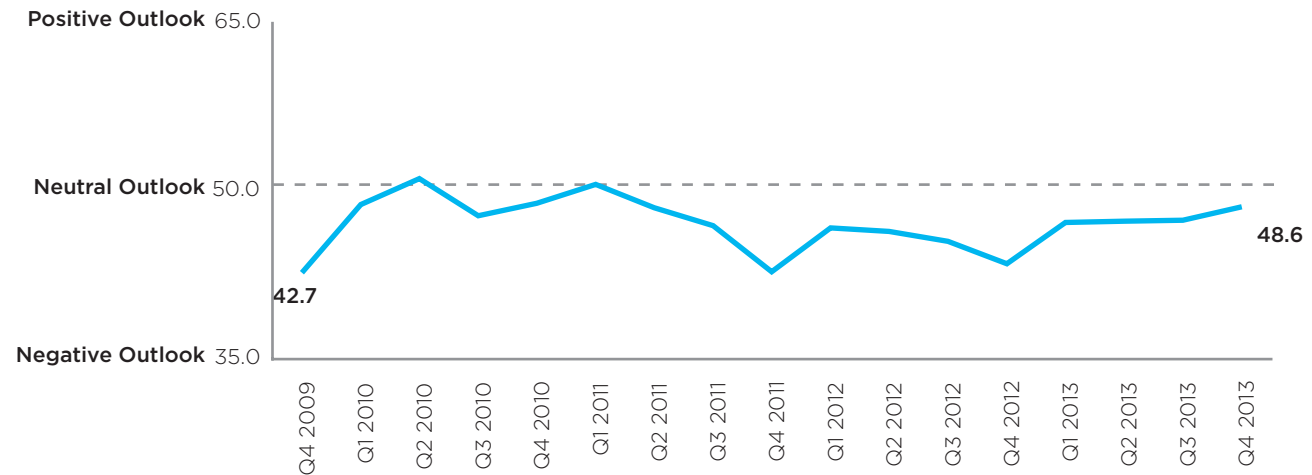
- Executive confidence has not reached the neutral point since Q1 2011.
- Confidence among HR leaders did not change from Q3 2013 and is again the most pessimistic among major functional heads.
- Marketing and sales executives are more confident about the future than they were last quarter.

#### Definition

The Business Executive Sentiment Index (BESI) measures senior executives' sentiment on revenue growth and cost pressure for the next 12 months in light of macroeconomic events.

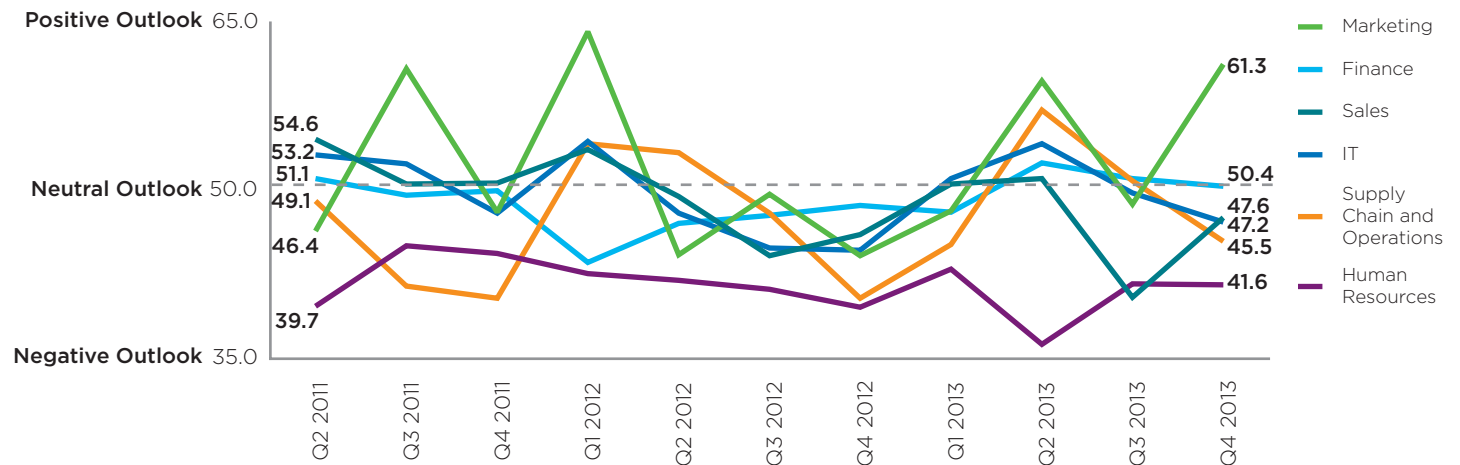
## EXECUTIVE SENTIMENT REACHES TWO-YEAR HIGH

### Business Executive Sentiment Index



Q4 2013 n = 2,817 executives.  
Source: CEB 2009–2013 Business Barometer Survey.

### Business Executive Sentiment Index by Corporate Function



Q4 2013 n = 391 (Marketing); 600 (Finance); 483 (Sales); 958 (IT); 420 (Supply Chain and Logistics); 635 (Human Resources).  
Source: CEB 2009–2013 Business Barometer Survey.

**An effective employment value proposition (EVP) allows organizations to source more deeply within the labor market by attracting passive candidates.**

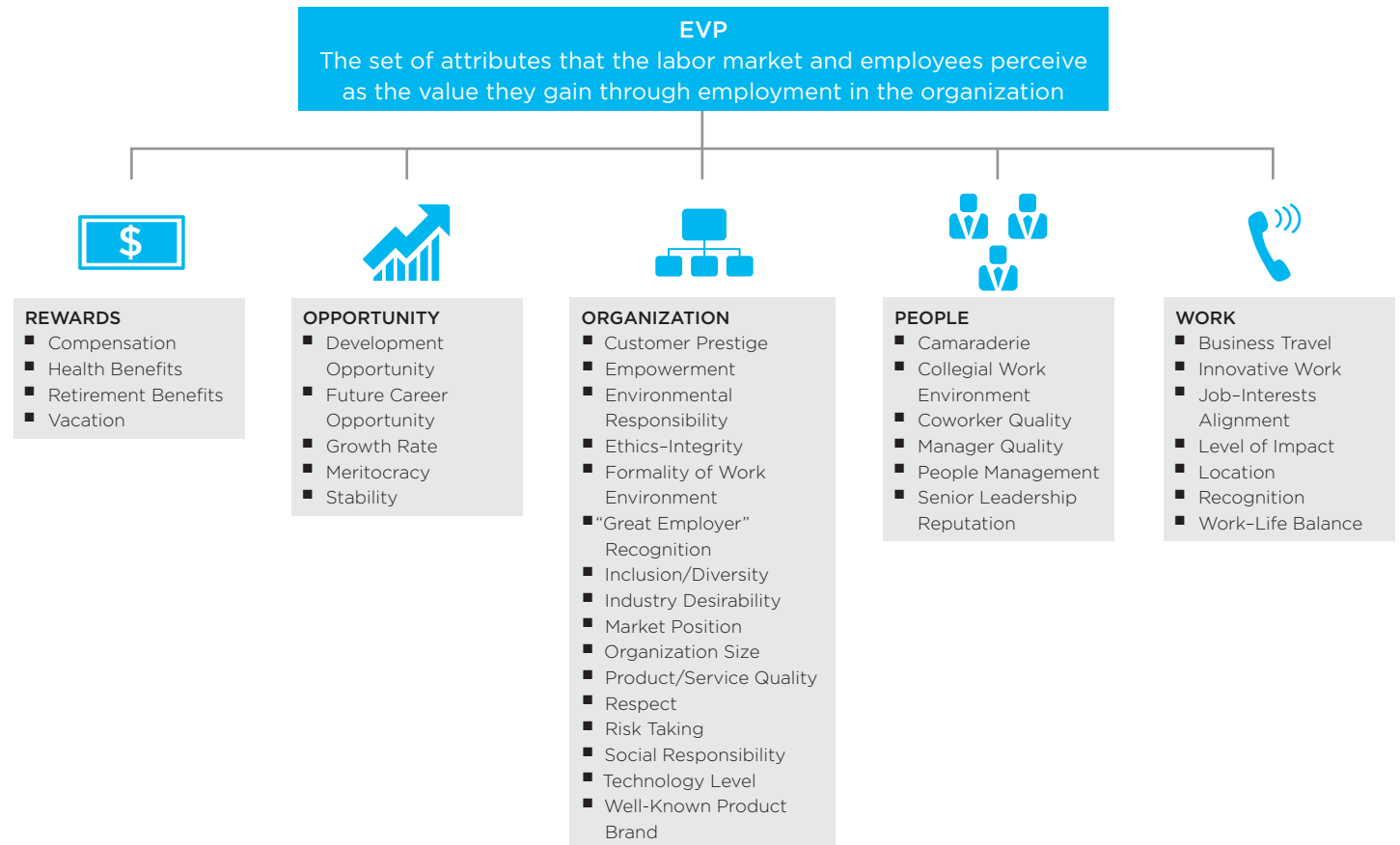
- CEB's EVP model consists of 38 attributes validated to most significantly drive attraction and retention.
- When candidates in the labor market view an organization's EVP as attractive, they demand a lower compensation premium when deciding to join.
- Organizations with the most effective EVP delivery display lower levels of employee turnover than less-effective organizations.

#### Additional Insight

Define the vision for your differentiated EVP with our insights and implementation tools in our EVP Topic Center (<http://ceburl.com/lfrx>).

## CEB'S EVP FRAMEWORK

### EVP Framework and Benefits of a Differentiated EVP



#### Attraction Benefits

- Reduces the compensation premium needed to hire by 50%
- Enables organizations to reach deeper into the labor market to attract passive candidates

Source: CEB analysis.

#### Retention Benefits

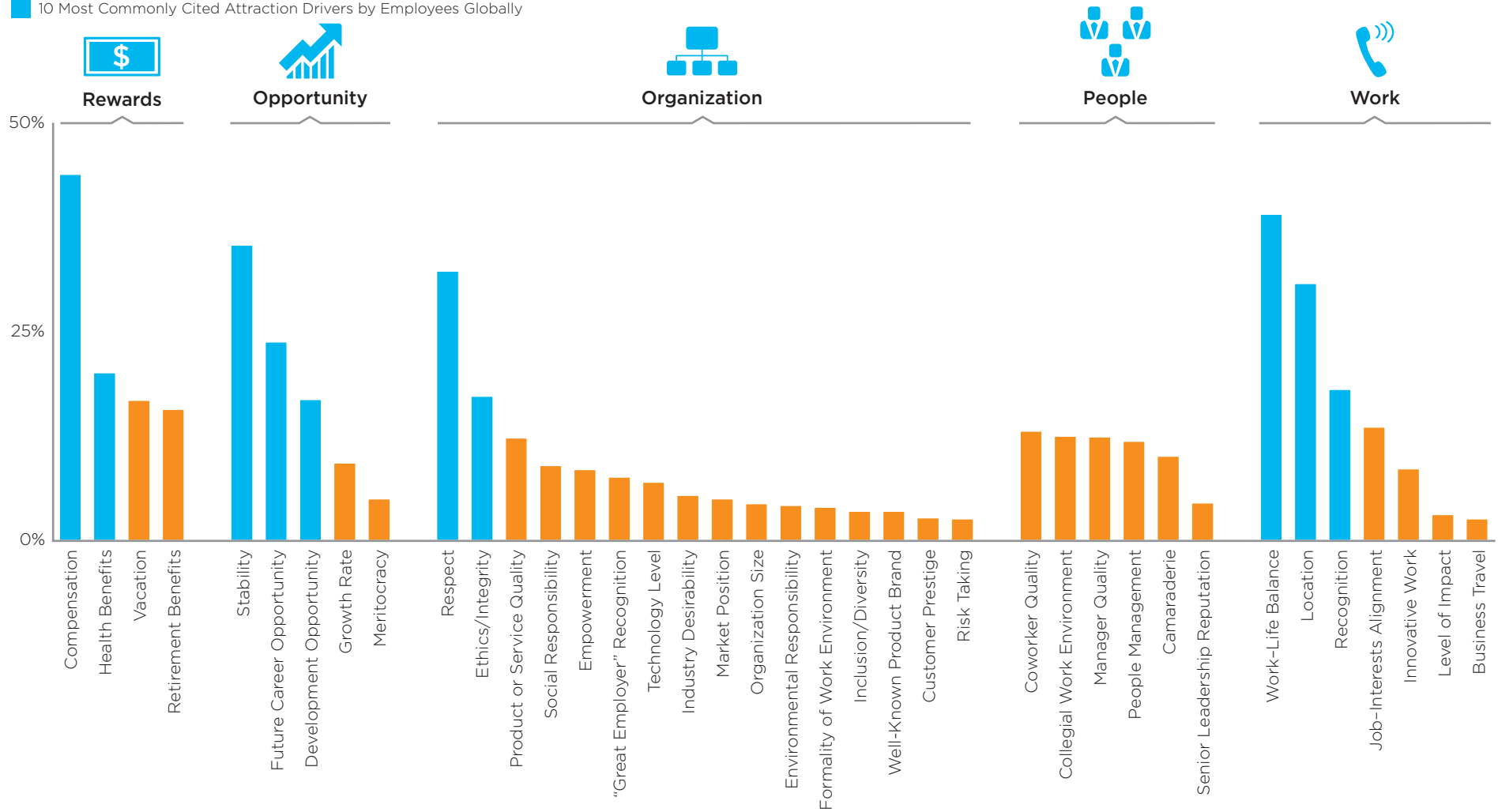
- Decreases annual employee turnover by 69%
- Increases new hire commitment by 29%

# WHAT DO POTENTIAL CANDIDATES LOOK FOR IN A NEW JOB?

Percentage of Global Employees Who Rank the Driver Among the Top Five Factors Influencing Selection of a Potential Employer

Global Employed Labor Force, | Q4 2013

10 Most Commonly Cited Attraction Drivers by Employees Globally



Q4 2013 n = 14,808.

Source: CEB 2013 Global Labor Market Survey.



Our employee engagement model links two key talent outcomes—discretionary effort and intent to stay—to organizational performance.

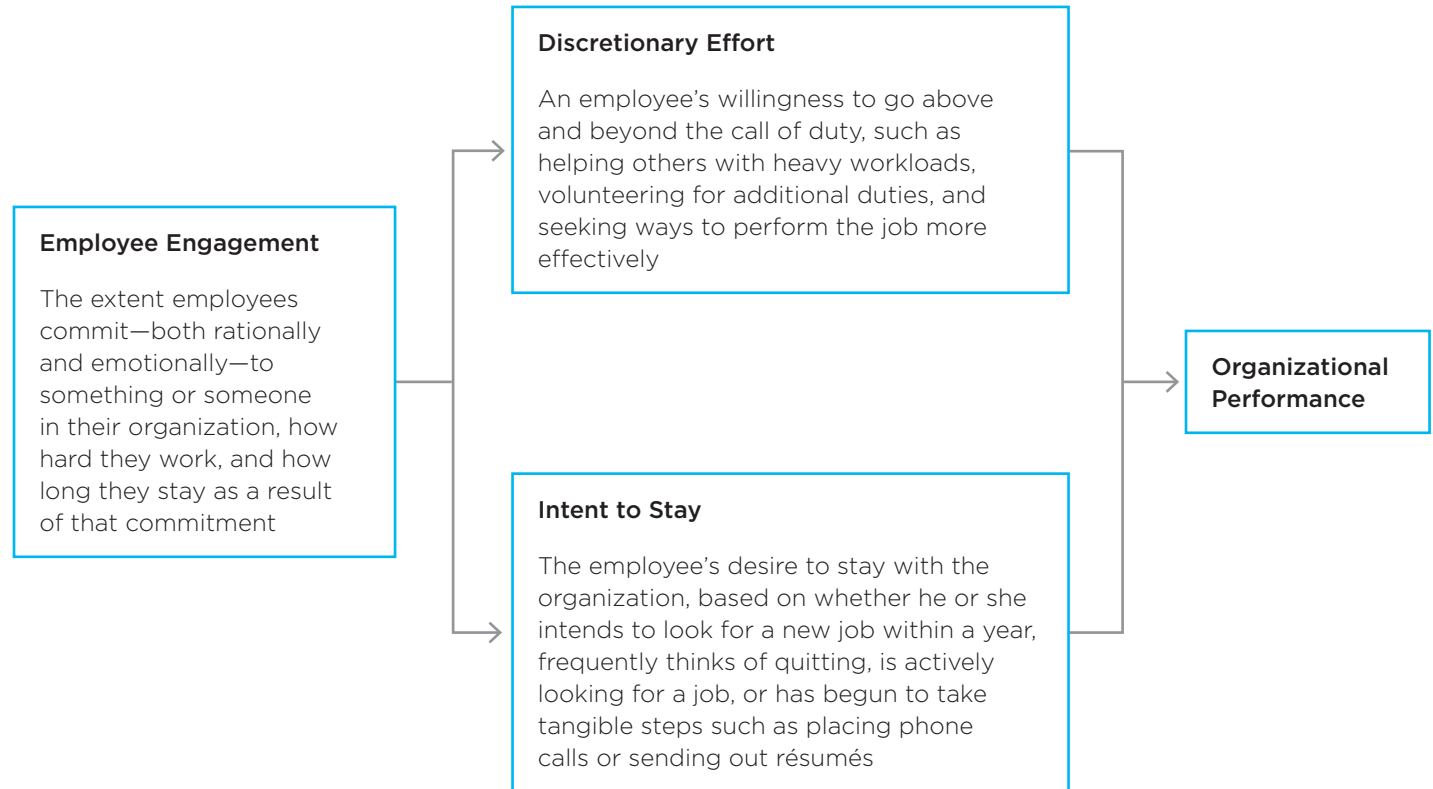
- The engagement metrics in this section of the report are based on the percentage of employees who display high or very high levels of discretionary effort and intent to stay.

#### Additional Insight

Visit the Engagement Topic Center (<http://ceburl.com/1frw>) for guidance on measuring and managing employee engagement at your organization.

## EMPLOYEE ENGAGEMENT DRIVES PERFORMANCE

### CEB's Employee Engagement Model



Source: CEB analysis.

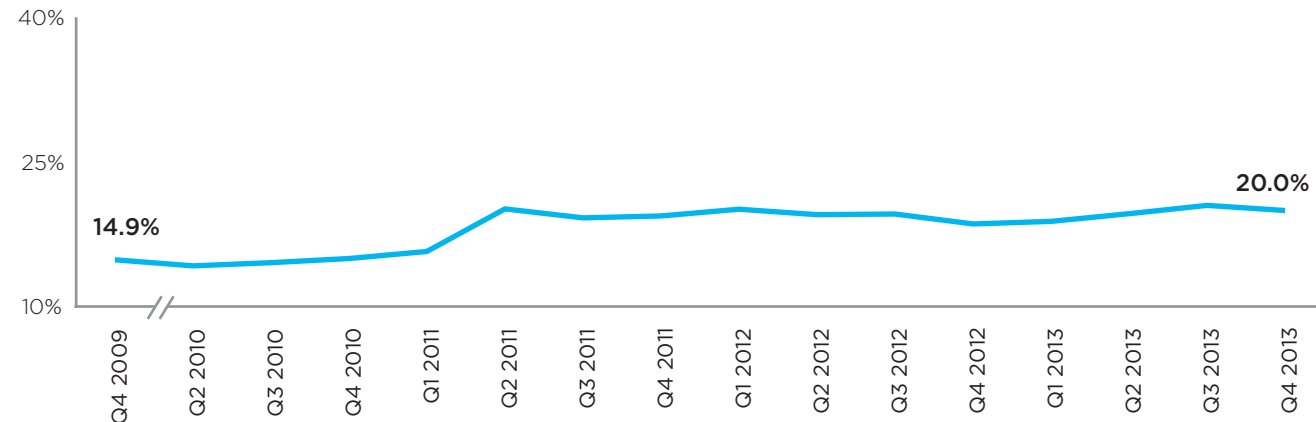


Employee engagement levels remain well above previous benchmarks, but both metrics remained steady in Q4 after growing slowly during 2013.

- One-fifth of employees globally (20.0%) report putting forth high discretionary effort at work.
- About one-third (33.2%) of employees report high intent to stay with their current employer.

## GAINS IN EMPLOYEE ENGAGEMENT APPEAR TO BE SLOWING

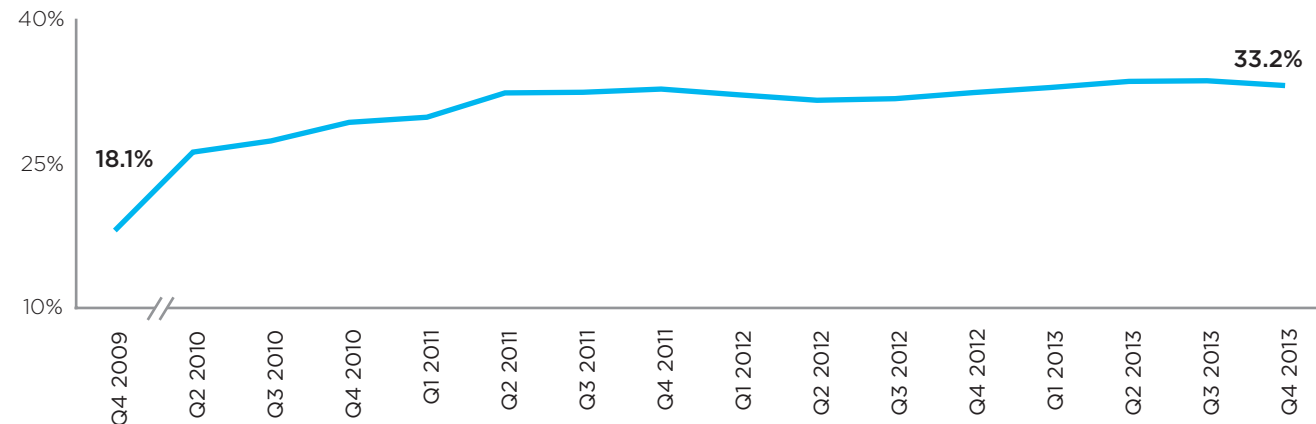
Percentage of Employees Reporting High Levels of Discretionary Effort



Q4 2013 n = 17,757.

Source: CEB 2009–2013 Global Labor Market Survey.

Percentage of Employees Reporting High Levels of Intent to Stay



Q4 2013 n = 17,757.

Source: CEB 2009–2013 Global Labor Market Survey.

Note: Global discretionary effort and intent to stay levels are calculated from five and four survey questions respectively. Values shown represent the CEB International Average, which is calculated as a straight average of participants. Due to the change in methodology, values may differ slightly from previous quarters.

### Additional Insight

Learn more about how we can help you run a customized engagement initiative at your organization at <http://cebvaltera.com>. Additional fees apply.



# WHY DO EMPLOYEES LEAVE THEIR JOBS?

Percentage of Departing Employees Who Rank the Driver Among the Top Five Most Dissatisfying at Their Previous Job

Global Employed Labor Force, | Q4 2013

10 Most Commonly Cited Attraction Drivers by Employees Globally



Q4 2013 n = 8,158.

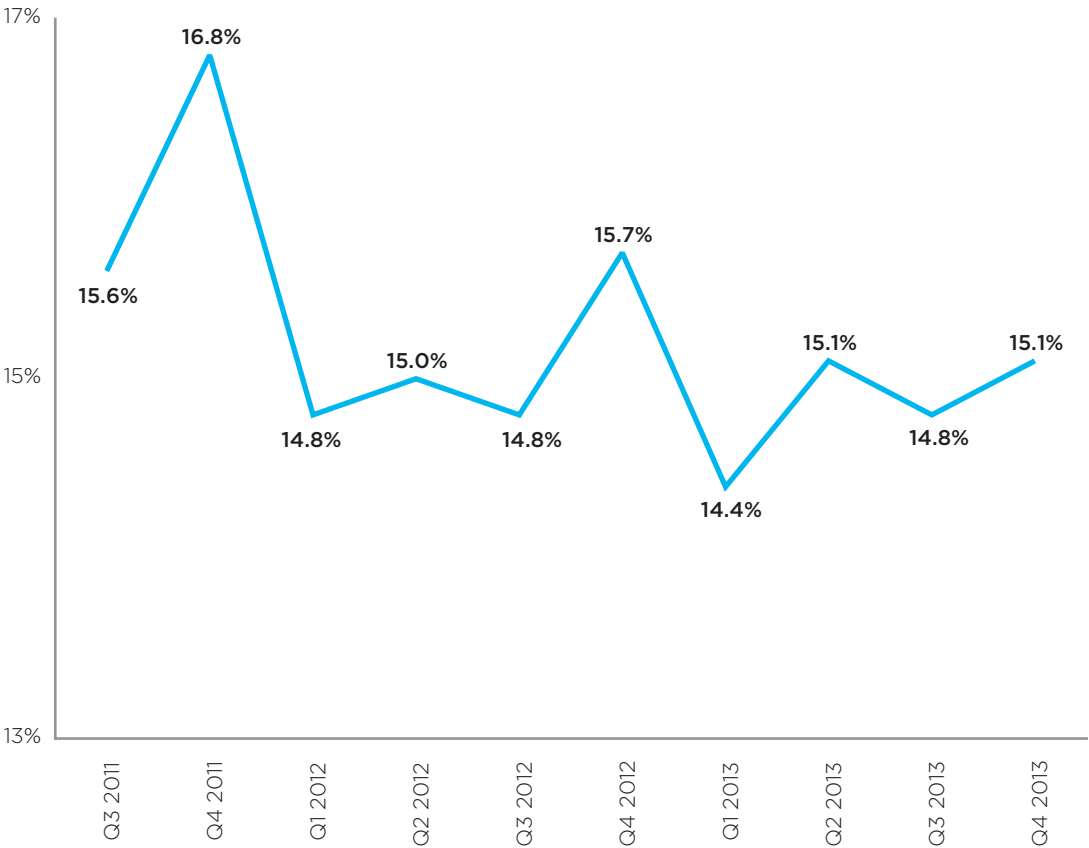
Source: CEB 2013 Global Labor Market Survey and CEB 2013 Departure View Exit Survey.



Switching premiums have been relatively steady throughout the year, ranging from a low of 14.4% in Q1 to a high of 15.1% in Q2 and Q4.

# SWITCHING PREMIUMS ARE MORE STABLE THAN PRIOR YEARS

Global Compensation-Switching Premium  
Percent Change in Total Compensation



Q4 2013 n = 3,997.

Source: CEB 2011-2013 Departure View Exit Survey.

Note: Values shown represent the CEB International Average, which is calculated as a straight average of participants. Due to the change in methodology, values may differ slightly from previous quarters.

### Definition

The Compensation-Switching Premium measures departed employees' anticipated compensation change at their new organization.

Use these services to benchmark your own organization against peer organizations.

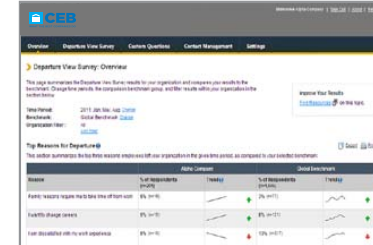
- Learn more by e-mailing [clcsurveyrequests@executiveboard.com](mailto:clcsurveyrequests@executiveboard.com).

## USE THESE SERVICES TO CREATE A CUSTOM WORKFORCE BENCHMARK REPORT

### Departure View Exit Survey

(from CEB Corporate Leadership Council)

- Uncover employees' reasons for leaving.
- Improve your organization's employment value proposition.
- <https://clc.executiveboard.com/Members/ExitSurvey.aspx>



### Recruiting Effectiveness Dashboard (RED)

(from CEB Recruiting Leadership Council)

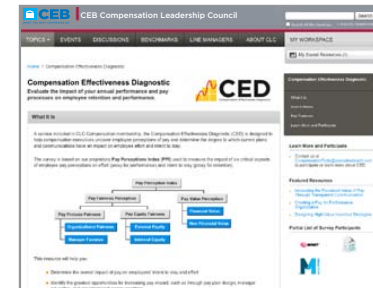
- Measure quality of hire and other key talent attraction metrics.
- Enhance processes and talent outcomes.
- <https://rr.executiveboard.com/Members/RED/Default.aspx>



### Compensation Effectiveness Diagnostic (CED)

(from CEB Compensation Leadership Council)

- Evaluate employees' pay perceptions.
- Determine compensation's impact on employee effort and intent to stay.
- [https://www.cr.executiveboard.com/Members/ResearchAnd-Tools/Compensation\\_Effectiveness\\_Diagnostic.aspx](https://www.cr.executiveboard.com/Members/ResearchAnd-Tools/Compensation_Effectiveness_Diagnostic.aspx)



### Custom Employee Surveys

- Improve business performance using greater insight and support on organizational priorities.
- <http://www.cebvaltera.com>





Originally developed in 2006, our EVP model consists of 38 attributes that drive attraction and retention.

- CEB compiled a master list of more than 200 employment characteristics and evaluated it for similarity, distinctiveness, universality, and overall ratable, leading to the consolidated list of 38 attributes.
- This final list of 38 attributes can be grouped into five categories: rewards, opportunity, organization, work, and people.

## DEFINITIONS OF EVP ATTRIBUTES

Attribute's Name	Definition
<b>Business Travel</b>	The amount of out-of-town business travel required by the job
<b>Camaraderie</b>	Whether working for the organization provides opportunities to socialize with other employees
<b>Collegial Work Environment</b>	Whether the work environment is team oriented and collaborative
<b>Compensation</b>	The competitiveness of the job's financial compensation package
<b>Coworker Quality</b>	The quality of the coworkers in the organization
<b>Customer Prestige</b>	The reputation of the clients and customers served in performing the job
<b>Development Opportunities</b>	The developmental and educational opportunities provided by the job and organization
<b>Empowerment</b>	The level of involvement employees have in decisions that affect their job and career
<b>Environmental Responsibility</b>	The organization's level of commitment to environmental health and sustainability
<b>Ethics-Integrity</b>	The organization's commitment to ethics and integrity
<b>Formality of Work Environment</b>	Whether the organization maintains a casual work environment
<b>Future Career Opportunities</b>	The future career opportunities provided by organization
<b>"Great Employer" Recognition</b>	Whether or not the organization's reputation as an employer has been rated highly by a third-party organization
<b>Growth Rate</b>	The growth rate of the organization's business
<b>Health Benefits</b>	The comprehensiveness of the organization's health benefits
<b>Inclusion/Diversity</b>	The organization's level of commitment to having an inclusive and diverse workforce
<b>Industry Desirability</b>	The desirability of the organization's industry to the respondent
<b>Innovative Work</b>	The opportunity provided by the job to work on innovative, leading-edge projects
<b>Job-Interests Alignment</b>	Whether the job responsibilities match your interests

## DEFINITIONS OF EVP ATTRIBUTES (CONTINUED)

Attribute's Name	Definition
<b>Level of Impact</b>	The level of direct impact the job has on business outcomes
<b>Location</b>	The location of the jobs offered by the organization
<b>Manager Quality</b>	The quality of the organization's managers
<b>Market Position</b>	The competitive position the organization holds in its market(s)
<b>Meritocracy</b>	Whether or not employees are rewarded and promoted based on their achievements
<b>Organization Size</b>	The size of the organization's workforce
<b>People Management</b>	The organization's reputation for managing people
<b>Product/Service Quality</b>	The organization's product or service quality reputation
<b>Recognition</b>	The amount of recognition provided to employees by the organization
<b>Respect</b>	The degree of respect the organization shows employees
<b>Retirement Benefits</b>	The comprehensiveness of the organization's retirement benefits
<b>Risk Taking</b>	The amount of risk the organization encourages employees to take
<b>Senior Leadership Reputation</b>	The quality of the organization's senior leadership
<b>Social Responsibility</b>	The organization's level of commitment to social responsibility (e.g., community service, philanthropy)
<b>Stability</b>	The level of stability of the organization and the job
<b>Technology Level</b>	The extent to which the organization invests in modern technology and equipment
<b>Vacation</b>	The amount of holiday or vacation time employees earn annually
<b>Well Known Product Brand</b>	The level of awareness in the marketplace for the product's brand
<b>Work-Life Balance</b>	The extent to which the job allows you to balance your work and other interests



The EVP and engagement data in this report comes from our quarterly Global Labor Market Survey.

- The survey polls over 18,000 employees in 28 countries during the first month of every quarter.

## GLOBAL LABOR MARKET SURVEY DEMOGRAPHICS

Country: Q4 2013	Representation
Australia	5.6%
Belgium and the Netherlands	4.2%
Brazil	3.3%
Canada	5.6%
China	5.6%
France	2.8%
Germany	7.0%
India	5.5%
Indonesia	2.7%
Italy	2.8%
Japan	2.7%
Malaysia and the Philippines	2.8%
Mexico	3.3%
New Zealand	2.8%
Nordic Region	5.3%
Russia	2.8%
Singapore	2.8%
South Africa	2.8%
South Korea	2.8%
Spain	2.8%
Switzerland	2.8%
United Kingdom	8.4%
United States	12.7%

Industry: Q4 2013	Representation
Aerospace	0.7%
Construction	4.4%
Consumer Goods	3.4%
Education	12.0%
Financial Services and Insurance	6.7%
Government	5.9%
Health Care	9.4%
Leisure and Hospitality	2.6%
Manufacturing	11.2%
Media	1.4%
Nonprofit	1.9%
Oil, Gas, and Mining	1.4%
Pharmaceuticals	1.3%
Professional Services	8.6%
Real Estate	1.5%
Restaurant	2.0%
Retail	8.8%
Technology	8.9%
Travel and Transportation	4.0%
Utilities	4.0%