

Global Workforce Insights

Q4 2014

Your Quarterly
Resource for the
Latest Trends
Affecting Your
Workforce Plan



KEY FINDINGS

Global Economy (p. 6)

Although CEB's Business Executive Sentiment Index had been steadily increasing since 2012, it now is in a steady decline, a development witnessed throughout 2014. Among executives, HR executives continue to be the least optimistic, and most others—those except IT executives—mirror this same pessimism.

Better understand your C-suite peers' business outlook and HR needs to strengthen your own HR budget business case. Learn about their views in the latest [CHRO Quarterly](#).

Labor Market (pp. 7-8)

Employee perceptions of available job opportunities in North America have continued to improve since Q4 2013. Ahead of North America leads only Asia, the most fertile ground for employment. Conversely, though, employee perceptions of job opportunities in Latin America have trended negatively over the same four-quarter period.

Know what to expect from the labor market in 2015. Read [CEB's Recruiting Forecast](#) to learn how to align your sourcing strategy with your business and market demands.

Recruiting (pp. 9-10)

Worldwide, the amount of passive job candidates continues to plummet in 2014, corresponding to a rise in candidates actively searching for jobs during the same period. In nearly all local markets, job-seeking activity rose, flooding organizations with résumés and inbound requests for interviews.

Cut through the labor market noise that preoccupies your recruiting team with [CEB Recruiting's Brand Message Builder](#). The most effective employment brand messages go beyond appeal; they challenge applicants' thinking and allow them to make better career decisions on where to apply.

Engagement (pp. 7, 15-18)

An area of concern: discretionary effort and intent to stay continue to decline, a trend we've highlighted throughout 2014. What's new this quarter, though, is that a greater number of HR leaders expect no

change in engagement levels or unwanted turnover. Still, their hardest-working employees indicate they are dissatisfied in their jobs: they were about 10% less likely to have high levels of intent to stay in Q3, a trend evident in all employee segments worldwide.

Review and implement proven strategies for not only leading employees now but also creating a compelling vision for the future. Learn more from the personal insights of your most successful peers included in our [CHRO Video Series](#), recently featuring interviews with the CHROs at McKesson Corporation and Merck KGaA.

Attraction and Attrition (pp. 12-13, 19-21)

The top three factors that potential employees are prioritizing in new roles—compensation, work-life balance, and stability—this quarter remain constant across all regions. Above all else, employees are choosing to depart their organizations due to lacking future career opportunities. This trend is particularly apparent in Southeast Asia; since Q2 2014, this attrition driver has moved from the fifth most dissatisfying attribute of a past job to the most dissatisfying attribute.

Develop your attraction and attrition strategies by [measuring enterprise contribution](#). Doing so will help you understand 1) which of your engagement strengths you should promote in your Brand Message Builder and 2) whom you should offer future career opportunities so that the right candidates are brought in and stay at your organization.

Compensation (pp. 22-23)

Mirroring an annual Q3 trend, switching premiums in Q3 2014 decreased to 14.8%. Also now, 54% of employees would change jobs for a 15% increase in salary, though their merit pay expectations continue to remain the same.

To manage fluctuating expectations for pay premiums and merit pay, emphasize the value of all compensation components through your pay communication. Use CEB Total Rewards' [latest benchmarks](#) to compare your pay communication to that of your peers and to evaluate whether yours effectively drives talent outcomes.

For the first time since 2010, employees in North America are optimistic about the availability of job opportunities.

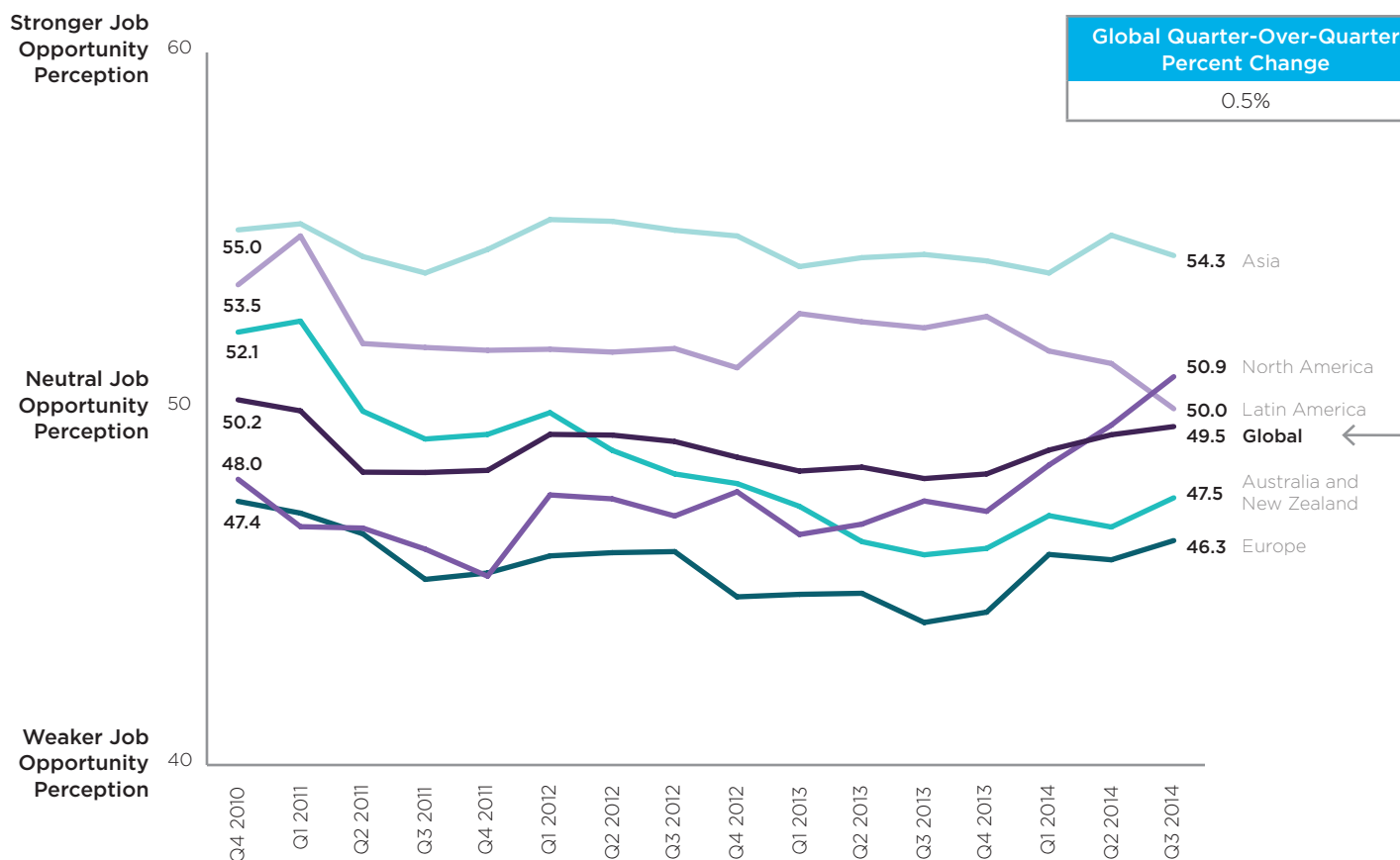
- After a dip in Q2 2014, employees in Europe and Australia and New Zealand have reported a marginal increase in confidence in job opportunities.
- Job opportunity perceptions have declined among Latin American employees for the third straight quarter.

Definition

The Job Opportunity Barometer (JOB) measures employed individuals' perceptions of the availability and quality of other employment opportunities in their current locations, industries, and functions.

EMPLOYEES FORESEE GREATEST JOB OPPORTUNITIES IN FOUR YEARS

Job Opportunity Barometer^a
Global Employed Labor Force

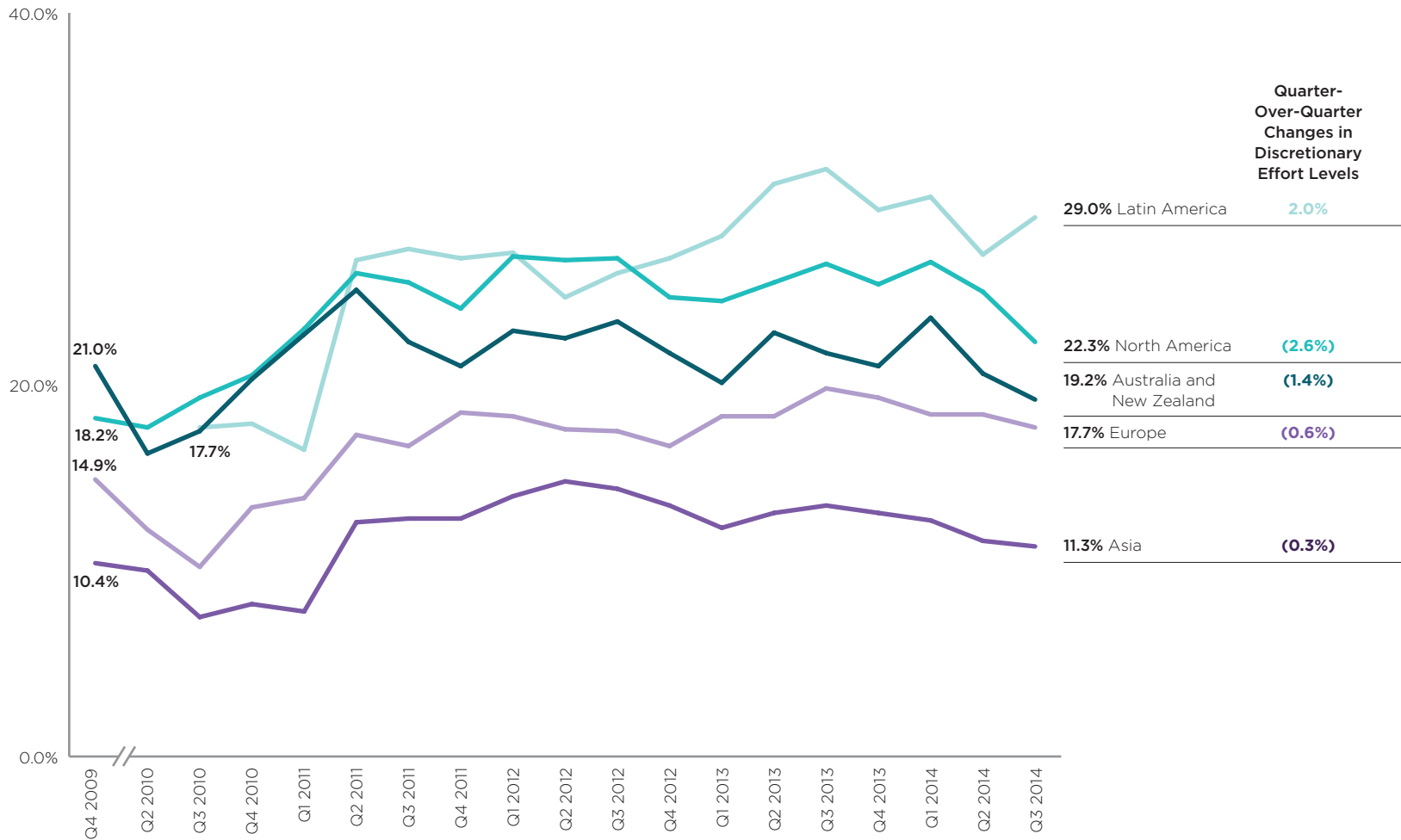


Q3 2014 n = 4,475 (Asia); 3,309 (North America); 1,201 (Latin America); 17,974 (Global); 1,505 (Australia and New Zealand); 6,487 (Europe).
Source: CEB 2010-2014 Global Labor Market Surveys.

^a The global JOB is an indexed score calculated from a battery of five questions posed to survey respondents. These answers are combined and converted to a 100-point scale, with higher values indicating stronger perceptions of job opportunities.

DISCRETIONARY EFFORT DECLINES GLOBALLY

Percentage of Employees Reporting High Levels of Discretionary Effort by Region

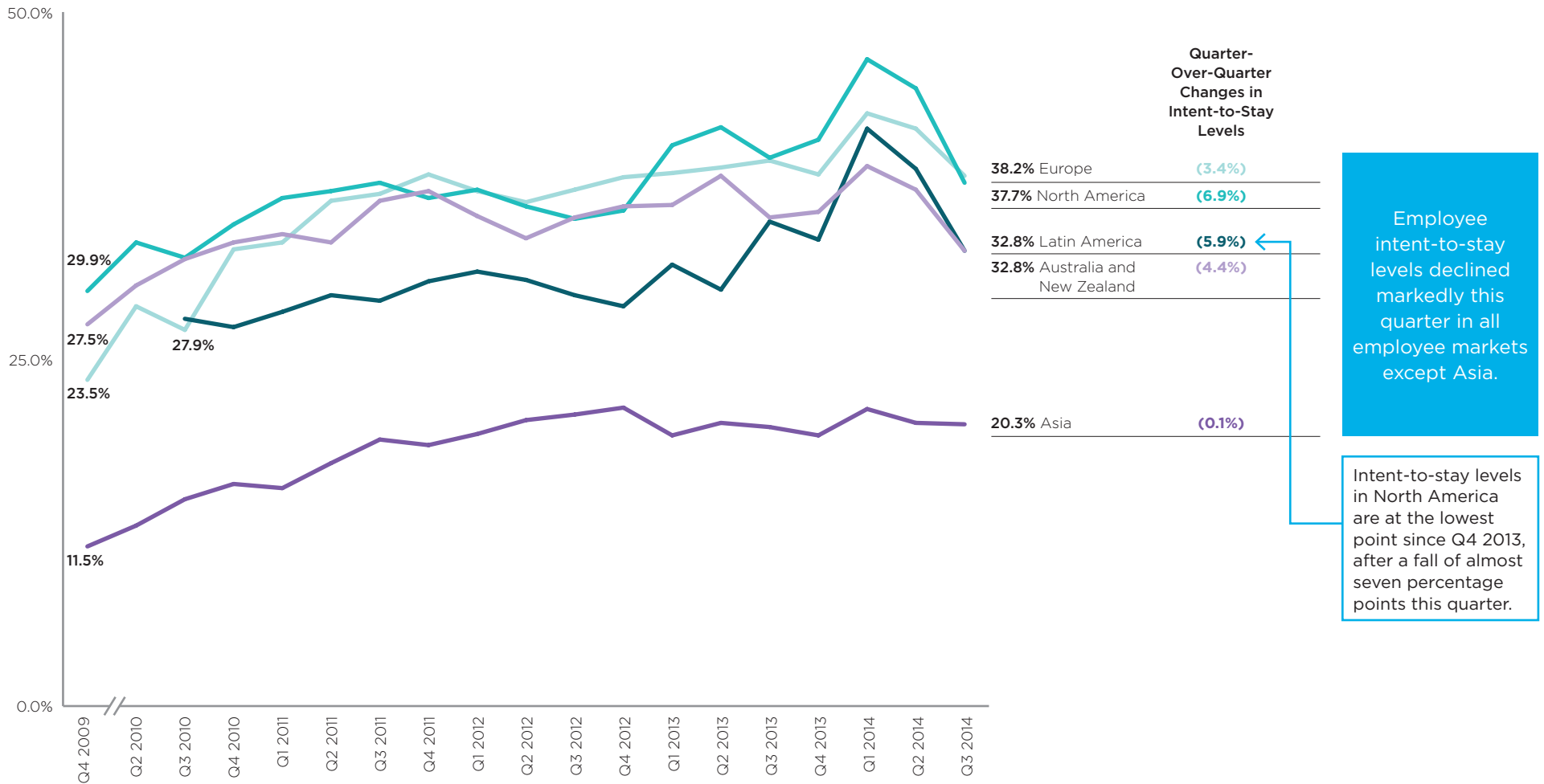


Discretionary effort levels declined for most regions—except Latin America, where they increased.

Q3 2014 n = 1,201 (Latin America); 3,309 (North America); 1,505 (Australia and New Zealand); 6,487 (Europe); 4,475 (Asia).
Source: CEB 2009-2014 Global Labor Market Surveys.

INTENT-TO-STAY LEVELS ALSO DRASTICALLY DECLINED

Percentage of Employees Reporting High Levels of Intent to Stay by Region



Q3 2014 n = 3,309 (North America); 6,487 (Europe); 1,201 (Latin America); 1,505 (Australia and New Zealand); 4,475 (Asia).
Source: CEB 2009-2014 Global Labor Market Surveys.