

# Global Workforce Insights

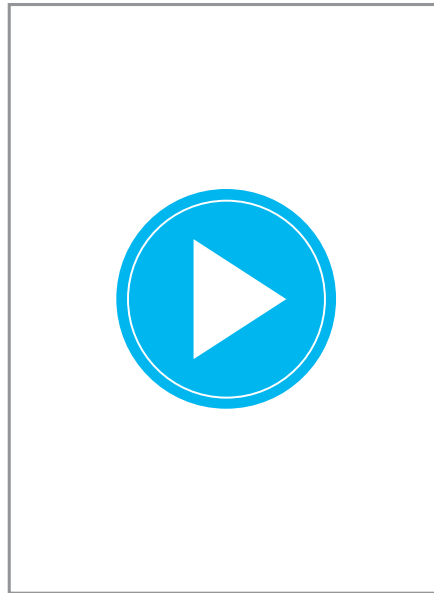
Q2 2014

Your Quarterly  
Resource for the  
Latest Trends  
Affecting Your  
Workforce Plan



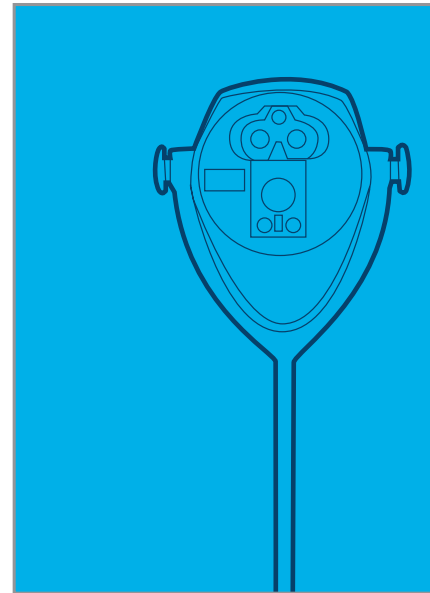
# ACCESS THE LATEST WORKFORCE AND HR FUNCTION INSIGHTS

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>.



## **CEB Minute Video**

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



## **Country, Industry and Functional Specific Workforce Insights Reports**

View the latest trending data and analysis on changes within the following areas:

- Attraction
- Engagement
- Compensation

# Get the Most Relevant Data—Nothing Else

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**Our customizable benchmarking platform prevents being overwhelmed by unnecessary data.**

These tools filter information into parameters that better inform your workplace and influence your leaders' talent decisions.

- Benchmark segments include:
- Employee Engagement
- Employee Value Proposition
- Span of Control
- Employee Turnover
- HR Function Budget and Efficiency

Users can customize benchmarks even further based on country, function, employee level, and industry.

Learn more: <https://clc.executiveboard.com>

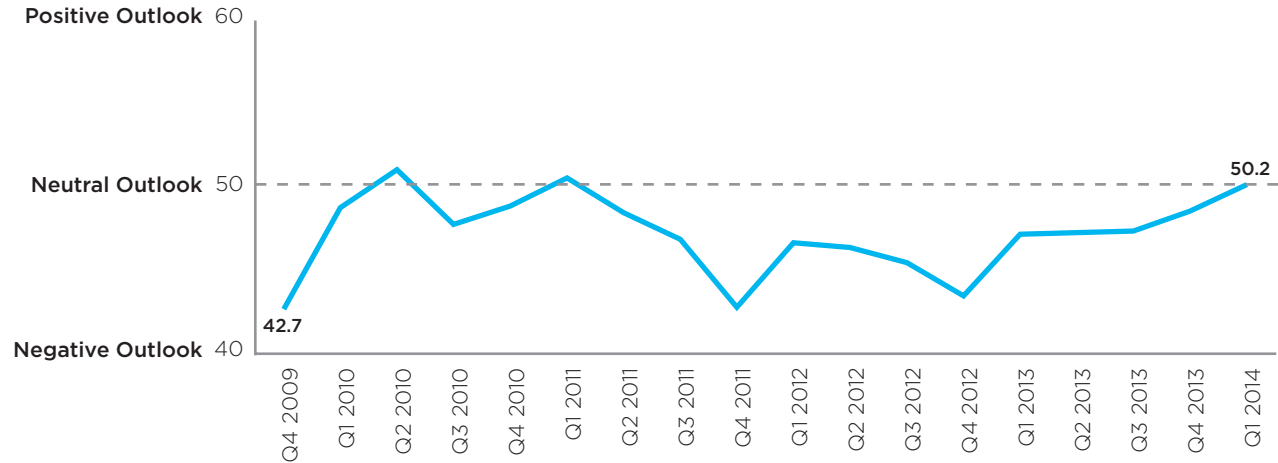


Executive confidence about the global economy continued to improve in Q1, becoming neutral for the first time in three years.

- Compared to downward trends over the course of 2011 and 2012, 2013 was a year of growing optimism among executives.
- Confidence rose among HR leaders rose to the highest point in three years but remained pessimistic overall.
- Sales, IT, and HR executives are much more confident about the future than they were last quarter, whereas finance executives are less confident.

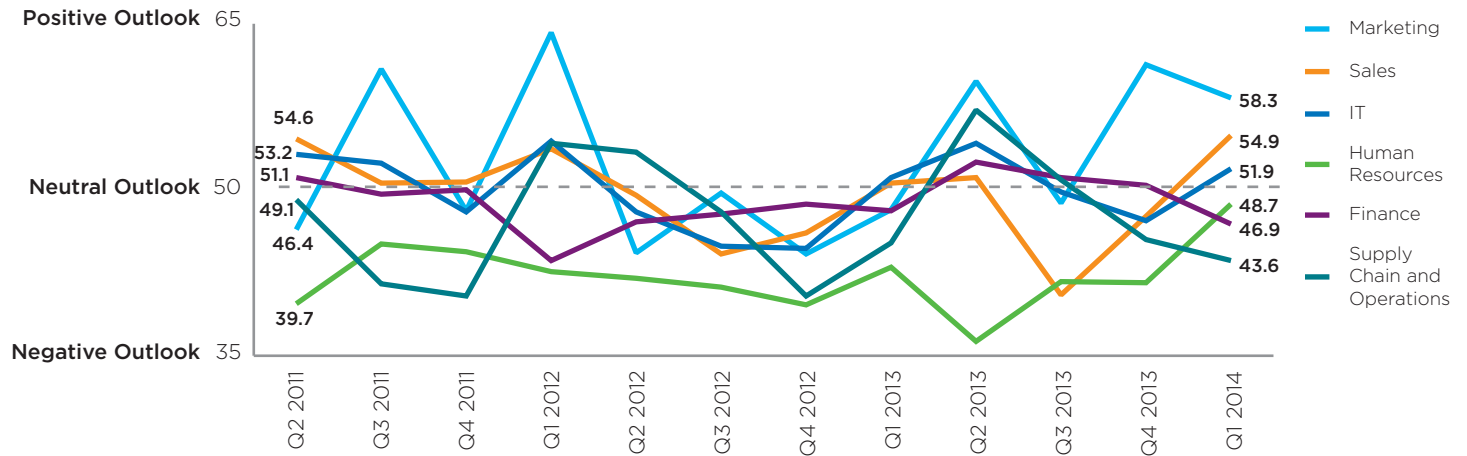
# BUSINESS EXECUTIVE SENTIMENT HIGHEST IN THREE YEARS

Business Executive Sentiment Index



Q1 2014 n = 2,205 executives.  
Source: CEB 2009–2014 Business Barometer Survey.

Business Executive Sentiment Index by Corporate Function



Q4 2013 n = 361 (Marketing); 259 (Sales); 641 (IT); 621 (Human Resources); 485 (Finance); 489 (Supply Chain and Operations).  
Source: CEB 2009–2014 Business Barometer Survey.

### Definition

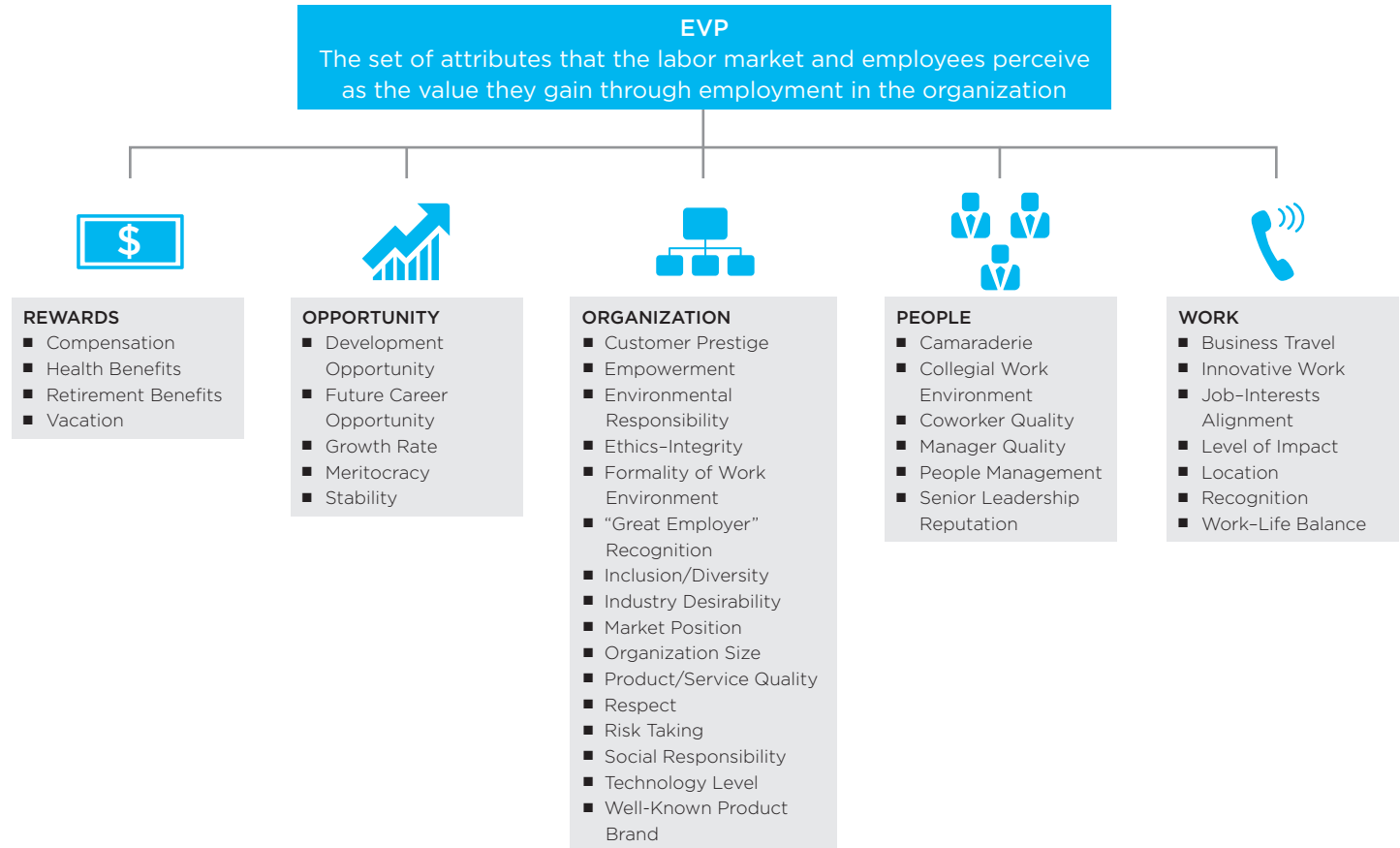
The Business Executive Sentiment Index (BESI) measures senior executives' sentiment on revenue growth and cost pressure for the next 12 months in light of macroeconomic events.

**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.

# CEB'S EVP FRAMEWORK

EVP Framework and Benefits of a Differentiated EVP



**Additional Insight**  
 Define the vision for your differentiated EVP with our insights and implementation tools in our [EVP Topic Center](#).

**Attraction Benefits**

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

**Retention Benefits**

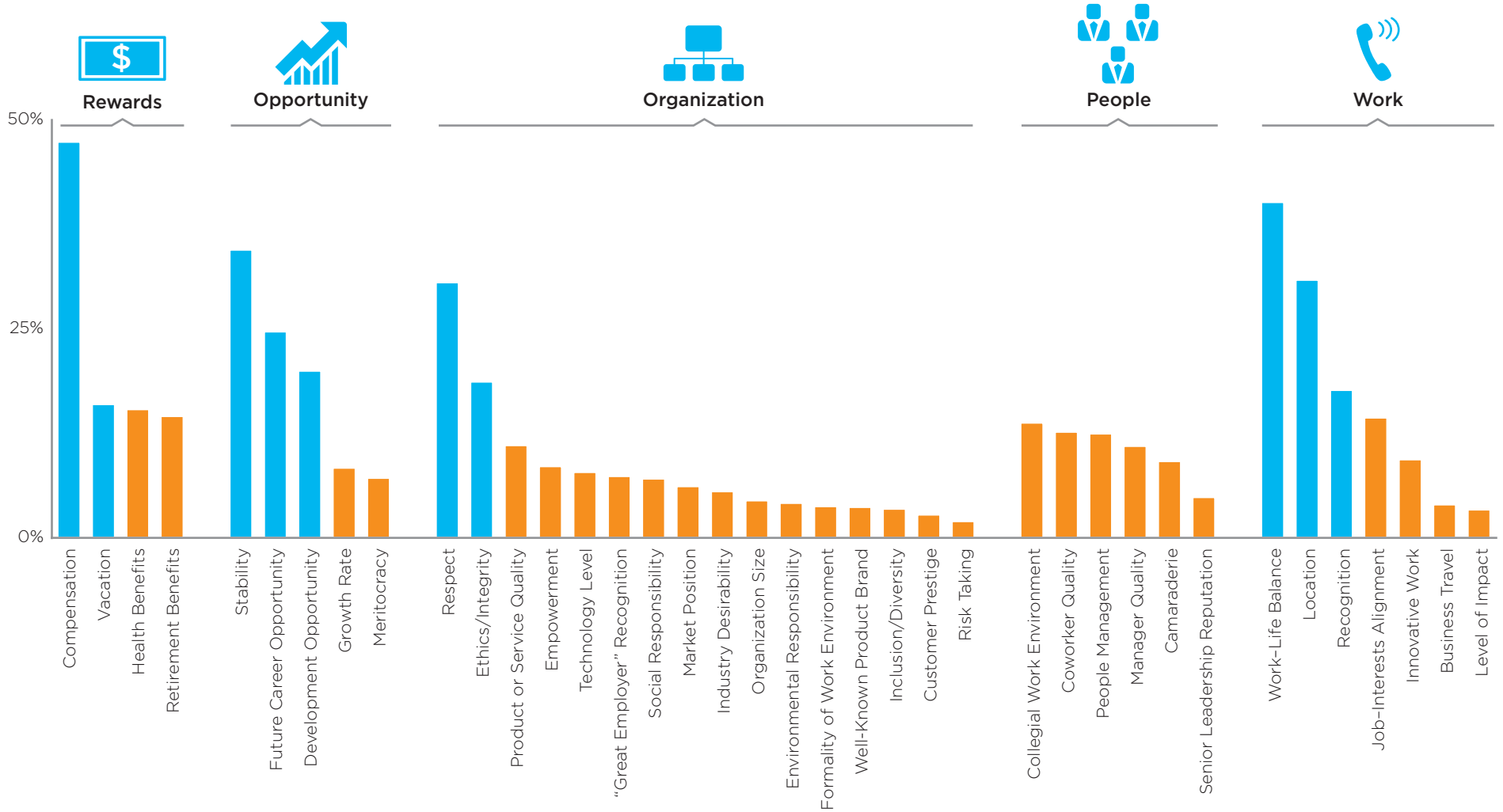
- Decreases annual employee turnover by 69%
- Increases new hire commitment by 29%

Source: CEB analysis.

# COMPENSATION AND WORK-LIFE BALANCE REMAIN THE MOST COMMON PRIORITIES FOR POTENTIAL JOB SEEKERS

Percentage of Global Employees Who Rank the Driver Among the Top Five Factors Influencing Selection of a Potential Employer  
*Global Employed Labor Force: Q1 2014*

10 Most Commonly Cited Attraction Drivers by Employees Globally



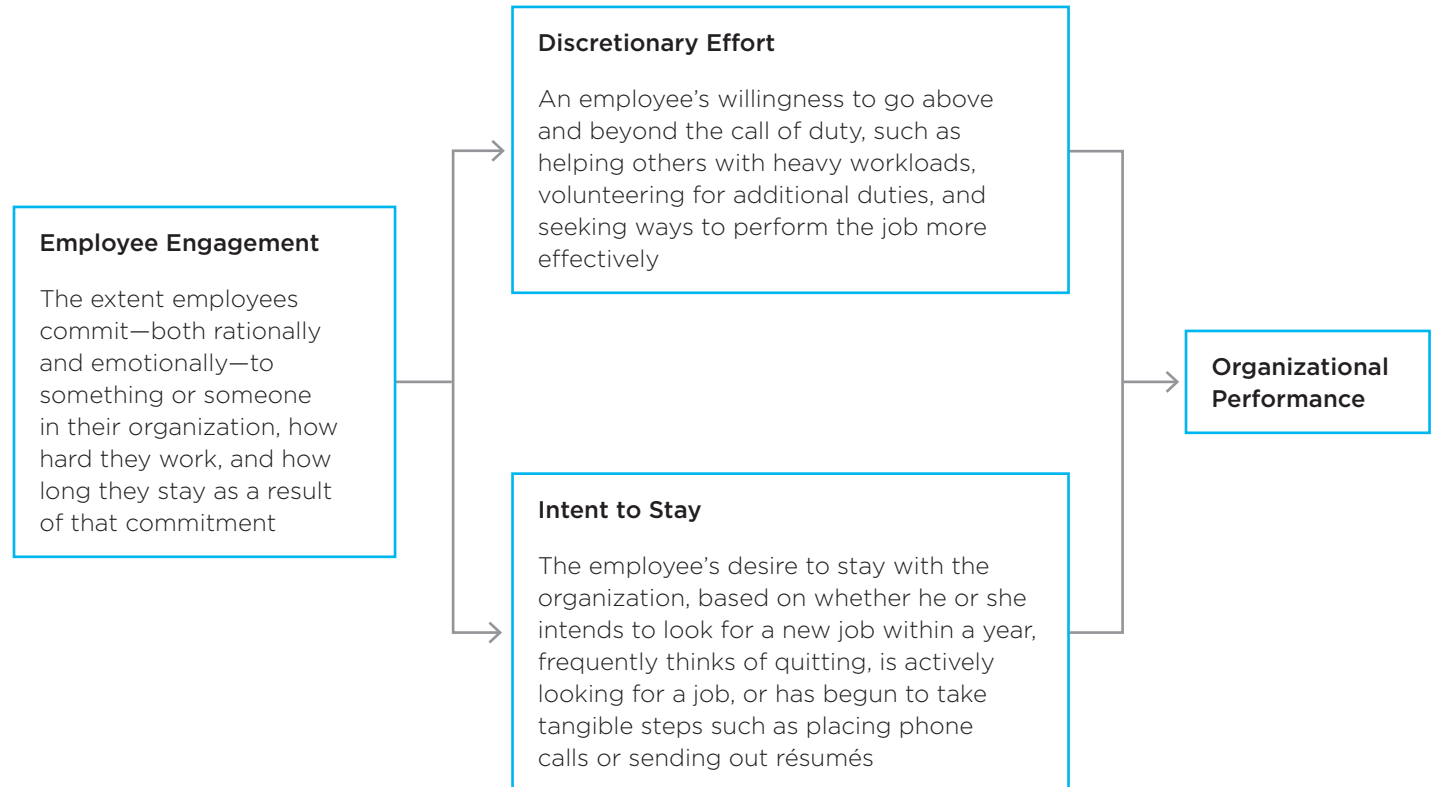
Q1 2014 n = 17,971.  
 Source: CEB 2014 Global Labor Market Survey.

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.

## EMPLOYEE ENGAGEMENT DRIVES PERFORMANCE

CEB's Employee Engagement Model



Source: CEB analysis.

### Additional Insight

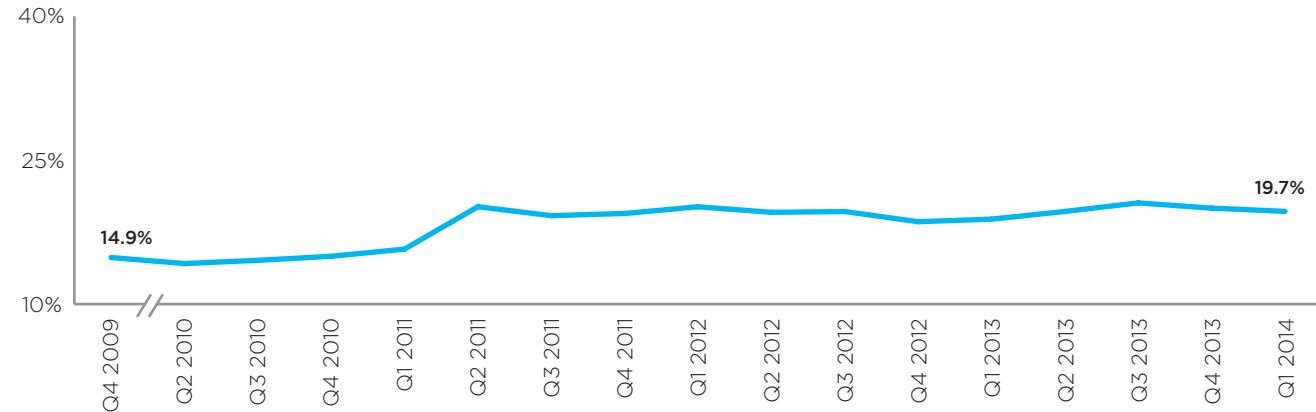
Visit the [Engagement Topic Center](#) for guidance on measuring and managing employee engagement at your organization.

Intent to stay levels rose by 3.8% in Q1 2014, increasing in one quarter as much as they did during the three previous years.

- Discretionary effort levels have stayed relatively flat, with about one-fifth (19.7%) of employees reporting high discretionary effort.
- Both metrics have increased from 2009 to the current levels in 2014.

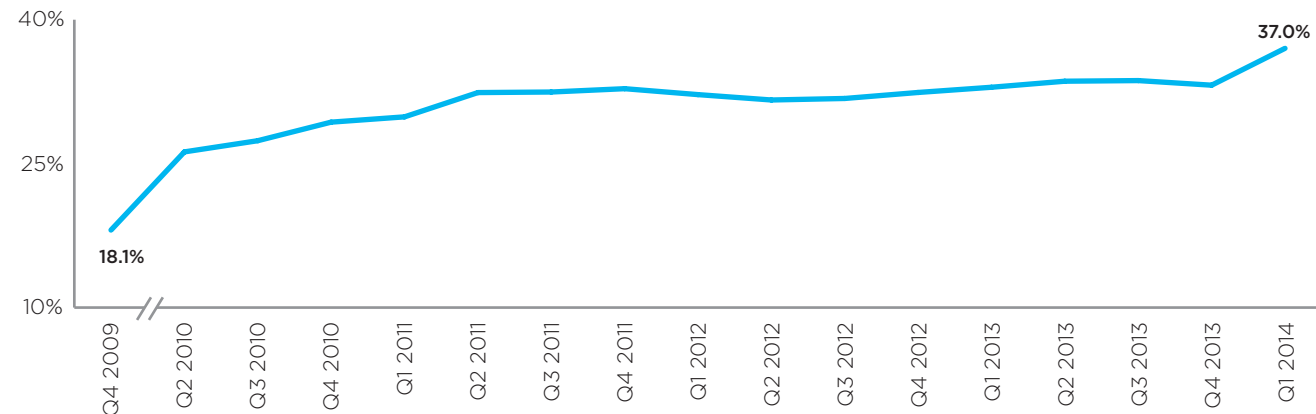
## EMPLOYEES LIKELIHOOD OF STAYING AT THEIR ORGANIZATION PEAKS

Percentage of Employees Reporting High Levels of Discretionary Effort



Q1 2014 n = 17,971.  
Source: CEB 2009–2014 Global Labor Market Survey.

Percentage of Employees Reporting High Levels of Intent to Stay



Q1 2014 n = 17,971.  
Source: CEB 2009–2014 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 differ slightly from previous quarters.

### Additional Insight

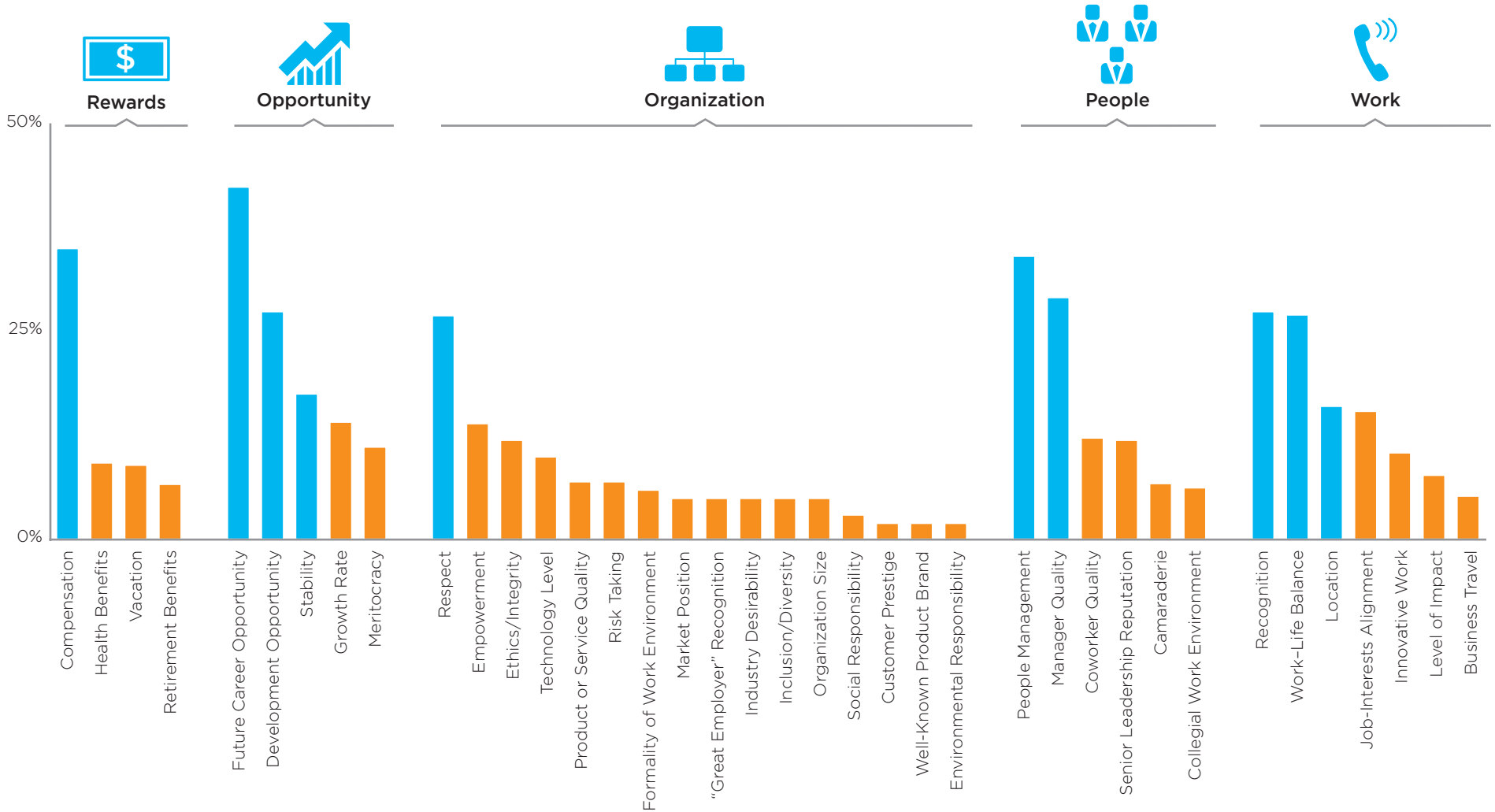
Learn more about how we can help you run a customized engagement initiative at your organization at [cebvaltera.com](http://cebvaltera.com). Additional fees apply.



# EMPLOYEES WHO LEAVE CONTINUE TO BE FRUSTRATED BY THE SHORTAGE OF OPPORTUNITIES AVAILABLE

Percentage of Departing Employees Who Rank the Driver Among the Top Five Most Dissatisfying at Their Previous Job  
*Global Employed Labor Force: Q1 2014*

■ 10 Most Commonly Cited Attraction Drivers by Employees Globally



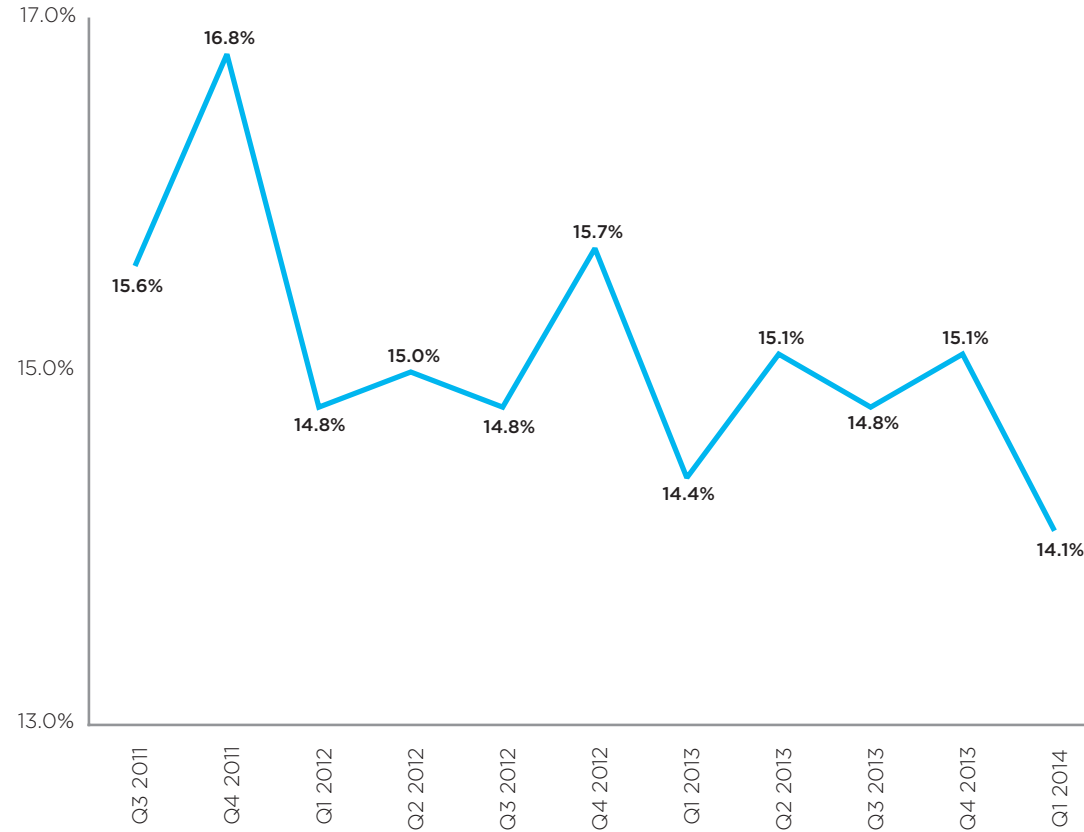
Q1 2014 = 9,273.  
 Source: CEB 2014 Global Labor Market Survey and CEB 2014 Departure View Exit Survey.



Employees report receiving a 14.1% increase for switching jobs this quarter, which is slightly lower than they received a year ago.

## GLOBAL EMPLOYEES REPORT SWITCHING JOBS FOR LOWER PREMIUMS

Global Compensation-Switching Premium  
Percent Change in Total Compensation



Q1 2014 n = 4,332.  
Source: CEB 2011-2014 Departure View Exit Survey.

### Definition

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

# See the Full View on Departure

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**With Departure View (DV), companies know exactly why employees choose to leave, what they seek in a new company, and how actively they have been job searching.**

DV users can design action plans addressing specific elements of employee dissatisfaction.

Additional DV features include:

- Online survey for departing employees
- Standard survey, including 19 questions previously tested with benchmark analysis
- Custom questions and demographics
- Quarterly-reported data
- Phone-based consultation for identifying areas of focus

Departure View streamlines the exit process, uncovers the truth behind intent to leave, and boosts overall employee retention.

To launch DV or learn more, contact us at [clcsurveyrequests@executiveboard.com](mailto:clcsurveyrequests@executiveboard.com).



# Learn the Real Reason Employees Leave

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## How does your turnover compare?

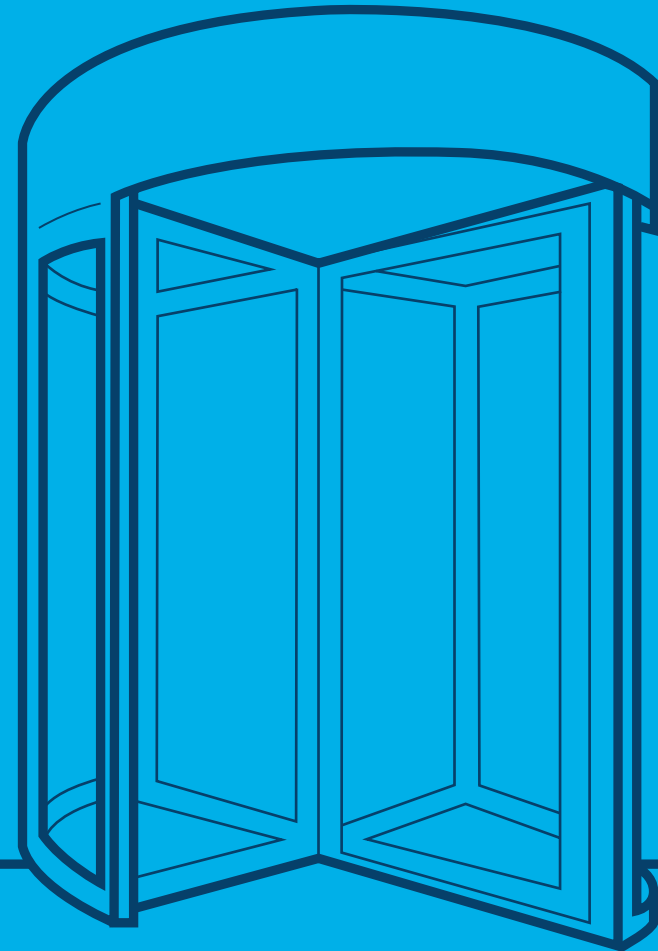
Our Turnover Benchmarking survey compares an organization's turnover data to that of its peers.

This custom report is designed for use by HR professionals who manage workforce data, analytics, and information systems.

The Turnover Benchmarking Survey closes 6 June and is part of the CEB Corporate Leadership Council™ membership.

Learn more at <http://ceburl.com/1ib5>

Email to participate: [HR.Benchmarking@executiveboard.com](mailto:HR.Benchmarking@executiveboard.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 ratability, 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 18,000 employees in 28 countries during the first month of every quarter.

## GLOBAL LABOR MARKET SURVEY DEMOGRAPHICS

Country: Q1 2014	Representation
Australia	5.6%
Belgium and the Netherlands	4.2%
Brazil	3.3%
Canada	5.6%
China	5.5%
France	2.8%
Germany	7.0%
India	5.5%
Indonesia	2.8%
Italy	2.8%
Japan	2.8%
Malaysia and the Philippines	2.7%
Mexico	3.4%
New Zealand	2.8%
Nordic Region	5.3%
Russia	2.8%
Singapore	2.7%
South Africa	2.8%
South Korea	2.8%
Spain	2.8%
Switzerland	2.8%
United Kingdom	8.4%
United States	12.8%

Industry: Q1 2014	Representation
Aerospace	1.2%
Construction	4.1%
Consumer Goods	3.2%
Education	11.0%
Financial Services and Insurance	8.3%
Government	6.7%
Health Care	8.3%
Leisure and Hospitality	2.1%
Manufacturing	10.3%
Media	1.7%
Nonprofit	2.0%
Oil, Gas, and Mining	2.1%
Pharmaceuticals	1.6%
Professional Services	9.0%
Real Estate	1.4%
Restaurant	1.4%
Retail	6.9%
Technology	10.8%
Travel and Transportation	4.5%
Utilities	3.6%



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Part of the **CHRO Insight Series**

### **CHRO QUARTERLY MAGAZINE**

Business insights and implications for heads of HR on leading their organization and HR function, featuring personal stories from leading HR executives

### **HR NEWS AND TRENDS**

Functional insights on advances, challenges, and opportunities in HR categorized by 10 key functional areas

### **GLOBAL WORKFORCE INSIGHTS REPORT**

Workforce insights on global and country-level changes about what attracts, engages, and retains employees, based on data from 18,000+ employees in 20+ countries

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