

Global Workforce Insights

Quarterly Report

Your Resource for the Latest Q1 - Q2 2013
Trends Impacting Your Workforce Plan



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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 by visiting the News and Trends section of 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.



Country Workforce Insights Reports

Access the latest data and analysis on workforce trends in specific countries:

- Australia and New Zealand
- Brazil
- Canada
- China
- Germany
- India
- Mexico
- Nordic Region
- Singapore
- Southeast Asia
- South Africa
- United Kingdom
- United States

HR Function Insights: Quarterly Publications

HR News and Trends Report

Download data-driven analysis, action planning guidance, and resources to address critical trends in the HR function 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 on leading their teams and organizations.

Business confidence among executives remains negative but is slightly higher than a year ago.

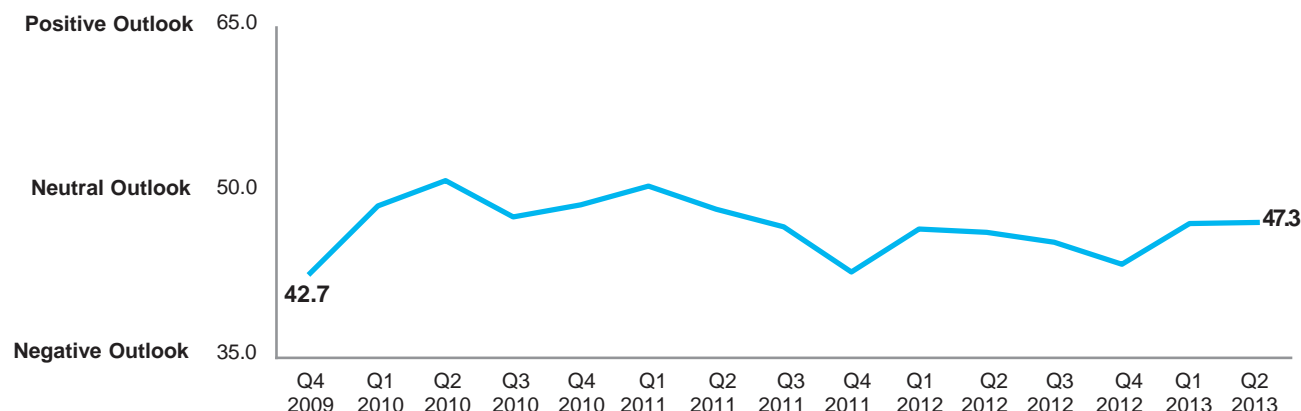
- Executive confidence has been negative (below 50) for more than two years.
- Finance, marketing, and supply chain and operations executives became much more confident this quarter, moving from an overall negative to positive outlook.
- HR executives became much more pessimistic and currently report weaker confidence than at any point in the past two years.

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.

OUTLOOK AMONG EXECUTIVES NEGATIVE AND UNCHANGED

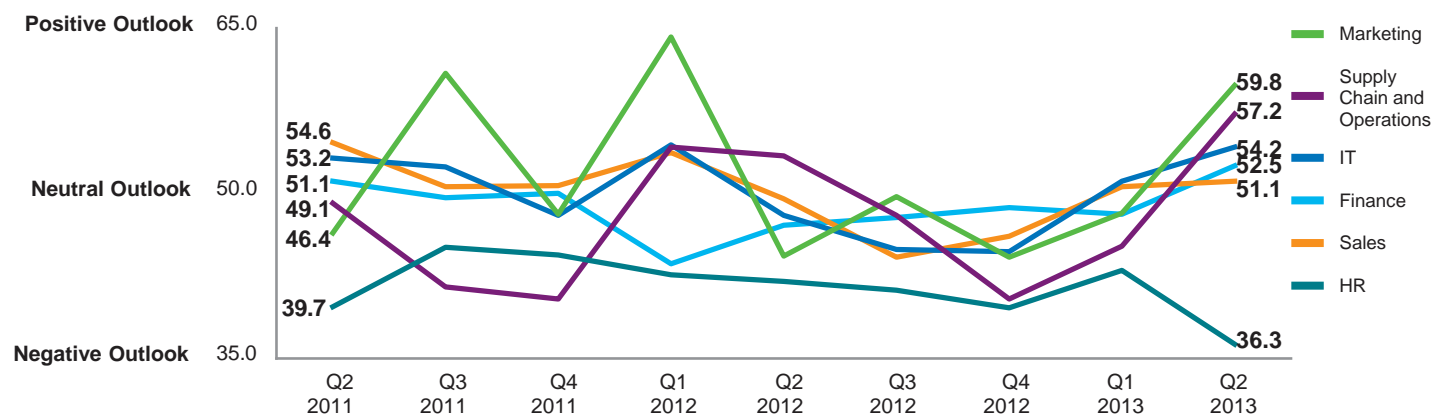
Business Executive Sentiment Index



Source: CEB 2013 Business Barometer Survey.

n = 2,209 (Q2 2013).

Business Executive Sentiment Index by Corporate Function



Source: CEB 2013 Business Barometer Survey.

Q2 2013 n = 705 (Finance); 439 (Supply Chain and Operations); 318 (Sales); 371 (Marketing); 492 (Human Resources); 454 (IT); and 213 (Real Estate).

An effective Employment Value Proposition (EVP) allows organizations to source more deeply within the labor market by attracting passive candidates.

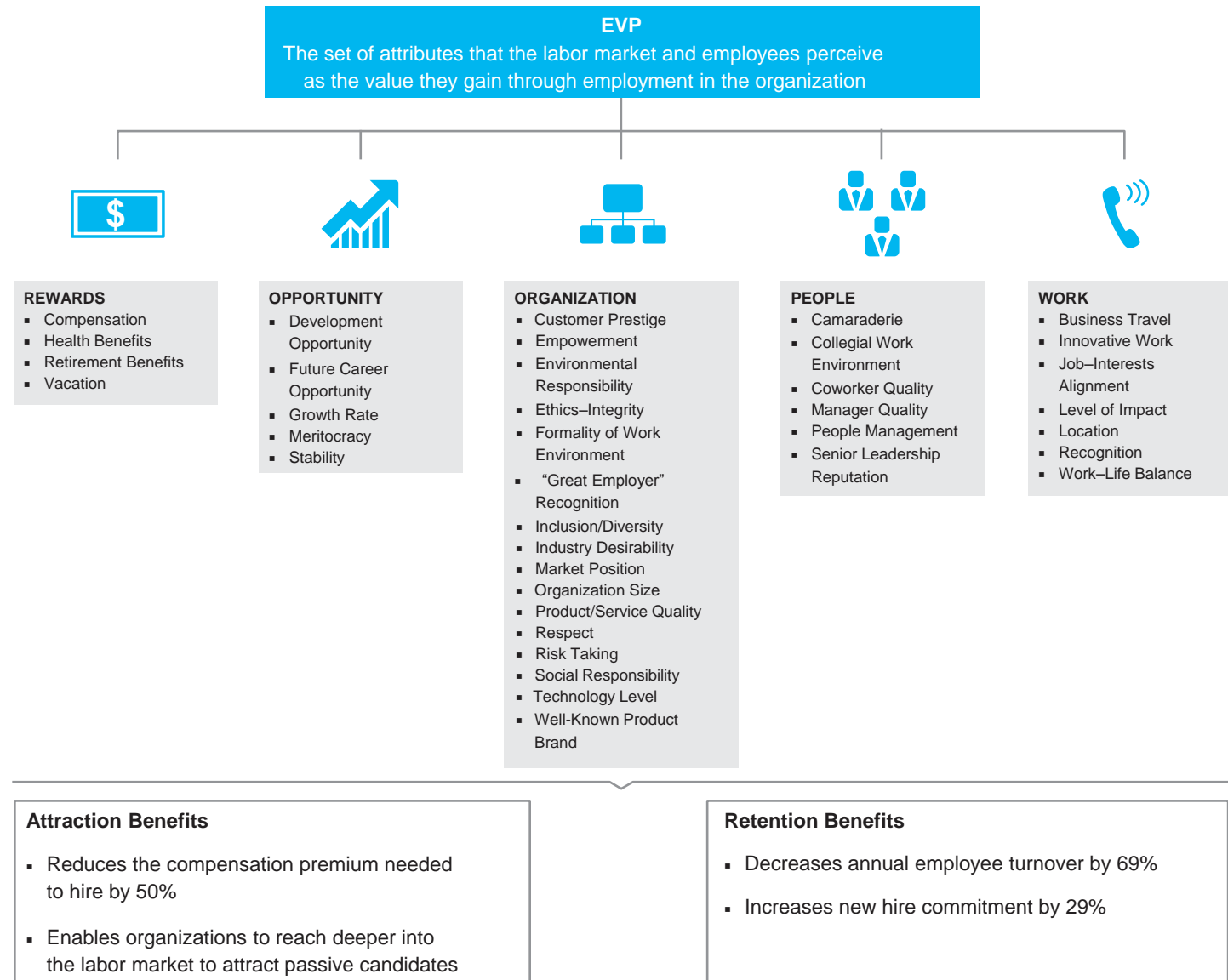
- CEB's EVP model consists of 38 attributes validated to most significantly drive attraction and retention.
- When candidates in the labor market view an organization's EVP as attractive, they demand a lower compensation premium when deciding to join.
- Organizations with the most effective EVP delivery 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/1frx>).

CEB'S EVP FRAMEWORK

EVP Framework and Benefits of a Differentiated EVP



Source: CEB analysis.



Globally, compensation remains the most common priority of employees when considering a new job, followed by work-life balance, stability, and respect.

- The importance of stability changed more than any of the other top drivers, falling 1.3% since last quarter.
- Compared to a year ago, global employees are more likely to consider compensation and work-life balance important job attributes.

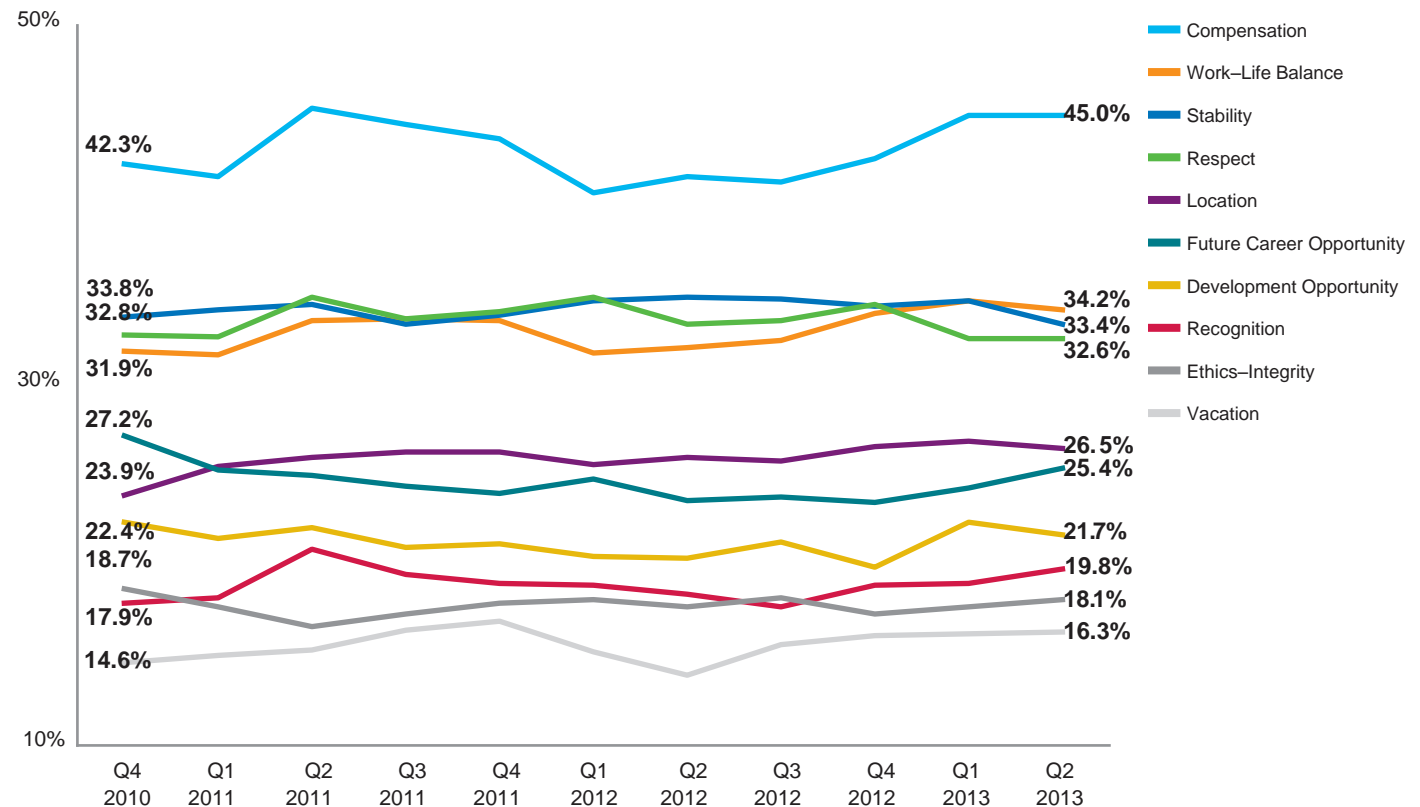
Additional Insight

Visit our EVP Design Center (<http://ceburl.com/1gap>) to understand the unique value drivers for different industries and functions.

Globally, More Employees Still Prioritize Compensation

Top 10 Global Drivers of Attraction

Percentage of Potential Candidates Rating Attribute Among the Top Five Most Important Drivers of Attraction



Source: CEB 2013 Global Labor Market Survey.

Note: The global top drivers of attraction are calculated by asking survey respondents to select the five attributes in CEB's EVP Framework they consider most important when evaluating a new job. Respondents' answers are averaged among the 19 participating countries and regions, and the attributes selected most frequently by respondents are considered the top global drivers of attraction.

n = 18,513 (Q2 2013).

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

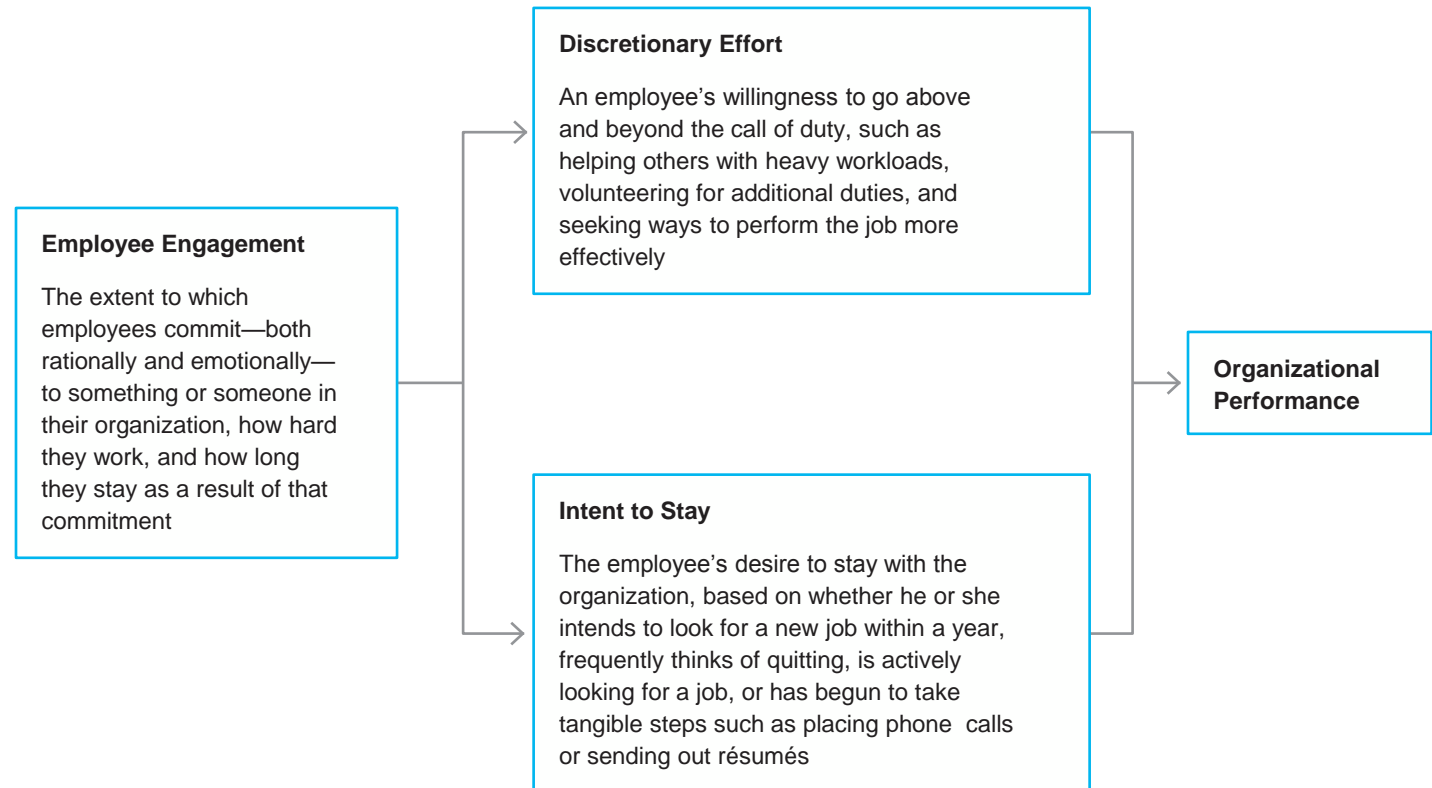
- The engagement metrics in this section of the report are based on the percentage of employees who display high or very high levels of discretionary effort and intent to stay.

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



The number of employees showing high levels of engagement—measured as discretionary effort and intent to stay—continued to edge upward this quarter.

- The number of global employees reporting high intent to stay rose slightly to 33.1%, the highest level on record.
- Nearly one in five employees (19.6%) reported going above and beyond at work, up from 18.8% last quarter.

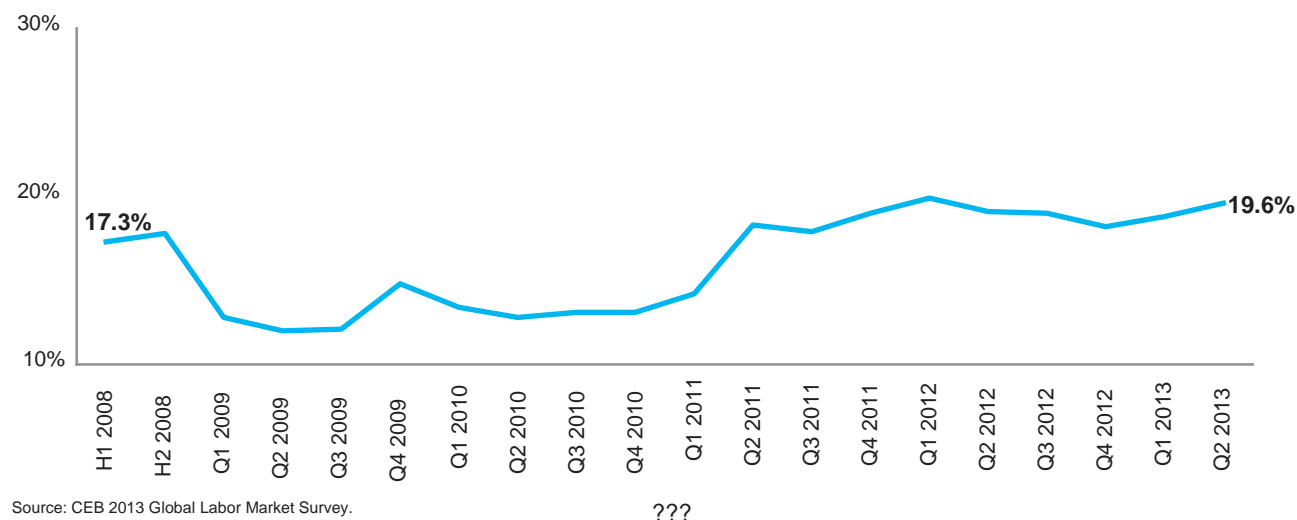
Additional Insight

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

Additional fees apply.

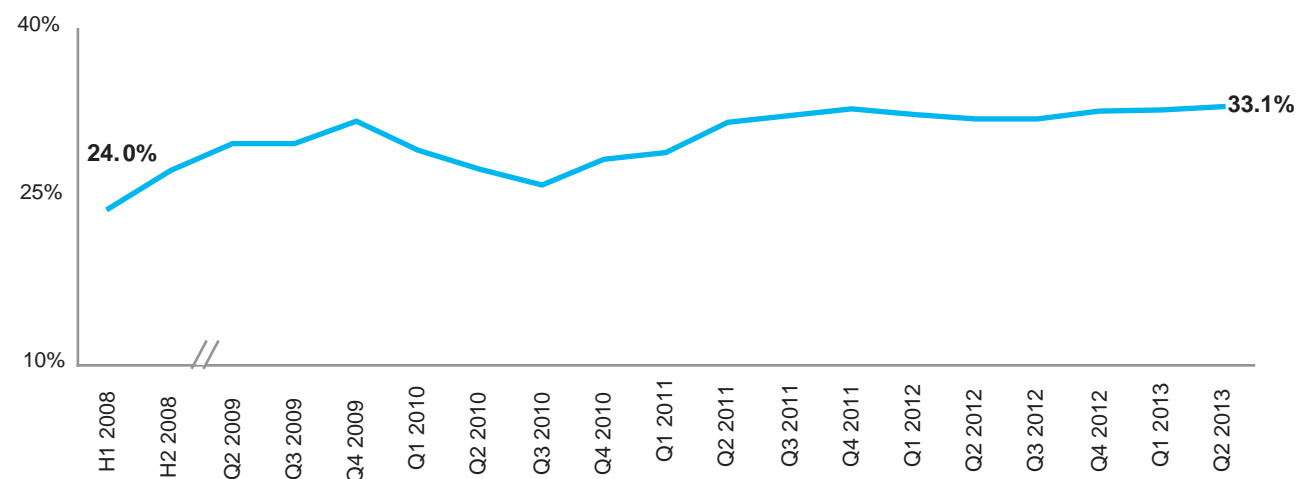
EMPLOYEE ENGAGEMENT REMAINS AT RECORD HIGHS

Percentage of Employees with High Levels of Discretionary Effort



Source: CEB 2013 Global Labor Market Survey.
n = 18,513 (Q2 2013).

Percentage of Employees with High Levels of Intent to Stay



Source: CEB 2013 Global Labor Market Survey.

Note: Global discretionary effort and intent to stay levels are calculated from five and four survey questions respectively and then averaged among the 19 participating countries and regions.

n = 18,513 (Q2 2013).

Compared to Q2 2012, fewer departing employees left because of inadequate compensation or lack of respect.

- About two out of five departing employees cite disappointment with future career opportunities, making it the most common reason for departure.

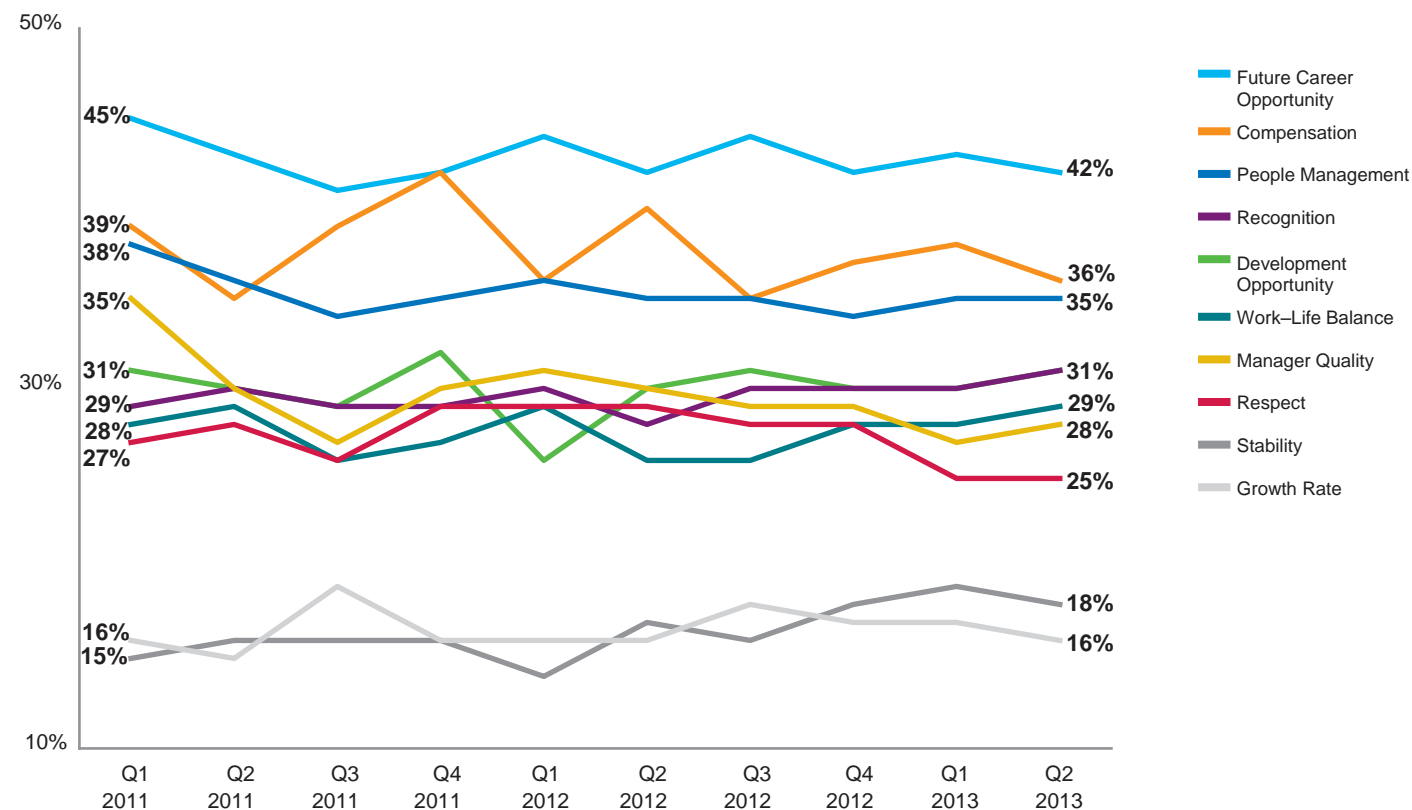
Additional Insight

Use our Departure View Exit Survey (<http://ceburl.com/1gaq>) with departing employees, and receive detailed feedback on reasons for leaving, new job status, areas of dissatisfaction, and likelihood to recommend the organization.

COMPENSATION AND RESPECT LESS IMPORTANT REASONS TO LEAVE THAN A YEAR AGO

Top 10 Global EVP Drivers of Attrition

Percentage of Departed Employees Selecting Attribute Among the Top Five Most Important Reasons for Changing Employers



Source: CEB 2013 Global Labor Market Survey.

Note: The global top drivers of attrition are calculated by asking survey respondents to indicate the five attributes in CEB's EVP Framework with which they were most dissatisfied while at their former employer. The attributes selected most frequently by respondents are considered the top global drivers of attrition.

n = 7,709 (Q2 2013).

Departing employees reported receiving a 15.1% increase in total compensation by changing employers, improving over last quarter's low of 14.4%.

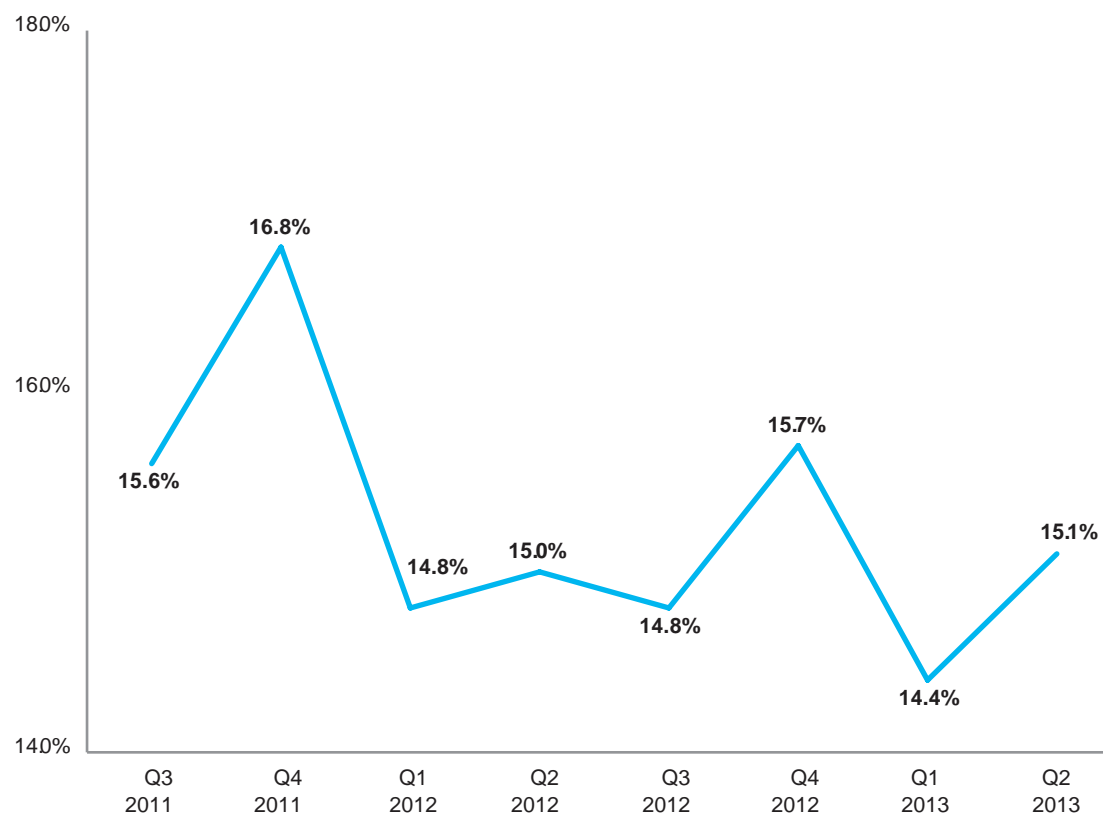
- The global compensation-switching premium in Q2 2013 is now slightly above (0.1%) its Q2 2012 average.

Definition

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

SWITCHING PREMIUMS PARTIALLY RECOVER FROM Q1 LOW

Global Compensation-Switching Premium
Percent Change in Total Compensation



Source: CEB 2013 Departure View Exit Survey.

n = 4,680 (Q2 2013).

CEB Corporate Leadership Council gives you access to highly customizable benchmarking data.

- To segment workforce data by the parameters that matter most to your organization, visit the [Unified Benchmarking Platform 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.

USE THE UNIFIED BENCHMARKING PLATFORM TO ACCESS DETAILED WORKFORCE BENCHMARKS

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

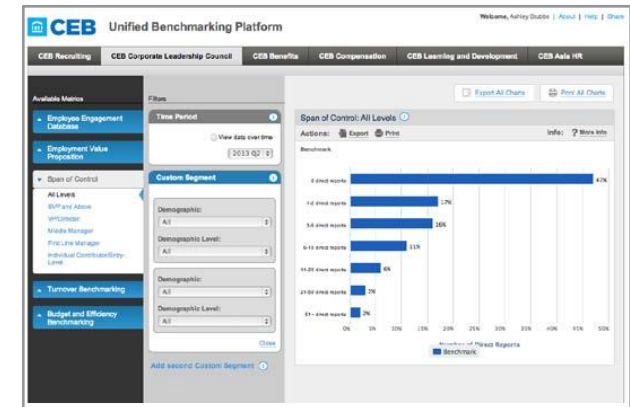
- Benchmark spans of control for employees at all levels, from first-line manager to senior vice president.
- Segment benchmarks by country, employee size, function, geographic region, industry, and employee level.

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.

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

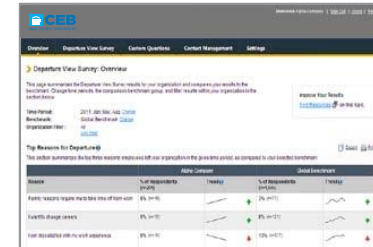
- Learn more by e-mailing clcsurveyrequests@executiveboard.com.

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)

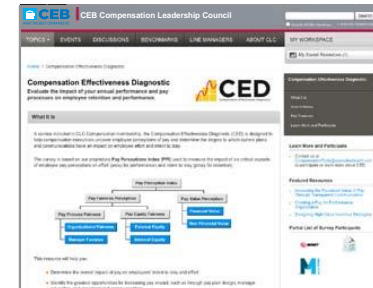
- Measure quality of hire and other key talent attraction metrics.
- Enhance processes and talent outcomes.
- <https://rr.executiveboard.com/Members/RED/Default.aspx>



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/ResearchAndTools/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.

- A master list of more than 200 employment characteristics was compiled and evaluated 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
Business Travel	The amount of out-of-town business travel required by the job
Camaraderie	Whether working for the organization provides opportunities to socialize with other employees
Collegial Work Environment	Whether the work environment is team oriented and collaborative
Compensation	The competitiveness of the job's financial compensation package
Coworker Quality	The quality of the coworkers in the organization
Customer Prestige	The reputation of the clients and customers served in performing the job
Development Opportunities	The developmental and educational opportunities provided by the job and organization
Empowerment	The level of involvement employees have in decisions that affect their job and career
Environmental Responsibility	The organization's level of commitment to environmental health and sustainability
Ethics—Integrity	The organization's commitment to ethics and integrity
Formality of Work Environment	Whether the organization maintains a casual work environment
Future Career Opportunities	The future career opportunities provided by organization
"Great Employer" Recognition	Whether or not the organization's reputation as an employer has been rated highly by a third-party organization
Growth Rate	The growth rate of the organization's business
Health Benefits	The comprehensiveness of the organization's health benefits
Inclusion/Diversity	The organization's level of commitment to having an inclusive and diverse workforce
Industry Desirability	The desirability of the organization's industry to the respondent
Innovative Work	The opportunity provided by the job to work on innovative, leading-edge projects
Job—Interests Alignment	Whether the job responsibilities match your interests

DEFINITIONS OF EVP ATTRIBUTES (CONTINUED)

Attribute's Name	Definition
Level of Impact	The level of direct impact the job has on business outcomes
Location	The location of the jobs offered by the organization
Manager Quality	The quality of the organization's managers
Market Position	The competitive position the organization holds in its market(s)
Meritocracy	Whether or not employees are rewarded and promoted based on their achievements
Organization Size	The size of the organization's workforce
People Management	The organization's reputation for managing people
Product/Service Quality	The organization's product or service quality reputation
Recognition	The amount of recognition provided to employees by the organization
Respect	The degree of respect the organization shows employees
Retirement Benefits	The comprehensiveness of the organization's retirement benefits
Risk Taking	The amount of risk the organization encourages employees to take
Senior Leadership Reputation	The quality of the organization's senior leadership
Social Responsibility	The organization's level of commitment to social responsibility (e.g., community service, philanthropy)
Stability	The level of stability of the organization and the job
Technology Level	The extent to which the organization invests in modern technology and equipment
Vacation	The amount of holiday or vacation time employees earn annually
Well Known Product Brand	The level of awareness in the marketplace for the product's brand
Work-Life Balance	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 which polls over 18,000 employees in 28 countries during the first month of every quarter.

GLOBAL LABOR MARKET SURVEY DEMOGRAPHICS

Country: Q2 2013	Representation
Australia and New Zealand	8.3%
Belgium and The Netherlands	4.2%
Brazil	3.4%
Canada	5.6%
China	5.6%
France	2.8%
Germany	7.0%
India	5.6%
Italy	2.8%
Japan and South Korea	5.6%
Mexico	3.4%
Nordic Region	5.3%
Russia	2.8%
South Africa	2.7%
Southeast Asia	8.4%
Spain	2.8%
Switzerland	2.4%
United Kingdom	8.4%
United States	12.9%

Industry: Q2 2013	Representation
Construction	4.5%
Consumer Goods	3.7%
Education	11.8%
Financial Services and Insurance	6.7%
Government	6.1%
Health Care	8.7%
Leisure and Hospitality	2.6%
Manufacturing	10.6%
Media	1.6%
Nonprofit	2.0%
Oil, Gas, and Mining	1.5%
Pharmaceuticals	1.3%
Professional Services	9.2%
Real Estate	1.5%
Restaurant	17%
Retail	8.2%
Technology	10.0%
Travel and Transportation	4.3%
Utilities	4.1%