KELLY GLOBAL WORKFORCE INDEX

GLOBAL *trends* THAT SHAPED JOB CHOICE, recruitment & *workplace performance*

2013 ANNUAL REVIEW

KELLY®

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The *2013 Kelly Global Workforce Index* (KGWI) brought together work and workplace insights sourced from more than 120,000 respondents from 31 countries across the Americas, EMEA and APAC regions.

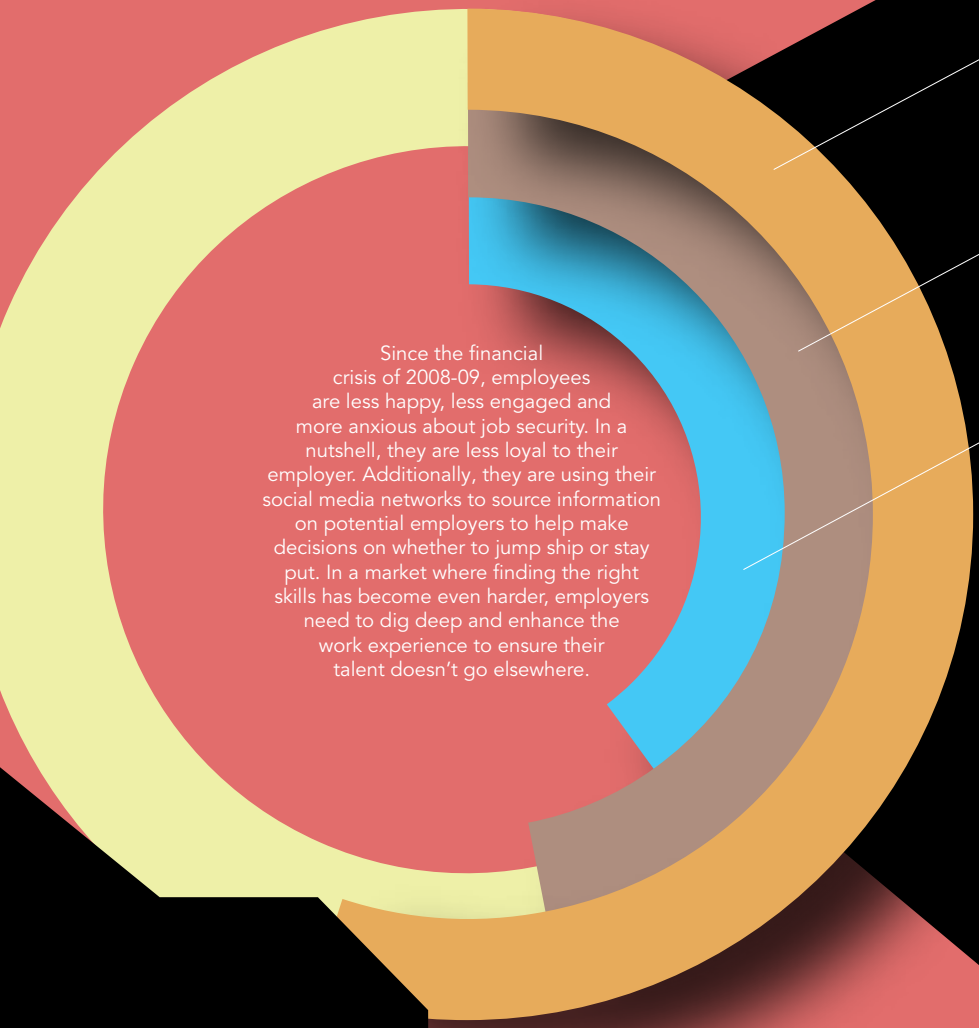
One of the largest global surveys of its kind, the KGWI sheds light on employee attitudes and behaviors surrounding some of the most pressing modern workplace challenges.

Throughout the year, Kelly Services provided findings from the KGWI across four topics:

- Employee Engagement and Retention
- Career Development and Upskilling
- Workplace Performance
- Social Media and Technology

This report goes a step further and compiles the findings from each of the topics into a single paper, and also shares insights and observations from across the themes.

The survey takes a historical perspective on some key issues, looking at trend changes in KGWI over the five-year period from 2009, during which some 600,000 responses have been obtained.



Since the financial crisis of 2008-09, employees are less happy, less engaged and more anxious about job security. In a nutshell, they are less loyal to their employer. Additionally, they are using their social media networks to source information on potential employers to help make decisions on whether to jump ship or stay put. In a market where finding the right skills has become even harder, employers need to dig deep and enhance the work experience to ensure their talent doesn't go elsewhere.

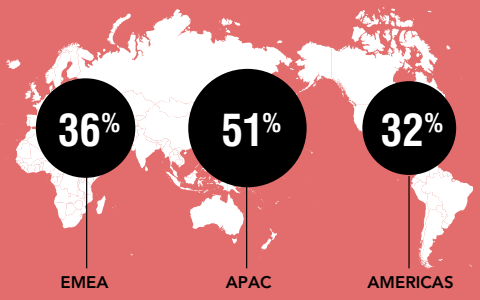
55% ACTIVELY LOOK FOR A BETTER JOB EVEN WHEN THEY ARE HAPPY

47% CHANGED JOBS IN THE PAST YEAR

40% SEARCH FOR NEW JOBS VIA SOCIAL MEDIA

THE DECLINE OF EMPLOYEE ENGAGEMENT AND HAPPINESS SINCE 2010

USE OF SOCIAL MEDIA FOR CAREER ADVICE BY REGION



60% ARE SEEKING FURTHER EDUCATION/ TRAINING OR CONSIDERING IT. PROMOTION AT THEIR CURRENT EMPLOYER IS THE MAIN MOTIVATOR FOR LEARNING NEW SKILLS.

ONLY 48%

OF EMPLOYEES WHO CHANGED JOBS IN THE PAST YEAR ARE HAPPY IN THEIR NEW POSITIONS.

WHAT DOES THE BEST TALENT LOOK FOR IN A JOB?

- Management that provides encouragement, empowerment and clarity
- Training that enhances the work experience and improves longer-term career prospects
- Opportunities for advancement and greater responsibility
- An organization with a good brand and a positive image/good culture
- Incentive-based remuneration and a fair wage for work performed

Choppy WATERS FOR HUMAN RESOURCES management

The global human resources (HR) landscape has experienced a tumultuous period, and the past year has witnessed a number of important trends that have been identified in the 2013 KGWI.

Labor markets in many parts of the world are still weak or emerging slowly from the global recession.

The rebound in business activity from the depths of the global financial crisis in 2008–2009 has been slower and more subdued than most pundits had expected, and this has contributed to a difficult climate for employment generation and business growth.

Employers face the dual challenges of managing their existing staff in a constrained economic environment, while struggling to retain the skills and expertise vital for their competitiveness and the tentative recovery in business conditions.

Employers and HR managers are performing this juggling act in a turbulent and uncertain environment. Employee trust in employers has been shaken in many markets as a result of the downturn in activity and job shedding.

Employee morale has taken a hit as organizations have struggled to provide secure work and career pathways. Even some of the most valued and engaged employees often cannot be certain of their future.

The unusually protracted nature of this recovery means that management support systems, including HR, have been placed under intense and sustained pressure.

One of the key aims of the KGWI is to help identify the ways that employees are thinking about their work and their employers, with the ultimate objective of assisting employers to better manage their human capital needs.

This paper brings together a number of the themes that have been featured in KGWI in 2013 as well as in earlier years, and draws insights about best practice in the attraction, retention and development of talent in the contemporary workplace.

STRADDLING *the* NEW ERA *in* EMPLOYEE relations

Business managers everywhere are grappling with a recurring talent problem.

In the period following the global economic meltdown of 2008–2009, the standard procedures for managing the employee–employer relationship were thrown out.

Familiar patterns and approaches have needed to be re-thought as a result of the way that the economic recession altered the fundamental relationship between workers and their employment.

The scale and duration of the economic collapse tore at the heart of this relationship and caused a fundamental re-think about issues such as employee loyalty, engagement and job certainty.

The result is an employee that is less engaged and less content, and more anxious about job security and advancement. Firms and brands that were once regarded as stable and reliable employers were not able to withstand the pressure to cut payrolls.

Employees are also more conscious of the need to take greater control over their career direction in an uncertain business environment and, as a consequence, are more restless in their current jobs.

In a nutshell, employees have become more independent and self-reliant because they can't be certain that their jobs and careers will necessarily be safeguarded in the prevailing environment.

This presents a raft of challenges for businesses coping with a cohort of workers whose perspectives have been shaped by the biggest economic upheaval in a generation.

TALENT ON THE MOVE

One of the ongoing issues for many employers has been the prolonged difficulty in securing talented people, even as unemployment has risen. Employee engagement and retention remain hot issues because there is still heightened competition for highly skilled talent not always available from the pool of unemployed.

Even in situations where employees are contented and engaged, many are looking to change jobs for advancement and better pay.

A new generation of empowered and autonomous employees is particularly open to job switching, lured by promotion, pay and personal fulfillment.

There is a more critical focus on managers and supervisors in this equation because their role in employee retention is sometimes overlooked. They play a significant part, particularly in providing encouragement, empowerment and clarity.

Employees, themselves, identify ways that management can enhance the work experience, including provision of training and development that will improve their longer term career prospects.

To attract the best talent, employers should have a solid position in the marketplace and offer the attributes most desired by job seekers, including work–life balance and opportunities for advancement. Strong candidates seek organizations with a good brand and a positive image.

One of the more surprising findings shows just how dissatisfied many employees are after having recently changed jobs, pointing to the strong need for programs to monitor and engage new recruits, and protect the investment in human capital.

TAKING CHARGE OF THE FUTURE

The economic upheaval has accelerated the trend toward workers becoming more proactive and self-reliant. They simply cannot afford to leave their careers in the hands of employers as they once might have done.

They want a degree of control over their own professional development, and they actively seek opportunities to branch out and gain additional responsibility.

In a competitive market, soft skills matter a great deal. Skills such as communication, teamwork, flexibility and emotional intelligence are often the differentiating factors in assessing talent. Employees are keenly aware of their importance to job success and career advancement.

Cultural and technology shifts in the workplace further reinforce the need for employees to have a strong suite of soft skills which are relevant to organizations worldwide.

STEM (science, technology, engineering and mathematics) professionals are the cornerstone of innovation and are in high demand globally. Companies particularly struggle with attracting and retaining females for these critical roles, as many with the qualifications do not pursue related careers after graduating.

Corporate training or continuing education programs can play a pivotal role in ensuring female STEM professionals are engaged and loyal workers, not to mention being equipped for future leadership roles.

PERFORMANCE CAN PAY

There is a strong focus on the issue of linking earnings to workplace performance.

Employees appear to have crossed a threshold on this issue and are increasingly attracted to incentive-based remuneration that will serve as a motivator for improved productivity and higher salaries.

Importantly, there is a real interest in lifting pay via productivity improvements rather than through traditional avenues such as overtime.

It is worth emphasizing that salary is not always the key factor, or the sole factor, in boosting employee engagement and retention. Personal fulfillment, interesting

and engaging work, and opportunities for advancement and greater responsibility also play a large part.

Salary and benefits are a vital component of the mix and employers need to stay vigilant about ensuring that they remain competitive.

The issue of "fairness" in remuneration also comes to the fore, with many employees not convinced that they receive a fair wage for the work they perform.

OPENING THE DOOR TO SOCIAL MEDIA

Social media is becoming pervasive in the workplace, just as it is in the wider community.

This is throwing up interesting challenges in managing this interface between work and social life.

There is a groundswell of opinion among employees in support of social media as a workplace tool. This raises a host of issues around privacy and confidentiality.

There is also a new dimension to the use of social media in recruitment and retention. Employees are using social media to engage in a broad range of discussions about jobs, employers and workplace issues.

Corporations continue to leverage social media tools and networks to identify top talent, particularly the passive job seeker. Their investments are yielding results, and hold the promise of more candidate-to-job matches.

Employees are also building their social networks with the hope of gaining job connections, job referrals and insider tips on a company's culture.

Social media has opened the door to allow candidates and others to look beyond the barriers that organizations erect to the outside world.

It brings challenges and opportunities, and the need for strategies to ensure that firms are sending the right messages to customers, prospective employees and other stakeholders.

EMPLOYEE *engagement* & retention

The topic of *Employee Engagement and Retention* looked in some depth at the employee–employer relationship, including issues such as employee loyalty, happiness and commitment to the job. It also examined views about the employer's reputation as a preferred place to work, and the circumstances under which employees explore alternative jobs and careers.

The topic homed in on some of the significant changes that emerged in the period immediately following the global financial crisis, and which are still impacting the employment landscape.

A LANDMARK SHIFT

What has become clear is that there has been a landmark shift in employee attitudes to work over the past few years.

Between 2010 and 2011, there was a sizable decline in the level of employee engagement. This measure fell from 43% in 2010 to 25% in 2011 and, while it has recovered somewhat, it is still well below the level of four years ago.

In 2013, one-third described themselves as "totally committed" to their employers, up only slightly from 31% in 2012.

The pattern is consistent across the Americas, EMEA and APAC regions. In each case there was a sharp decline in levels of engagement and commitment in 2011, followed by a weak recovery.

The reasons behind this decline are open to speculation. One possibility is that the duration of the economic recovery has affected employee morale and confidence. Job layoffs, cuts in output and ongoing uncertainty have taken their toll. Workers who braced for a short, sharp downturn in 2008–09 may be dismayed that the global economy and business activity have taken so long to rebound.

The same sentiment is evident when respondents are asked about their job "happiness".

The measure of happiness slumped between 2010 and 2011 and has barely recovered.

Across every region, the trend is similar: a steep fall followed by a partial recovery.

It is worth noting that the pattern following the trough in 2011 has closely mirrored economic conditions in the respective regions.

The major economies of North America and Europe experienced a sustained period of economic stagnation, with low growth, rising and chronic unemployment, job cuts and government austerity measures.

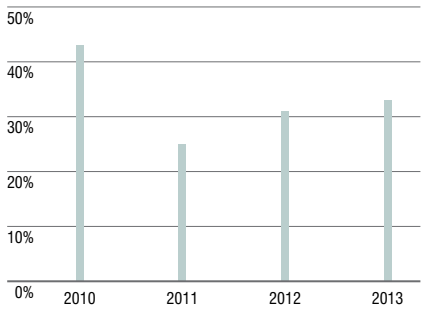
The level of employee happiness in the US has rebounded moderately, in line with improving economic conditions. APAC has similarly seen improvements, but EMEA has marked time.

Clearly, employee engagement and contentment with work—and indeed the employer-employee relationship—suffered a sharp deterioration around 2011.

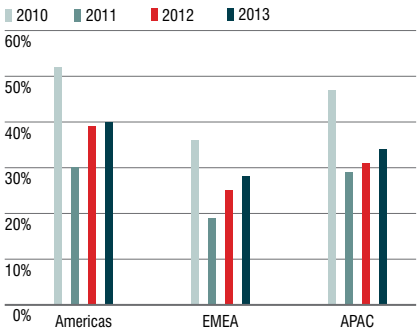
This realignment fundamentally altered a host of employee attitudes towards jobs, commitment, loyalty and longevity.

For employers and managers, it's as if the tried and trusted approaches to HR that had worked for decades don't seem to apply. The effects are now shaping a host of employee behaviors and attitudes.

How committed or engaged do you feel with your current employer? (% Very committed)

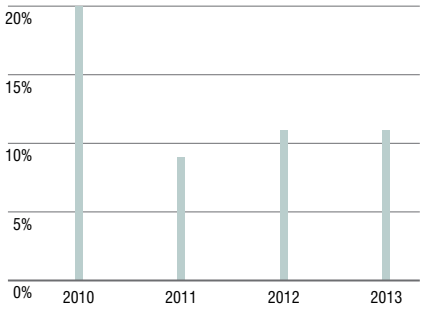


How committed or engaged do you feel with your current employer? (% Very committed by region)

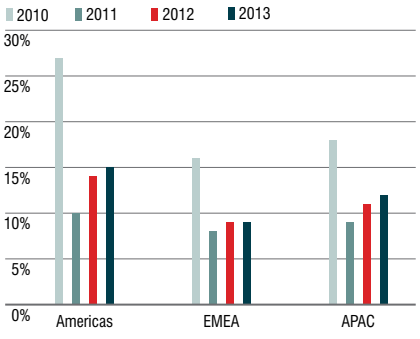


THE GLOBAL MEASURE OF HAPPINESS SLUMPED BETWEEN 2010 AND 2011 AND HAS BARELY RECOVERED.

Are you happy in your job?
(% Very happy)



Are you happy in your job?
(% Very happy by region)



WHY EMPLOYEES ARE MOVING

There was a reasonably high degree of job switch in 2013, with 47% of respondents changing employers, with the greatest rate of job-change in the EMEA region (51%) compared with the Americas (45%) and APAC (42%).

Globally, there were 36% who said they considered changing jobs, while just 17% were certain that they will remain with their current employer.

By country, both Australia and France saw more than 60% of respondents change jobs. More than 50% switched jobs in Portugal, Denmark, Brazil, New Zealand, Luxembourg, Belgium and Netherlands.

Interestingly, this change of jobs did not automatically translate into more contented employees.

Less than half (48%) of the global respondents who changed jobs were happy in their new roles.

In APAC, almost two-thirds (64%) of job-changers were happy in their new positions, compared with only 43% in EMEA and 41% in the Americas.

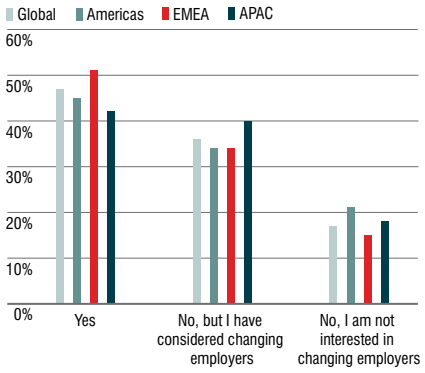
By any measure, a rate of less than half who are happy in the immediate aftermath of a job change points to a considerable management problem—and a potential loss of productivity from disengaged employees.

Across the generations, Gen Y had a considerably better outcome, with 54% happy in their new roles, compared with 47% for Gen X and just 40% for Baby Boomers.

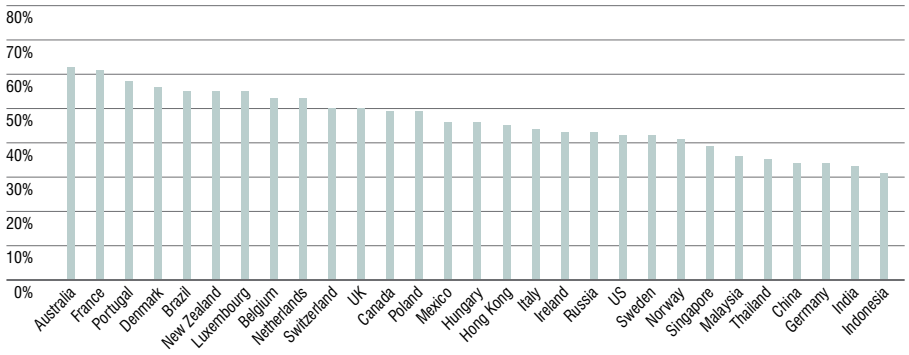
At a time when many developed economies are experiencing an ageing workforce, the poorer post-job change outcomes experienced by older workers is not an encouraging sign. There are frequently perceptions that older workers are less flexible and adaptable in fitting in to a new work regime.

The findings suggest that older workers may benefit from more intensive transition arrangements if the relationship is to deliver optimum benefits.

Have you changed employers within the past year? (% by region)

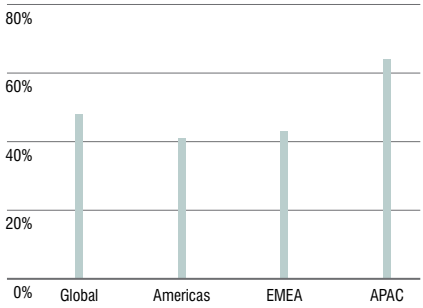


Have you changed employers within the past year? (% "Yes" by country)

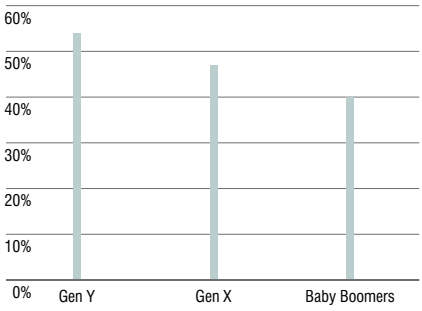


MORE THAN 50% SWITCHED JOBS IN PORTUGAL, DENMARK, BRAZIL, NEW ZEALAND, LUXEMBOURG, BELGIUM AND NETHERLANDS.

If you have changed employers in the past year, are you happy in your new role/job?
(% Very happy or happy by region)



If you have changed employers in the past year, are you happy in your new role/job?
(% Very happy or happy by generation)



REFERRING AN EMPLOYER

A key indicator of employee satisfaction is the willingness of an employee to recommend their employer as a preferred place to work.

Globally, just 29% were strongly inclined to recommend their employer to a friend or colleague as an employment opportunity.

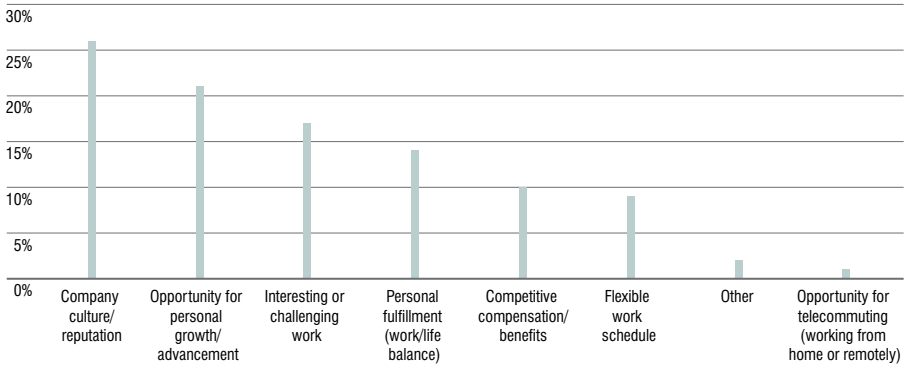
While 42% of respondents in the Americas would strongly recommend their bosses to friends or colleagues, only 28% of those in APAC and 24% in EMEA would be willing to do so.

Employers in the Americas are doing considerably better than their counterparts in APAC and EMEA. Nevertheless, the fact that less than one-third globally would give a strong employer recommendation points to a high degree of reservation.

Among respondents who would recommend their employer to a friend or colleague as an employment opportunity, 26% cited "company culture/reputation" as the primary influence for the recommendation. The second most influential reason was "opportunity for personal growth/advancement," at 21%.

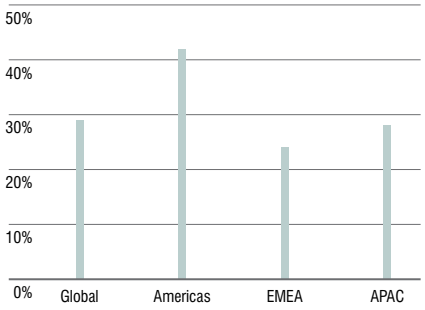
The issue of "competitive compensation/benefits" was rated relatively low, nominated by only 10% of respondents.

Which of the following factors are most influential in terms of your likelihood to recommend your employer? (% globally, multiple responses allowed)



JUST 29% WERE STRONGLY INCLINED TO RECOMMEND THEIR EMPLOYER TO A FRIEND OR COLLEAGUE AS AN EMPLOYMENT OPPORTUNITY.

How likely would you be to recommend your employer to a friend or colleague as an employment opportunity? (Respondents rating 9 & 10 on a scale of 1–10 where 1 = “Definitely would not” and 10 = “Definitely would”)



IMPACT OF MANAGERS ON RETENTION

It is sometimes said that employees don't leave companies, they leave managers.

Certainly the influence of managers on employee morale and workplace performance is significant.

Globally, 63% of respondents said that their direct managers play a major role in determining the state of their satisfaction and engagement, with the highest in APAC (68%).

It is clear that managers and supervisors are the direct point of interaction for employees and they have a significant bearing on employee morale, satisfaction and retention.

However, it can't be simply assumed that managers and supervisors necessarily have the time, capability or resources to effectively manage the transition of new employees or the ongoing relationship.

Managers in many enterprises are often required to "learn on the job" and they sometimes don't get the benefit of training to help them grapple with the important tasks associated with employee onboarding and transition.

Given the investment in hiring, it is surprising that more attention is not focused on getting this right.

When employees were asked to reflect on the performance of their managers, there were a few key elements that emerged as critical in addressing the manager-employee relationship.

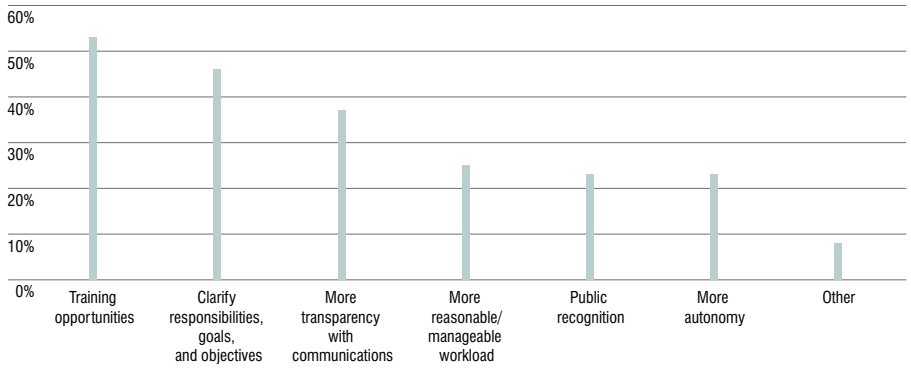
Topping the list was the opportunity for more training and skills development, followed by the need for managers to better clarify the responsibilities, goals and objectives of those under their direction.

The third ranked request was for more transparency in communications between employees and managers.

In other words, managers and supervisors probably need to open up with employees; be clear about what is expected of employees, and how they are to be evaluated.

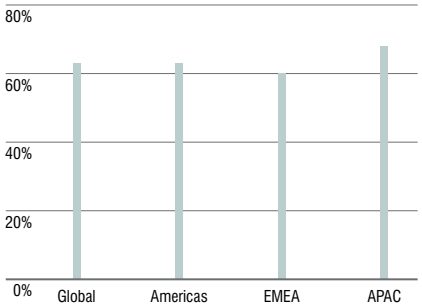
Over a number of years of KGWI, it is also clear that opportunities for training and professional development rank highly in any assessment of employer effectiveness.

What could your direct manager do to improve your satisfaction or level of engagement, aside from salary/benefits or promotion? (% globally, multiple responses allowed)



GIVEN THE INVESTMENT IN HIRING, IT IS SURPRISING THAT MORE ATTENTION IS NOT FOCUSED ON GETTING THIS RIGHT.

To what degree does your direct manager/supervisor impact your level of satisfaction or engagement with your employment? (Respondents who rated 4 & 5 on a scale of 1–5, where 5 = “Significant impact” and 1 = “No impact at all”



KEY INFLUENCES ON JOB CHOICE

The key factor influencing job choice across all generations was "personal fulfilment (work–life balance)", nominated by 38% globally. Its importance in the job equation steadily increases with age.

The other key factor was "personal growth/advancement", which was nominated by 29% globally, but this factor became less important as people progress through their careers.

The issue of "compensation/benefits" ranked third most important at 26% globally and remained consistent across the generations.

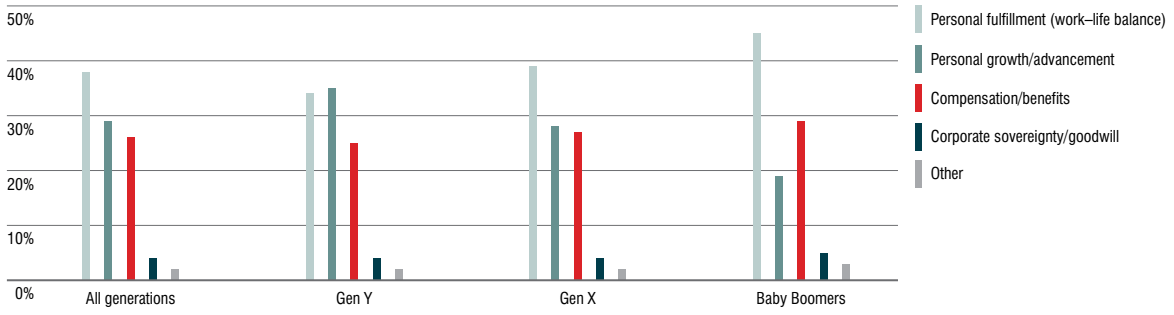
In the eyes of the employee, there is one issue that dominates when it comes to evaluating an employer's reputation—employment stability.

Globally, an overwhelming 75% of respondents said that a stable employment environment was their prime consideration in judging an organization.

The second most frequently cited factor was strong leadership (50%), followed by innovation (43%).

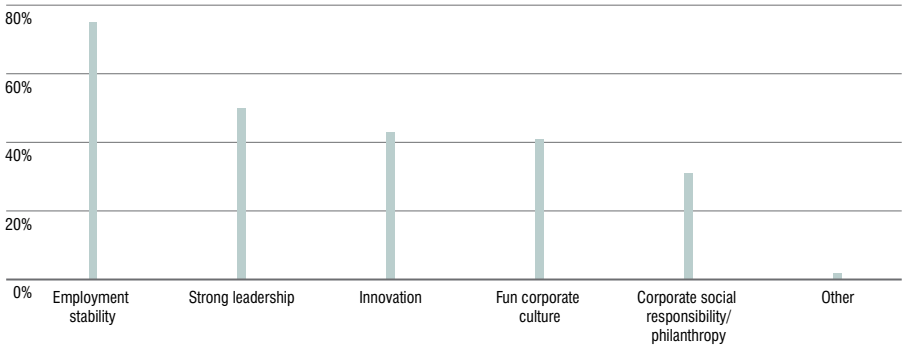
The finding is testament to the power that employment stability brings in the current economic climate where there is still a high degree of job volatility. It appears that innovative and other more "higher-risk" firms are less attractive than those with a stable, secure employment record.

Which of the following factors would drive your decision to accept one job/position over another? (% by generation)



75% OF RESPONDENTS SAID THAT A STABLE EMPLOYMENT ENVIRONMENT WAS THEIR PRIME CONSIDERATION IN JUDGING AN ORGANIZATION.

When considering the reputation of a potential employer, what factors are most important? (% globally, multiple responses allowed)



STAYING OR QUITTING

As the KGWI findings show, the global economic recession coincided with a substantial shift in the way employees view their work and their employers.

For many employees, job stability took precedence over improved salaries and benefits.

Many firms that had built employee goodwill over decades had to make the difficult decision to scale back operations and reduce headcount.

The number of people intending to look for a job with another organization moved slightly lower in 2013—a total of 63%, down from 66% in 2012.

Virtually all of the difference was accounted for by a downward shift in the Americas from 66% to 56%.

Many employees appear to be in a constant state of disquiet in their employment arrangement. They spend a considerable amount of time contemplating alternative job options.

Globally, 43% said they frequently think about quitting their current job and going to another employer. This was up from 37% reported in 2012.

Even employees who were happy in their jobs spent a considerable amount of time canvassing employment alternatives.

More than half of global respondents (55%) said they actively look for a better job even when they are happy in their current job, a significant increase from 49% in 2012.

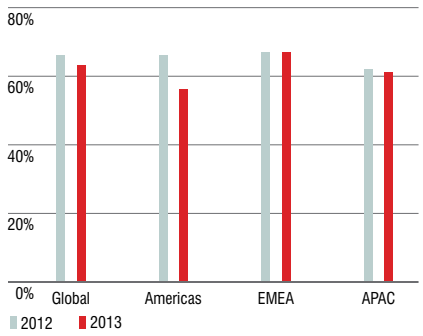
Again, this suggests that a significant share of the workforce is not feeling fulfilled in their jobs, and points to the need for managers to take steps to address this underlying discontent.

The task of keeping an eye on the jobs market was a time-consuming activity for some.

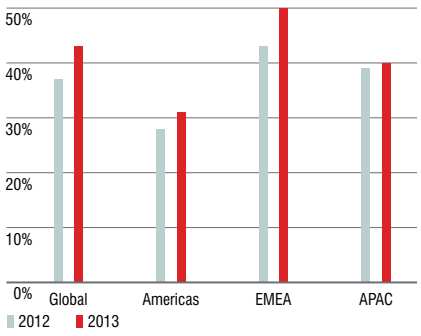
More than one-quarter (29%) look once or twice a week, and over one-third (34%) look for a new opportunity on a daily basis.

In EMEA, no less than 44% said they check the jobs market on a daily basis, while 30% did so once or twice a week.

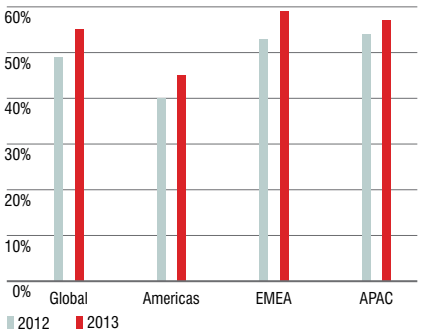
Do you intend to look for a job with another organization within the next year? (% "Yes" by region)



Do you frequently think about quitting your current job and leaving your employer? (% "Yes" by region)

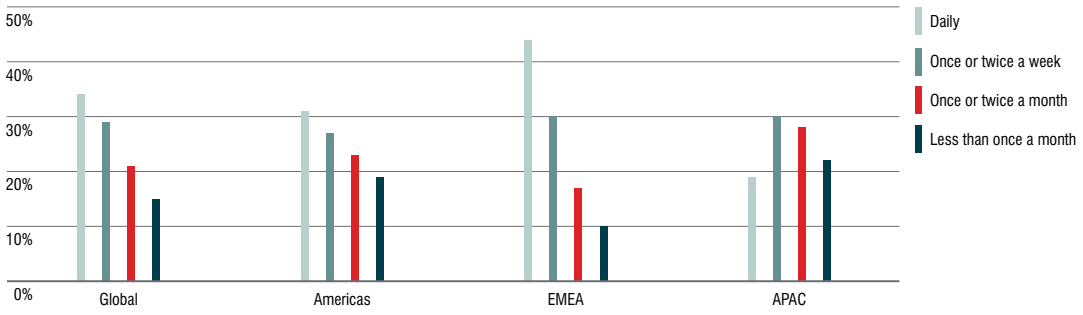


Do you actively look for better job opportunities or evaluate the external job market even when you are happy in a job? (% "Yes" by region)



MANY EMPLOYEES SPEND A CONSIDERABLE AMOUNT OF TIME CONSIDERING ALTERNATIVE JOB OPTIONS.

If you are one of those who do look for better job opportunities or evaluate the external job market even when you are happy in a job, how frequently do you do this? (% by region)



WHAT EMPLOYERS CAN DO

Many workers have experienced a significant shift in their attachment to employers in the wake of the global financial crisis, and this phenomenon is still impacting the employment relationship.

There is a transactional element to the way employees view their employment—less emotional and a more self-serving, arm's-length assessment of career prospects and alternatives.

This is a fickle employment environment. So what steps can employers take to address the issues of job engagement and commitment?

- Engage employees in a vision for the business—share plans, challenges and opportunities, and keep surprises to a minimum.
- Liaise with employees as part of a structured program of communications about the business.
- Maximize the opportunities to provide work that is fulfilling and which pushes people to challenging but achievable limits.
- Give employees the opportunity to provide feedback about their work and share their ideas for improvement.
- Set out clear responsibilities, goals and objectives for employees and review these on a regular basis.
- Ensure that managers and supervisors responsible for new hires have the training and capability to manage the onboarding and engagement process.

CAREER *development* & upskilling

Career Development and Upskilling explored the changing focus on training and skills development, as employees become more proactive and self-reliant in managing their careers.

As noted in the previous chapter, the magnitude of the economic collapse in major economies caught out many firms, organizations and individuals.

The scale and duration of the downturn has forced many employees to look afresh at the whole area of training and professional development—one that was previously guided by an employer.

Now, employees cannot solely rely on an employer to direct this important element of their career development.

A new generation of workers is taking on much greater responsibility for their training and professional development, including the way it is provided and funded.

THE CHANGING FACE OF SKILLS AND TRAINING

When asked to identify the main motivation for learning new skills or undertaking training, the largest share of employees (57%) cited the opportunity for promotion with their current employer. A further 47% cited the opportunity to work in another organization, and 42% planned to enter a new field of work.

The largest group of employees were motivated to undertake additional training or skills development by a desire to stay in their current job, not to move elsewhere.

This particular finding should provide some comfort to employers.

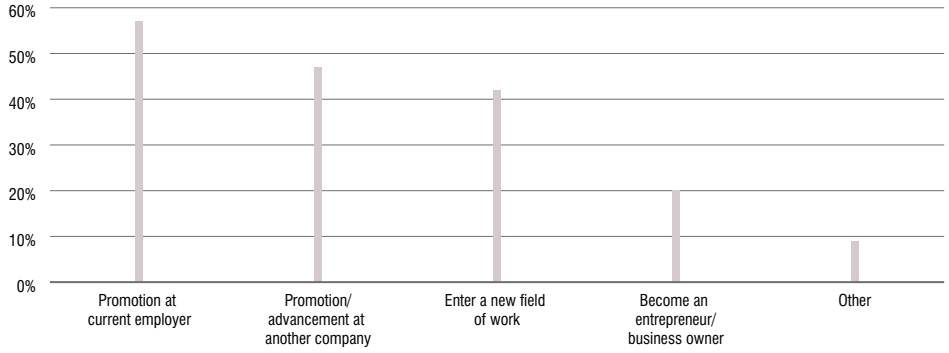
Employers often worry that expenditure on training is wasted if it sees a newly-skilled employee walk out the door to another firm or a competitor.

In fact, most of those who responded to the survey indicate that their main motivation for training is to stay put.

So, from an employer's perspective, the provision of training can become a key element in staff retention if it is assisting employees to reach new skill levels that they regard as relevant to their current and future capability. To the extent that the training is integrated as part of the firm's strategic planning, it is also an investment in organizational capability.

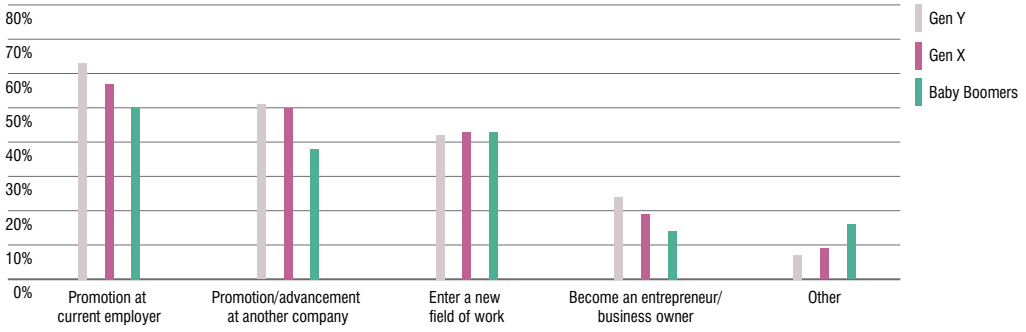
There is a noticeable difference between the workplace generations when it comes to the main factors that influence their training decisions. Gen Y is significantly more likely than Gen X and Baby Boomers to be motivated by the prospect of a promotion with their current employer.

What motivates you to learn new skills or seek additional training?
(% globally, multiple responses allowed)



THE LARGEST GROUP OF EMPLOYEES WERE MOTIVATED TO UNDERTAKE ADDITIONAL TRAINING BY A DESIRE TO STAY IN THEIR CURRENT JOB.

What motivates you to learn new skills or seek additional training?
(% by generation, multiple responses allowed)



THE RETURN ON SKILLS

Globally, 60% of workers are either actively seeking further education or training (23%), or considering it (37%). The APAC region stands out as a skilling hotspot, with 69% of those surveyed either considering or seeking further training for a new field of work.

Across the globe, there are markedly different approaches to the notion of additional training and professional development. The highest rates of planned upskilling are predominantly in developing economies, while the lowest rates tend to be in some of the most prosperous nations.

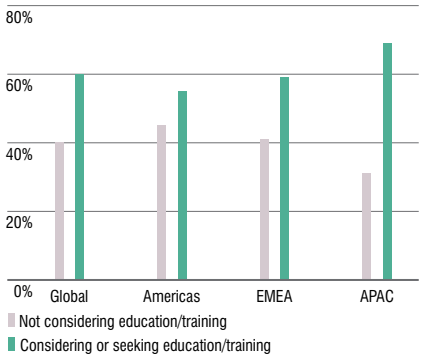
Russia heads the list for training intensity, with an astonishing 92% planning some form of training. Also high on the list are Thailand, Mexico, Brazil, Indonesia, Puerto Rico and Malaysia.

The lowest rates of planned training are in France, Luxembourg, the US and Switzerland.

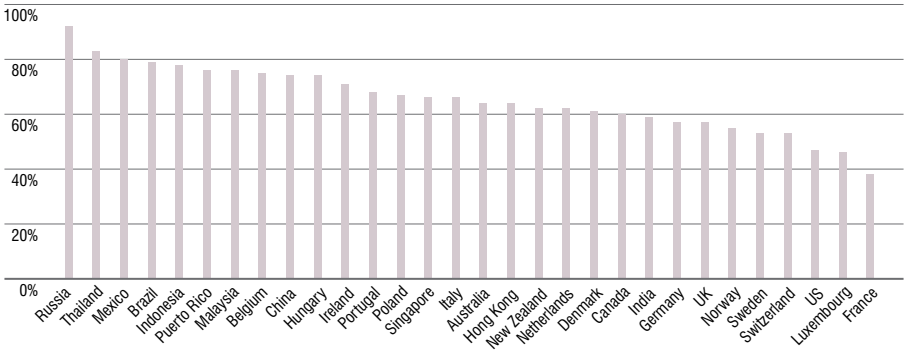
The propensity for individuals to undertake renewed training or education will depend on a host of factors, including industry dynamics, the state of competition in the jobs market, and the likelihood of the training "investment" producing a payoff in the form of salary or promotion.

Among professional and technical employees, those most likely to be actively seeking to upgrade their skills are in Math, Engineering and IT, while the least likely are in Science, Health Care and Education.

Are you currently seeking/considering additional education or training to pursue a new field of work? (% by region)

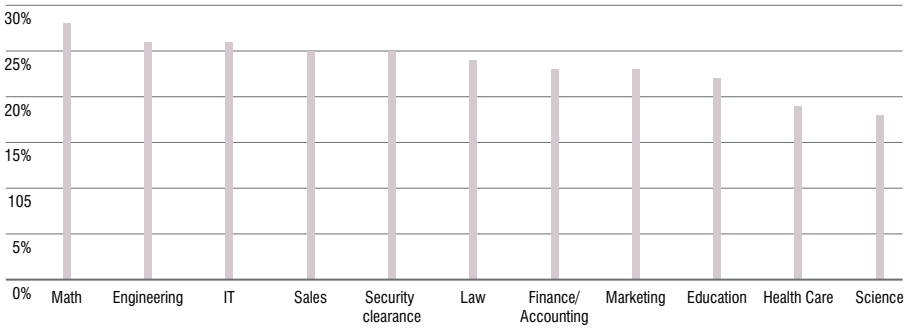


Are you currently seeking/considering additional education or training to pursue a new field of work? (%"Yes" by country)



GLOBALLY, 60% OF WORKERS ARE EITHER ACTIVELY SEEKING FURTHER EDUCATION OR TRAINING (23%), OR CONSIDERING IT (37%).

Are you currently seeking additional education or training to pursue a new field of work? (% "Yes" by skill set, globally)



INVESTING IN TRAINING THAT WORKS

For training to be meaningful it needs to be relevant and practical—not "training for training's sake".

In an era when employees are embracing the notion of self-directed training and continuing education, there is a new focus on providing the most appropriate type of training.

When asked to identify the most desirable means of furthering their skills, the overwhelming preference was for on-the-job experience, identified by 70% of respondents, significantly ahead of the next highest ranked, "continued education and training", cited by 58%.

In other words, hands-on, job-related training in the workplace ranks ahead of all other forms of training and professional development in the eyes of employees.

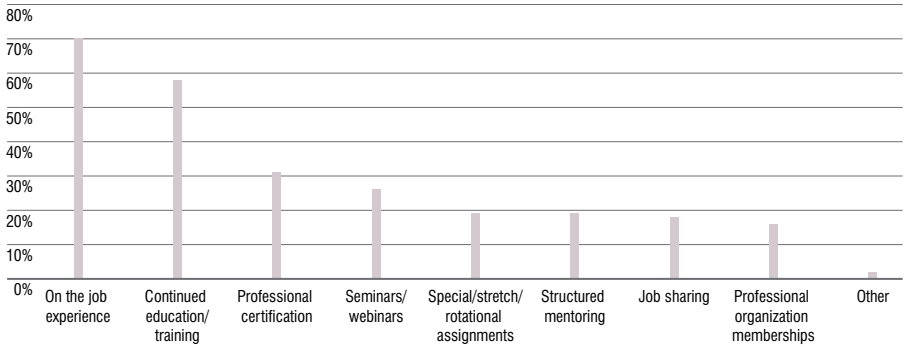
Slightly more than half (54%) agree that employer-provided training is effective in building skills.

This form of training is ranked highest among Gen Y, with 58% positive, but is less popular among Gen X (53%) and Baby Boomers (48%).

For an employer, this finding can be a mixed blessing. For organizations with a training culture and a capacity to deliver on-site training, there is the potential to extend formal training to larger numbers of employees.

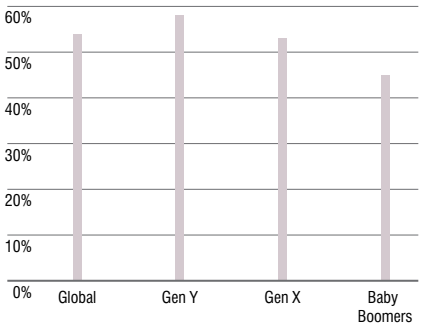
The downside is that on-site training generally doesn't provide any formal qualifications so may not be suited to all employees. Many smaller and even mid-size firms may not even have a structured training capability, rather relying on outside providers.

Which of the following methods are most desirable to you in terms of your skill development? (% globally, multiple responses allowed)



HANDS-ON, JOB-RELATED TRAINING IN THE WORKPLACE RANKS AHEAD OF ALL OTHER FORMS OF TRAINING AND PROFESSIONAL DEVELOPMENT.

To what degree do you agree or disagree that the training provided by your employer allows you to upgrade your skills and progress in your career? (% "Agree" & "Strongly agree")



BUILDING A DURABLE SKILLS BASE

The last two decades have radically altered the way skills are acquired and developed. Skills are no longer "front-end loaded" onto a career. Rather they are increasingly embedded as part of lifelong learning and development.

The upgrading and renewal of skills plays a critical role in personal and professional development. It also has a vital role in broader workforce development, which is the cornerstone of organizational efficiency and productivity.

All skills have a finite life, and in industries subject to high rates of technological change and innovation, the lifespan of skills is becoming shorter. Increasingly, new skills will need to be learned and deployed throughout a working life.

Employees recognize that they need to take control of this important aspect of their careers, and think strategically about how they invest in the development of their intellectual and professional capital.

It is clear that decisions about training and professional development are now an integral part of the employment equation, and have an important bearing on employee morale, performance and retention.

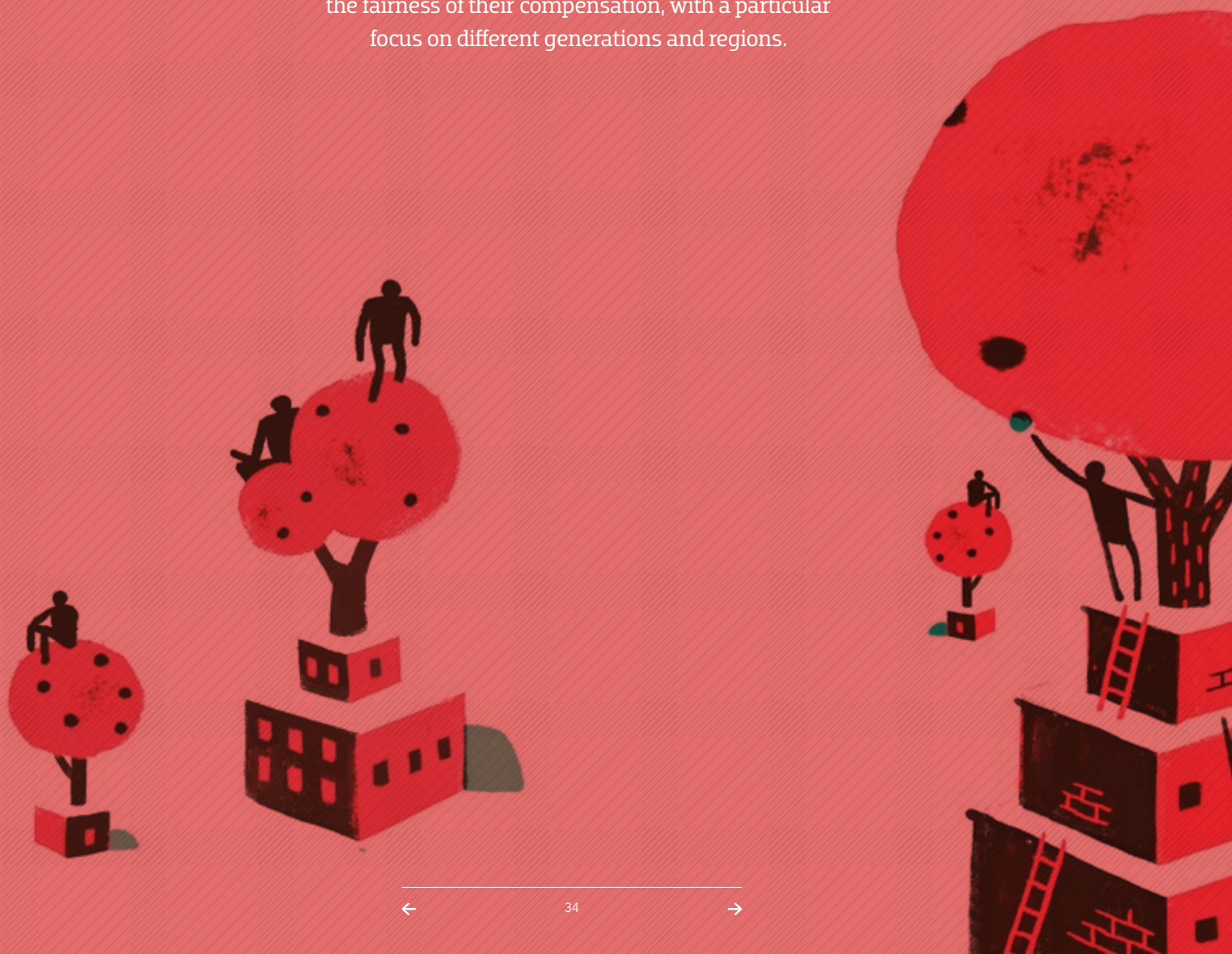
WHAT EMPLOYERS CAN DO

- Consider opportunities for training and personal development that will build staff capability and resilience.
- Help to build a culture of continuous learning so that employees are encouraged to develop and use new skills.
- Encourage employees to think about career plans and the type of skills and training that will equip them for the next phase of their careers.
- Consider training and workforce development as a key element in employee attraction and retention.
- Champion individuals who have devoted time and resources to enhance their skills—they set an example for their colleagues and are ambassadors for the organization.

WORKPLACE *performance*

The topic of *Workplace Performance* explored the link between remuneration and job performance, and the way in which risk-based remuneration is increasingly being embraced by many employees.

It also delved into what employees really think about the fairness of their compensation, with a particular focus on different generations and regions.



PAYING TO PERFORM

The adoption of pay for performance has gathered momentum in various parts of the globe since the KGWI first looked at the issue in EMEA in 2005, when some 20% of respondents were on performance pay.

Currently, 39% of those in EMEA have some of their remuneration tied to performance benchmarks, and the average across the globe is 44%.

The highest incidence of performance pay was in the fast-growing economies of the APAC region, with 59% on some form of incentive payments. The Americas had the lowest incidence at 36%.

Performance-based pay includes any arrangement where an element of the total remuneration package is tied to meeting performance targets, such as profit sharing, performance bonuses and sales commissions.

It is generally seen as a way of aligning personal effort and reward with the strategic goals of the business.

The highest incidence among survey respondents was in APAC and newly emerging economies. China, Indonesia, Thailand, Malaysia, Russia, India, Singapore and Hong Kong all reported more than 60% of respondents on performance pay.

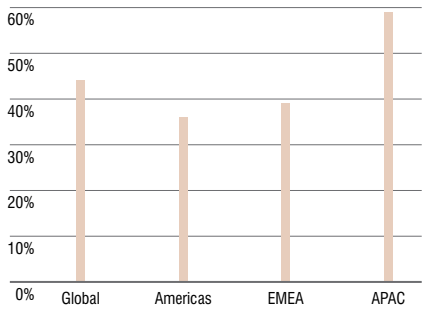
Among the generations, significantly more Gen X (48%) and Gen Y employees (45%) received variable pay, compared with just 36% among Baby Boomers.

Because performance-based pay is a relatively recent development, newer employees are likely to have at least some of their remuneration tied to individual, team or company-wide benchmarks.

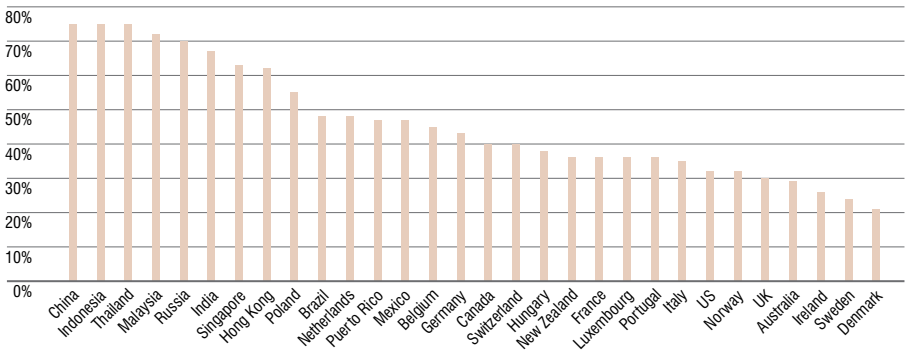
Many younger employees will have only worked in organizations where there is at least some proportion of their pay which is performance-based.

Performance pay predominates in a few key markets such as Sales, where 76% were on variable salaries, Marketing (56%), IT (52%) and Engineering (51%).

Is any of your pay/compensation variable, such that a portion is dependent upon your individual performance/productivity targets? (% "Yes" by region)

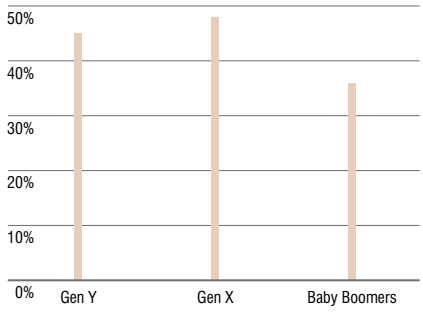


Is any of your pay/compensation variable, such that a portion is dependent upon your individual performance/productivity targets? (% "Yes" by country)

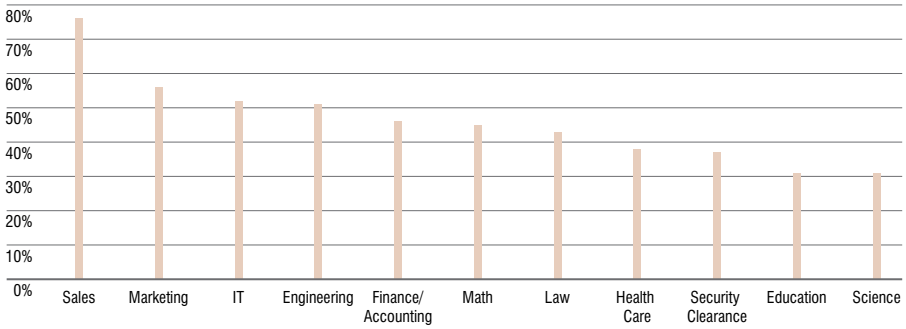


THE HIGHEST INCIDENCE OF PERFORMANCE PAY WAS IN THE FAST-GROWING ECONOMIES OF THE APAC REGION.

Is any of your pay/compensation variable, such that a portion is dependent upon your individual performance/productivity targets? (% "Yes" by generation)



Is any of your pay/compensation variable, such that a portion is dependent upon your individual performance/productivity targets? (% "Yes" by professional/technical employees)



PERFORMANCE OPTIONS

Among those respondents not receiving performance-based pay, there was a strong view that they would perform at a higher level if they were to switch to such an arrangement. A total of 46% globally said they would perform at a higher level on performance pay, with the highest response in APAC (56%), followed by the Americas (44%) and EMEA (41%).

The findings suggest that many workers are confident in their ability to do their job well and thus be rewarded for superior performance.

The findings reflect widespread recognition that organizations and individuals perform best when their interests are aligned, including through incentive-based pay.

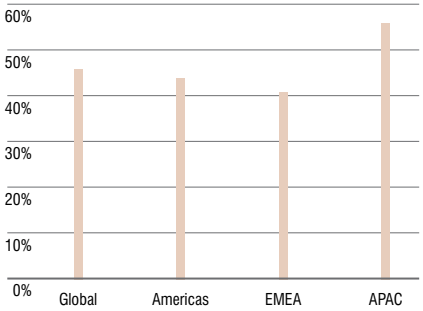
The changing attitudes to variable pay arrangements were reflected in responses to a question about choice between pay for performance and pay for overtime.

Employees were asked to nominate their preference between the certainty of additional pay for the extra hours they work, or the uncertainty of a reward, based solely on their performance and productivity.

Uniformly, across the globe, respondents chose the uncertainty of performance pay. In other words, respondents expressed confidence that their effort and initiative would deliver a better pay outcome than from simply working longer hours.

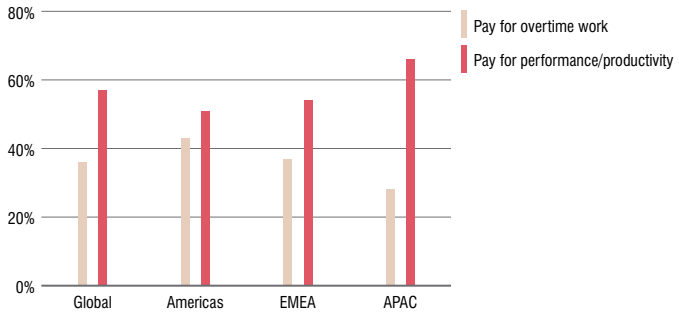
Globally, 57% opted for the performance option, with APAC the highest (66%) compared with EMEA (54%) and the Americas (51%).

If not on performance pay, do you agree or disagree that you would perform at a higher level if your pay/compensation was tied to your performance/productivity? (Respondents rating 4 or 5 on a scale of 1-5 where 1 = “Strongly disagree” and 5 = “Strongly agree”).



MANY WORKERS ARE CONFIDENT IN THEIR ABILITY TO DO THEIR JOB WELL AND THUS BE REWARDED FOR SUPERIOR PERFORMANCE.

Is any of your pay/compensation variable, such that a portion is dependent upon your individual performance/ productivity targets? (% "Yes" by generation)



FAIR PAY

There was a revealing glimpse into the employee mindset arising out of the question as to whether employees believe that their remuneration is equitable.

Perhaps surprisingly, fewer than half of respondents (38%) believe that they are paid a fair salary for the work they perform.

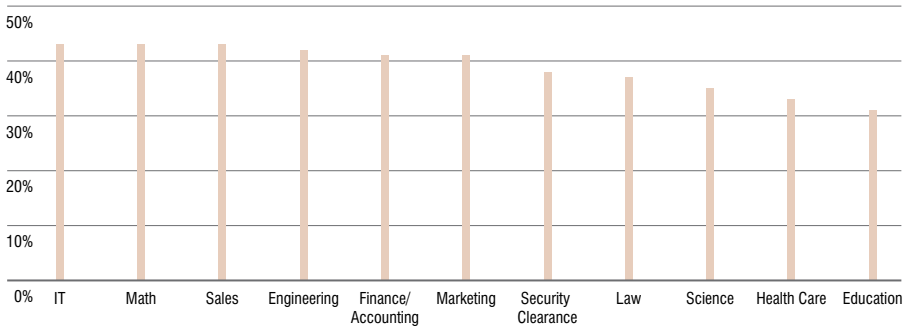
The lowest ranking, from an employee perspective, was in EMEA, where just 32% believed their pay was equitable, compared with 43% in APAC and 45% in the Americas.

Across various skill sets in the workforce, the pay equity situation is markedly different.

Pay equity as perceived by employees was highest in IT, Math and Sales, where 43% believe their compensation is equitable. The least equitable were in Education (31%), Health Care (33%) and Science (35%).

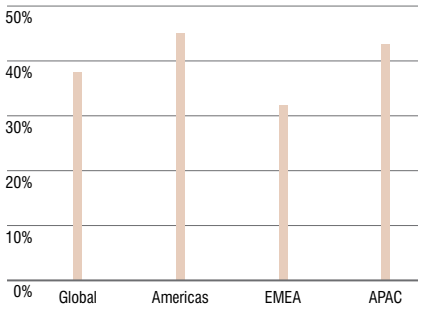
It is worth remembering that this is a measure of employee perception so it does not necessarily reflect the actual situation. Nevertheless it provides an intriguing glimpse into what respondents are thinking about the adequacy of their remuneration.

To what degree do you agree or disagree that the pay/compensation you receive for your work is equitable? (% "Agree" by skill set)



FEWER THAN HALF OF RESPONDENTS BELIEVE THAT THEY ARE PAID A FAIR SALARY FOR THE WORK THEY PERFORM.

To what degree do you agree or disagree that the pay/compensation you receive for your work is equitable? (% "Agree" by region)



WHAT EMPLOYERS CAN DO

The uptake of performance-based remuneration has developed quickly and seems to be gaining converts in segments that were previously sceptical or opposed.

The shift reflects a change in mindset as much as a change in work practices. Performance-based pay fundamentally alters the way employers and employees think about issues of performance, effort and reward.

Employees can benefit from the opportunity to work smarter and raise their earning capacity, while employers benefit from increased productivity and a more engaged workforce.

- Consider ways of aligning organizational goals with individual performance measures.
- Think about team goals as well as individual goals.
- Make sure that relevant measures of business performance are shared widely among employees and that it is understood how and why this is done.
- Consult with employees about which measures of performance they would find most relevant in a shift to performance-based remuneration.

SOCIAL *media* & technology

The topic of *Social Media* and *Technology* examined the way that social media is penetrating the workplace and impacting job selection, career choice and recruitment.

Just as social media has changed the nature of communications across communities, it is breaking down barriers in the workplace too. Employees everywhere are more social and more connected and are seeking opportunities to combine their work and their personal lives.

The power and the speed of this transformation is having a significant impact on employer–employee relations and recruiting techniques.

BECOMING SOCIAL

Social media as a job search tool has reached a new level of maturity. It has made it easy to pass on information and insights about employment opportunities.

Tapping into people's social networks vastly expands the pool of possible job candidates. It also makes the job search exercise less a private pursuit and more of a shared experience.

Globally, 44% of respondents said that they had been contacted via social media about a job opportunity in the previous 12 months.

More than half of APAC respondents (56%) had been contacted about a potential job via social media, compared with 41% in the Americas and 38% in EMEA.

Rather than being confined to the younger age groups, all generations are taking part, led by Gen X, where 47% had been approached regarding a job in the previous year.

Certain skill sets stand out in relation to job contacts via social media.

In areas such as Marketing, Engineering, IT, Sales and Finance/Accounting, half or more of respondents had been contacted about jobs via social media in the previous year.

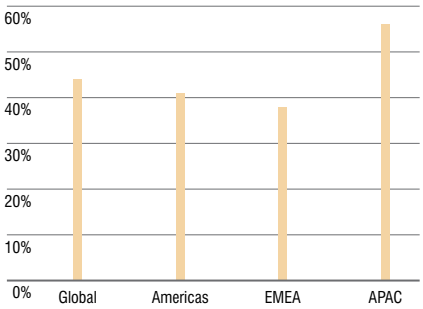
Globally, more than half (53%) say they agree or strongly agree that social media is a good method of providing job referrals among friends and colleagues.

KGWI data shows that APAC is a hotspot for online job sourcing, with 61% of respondents indicating networking/ social media sites are a good method for providing others with job referrals or opportunities, higher than in the Americas (55%) and EMEA (47%).

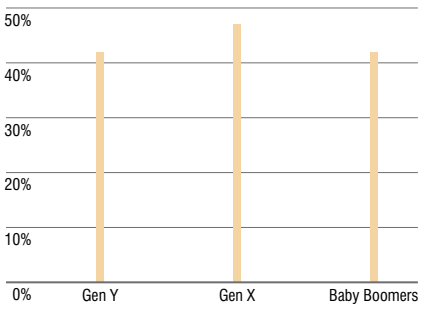
The success of social media as a tool to secure work appears to be gaining a firm foothold.

Globally, 16% of respondents said that within the previous year, they had gained a new job opportunity that originated through social media. APAC was significantly higher (25%) than in the Americas (14%) and EMEA (11%).

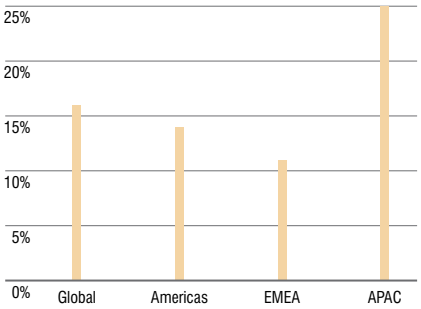
Within the last year, have you been contacted about a potential job opportunity via a social media site/network? (% "Yes" by region)



Within the last year, have you been contacted about a potential job opportunity via a social media site/ network? (% "Yes" by generation)

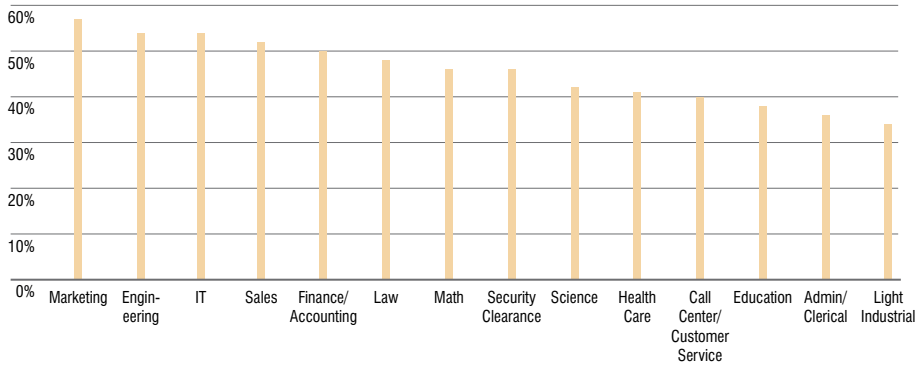


Within the last year, have you successfully secured a new job opportunity that originated via social media site/network? (% "Yes" by region)

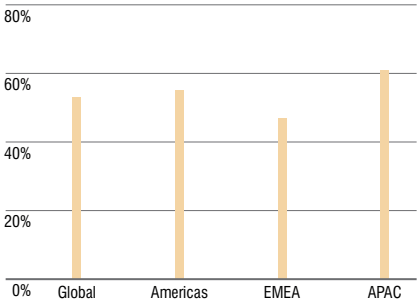


THE SUCCESS OF SOCIAL MEDIA AS A TOOL TO SECURE WORK APPEARS TO BE GAINING A FIRM FOOTHOLD.

Within the last year, have you been contacted about a potential job opportunity via a social media site/network? (% "Yes" by skill set)



To what degree do you agree that networking/social media sites are a good method of providing friends/colleagues with job referrals or job opportunities? (Respondents rating 4 or 5 on a scale of 1–5 where 1 = "Strongly disagree" and 5 = "Strongly agree).



HARNESSING SOCIAL MEDIA

Online recruitment and social media have transformed recruitment and provided an exponential increase in the volume of job information in circulation.

People not only search for jobs online but engage in conversations and swap information about jobs, careers and prospective employers.

Respondents in APAC leverage their networks the most, with 51% accepting career advice via social media, significantly higher than for EMEA (36%) and the Americas (32%).

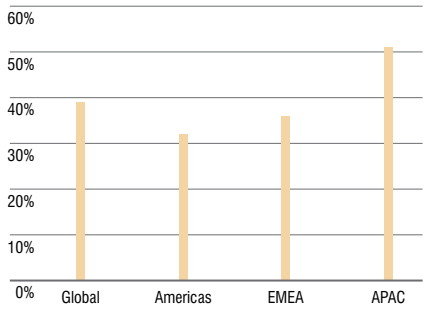
A total of 40% of global respondents say that they are now more inclined to search for jobs via social media than through traditional methods, including newspaper advertisements, online job boards or recruitment companies.

The switch to social media is being spearheaded in APAC, with 56% favoring it over traditional methods of recruitment, well ahead of the Americas (39%) and EMEA (32%).

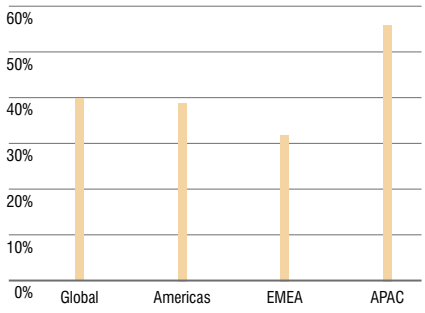
Across the globe, the utilization of social media for recruitment has developed in a distinctly polarized fashion.

On the one hand, the APAC region has embraced social media as a job search tool, while at the other extreme, EMEA is wedded to more traditional means of eliciting news about jobs.

Do you use your social media network when making career/ employment decisions? (% "Yes" by region)

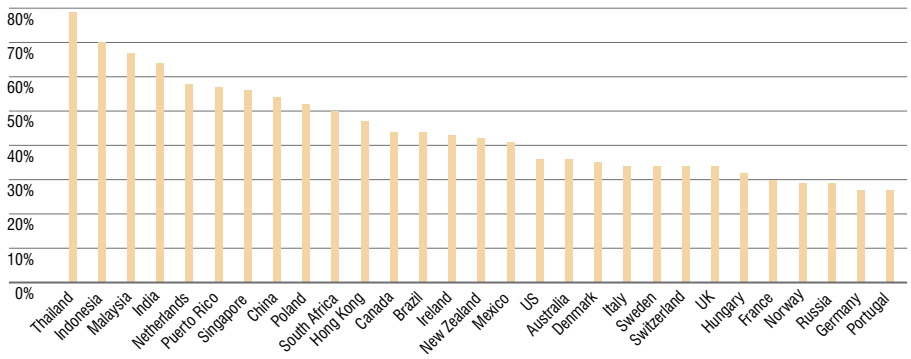


Would you be more inclined to search for jobs via social media than traditional methods (i.e. newspaper advertisements, online job boards, or recruitment companies)? (% "Yes" by region)



40% OF RESPONDENTS SAY THAT THEY ARE NOW MORE INCLINED TO SEARCH FOR JOBS VIA SOCIAL MEDIA THAN THROUGH TRADITIONAL METHODS.

Would you be more inclined to search for jobs via social media than traditional methods (i.e. newspaper advertisements, online job boards, or recruitment companies? (% "Yes" by country)



USING SMART DEVICES IN THE WORKPLACE

One spinoff from the uptake of social media revolves around the use of use of electronic devices—laptops, tablets and smartphones—in the workplace. Some see these devices as time wasters; others as vital networking tools.

Respondents to KGWI generally see some legitimate role for using these devices in a workplace that is now more connected to social networks.

More than one-third (38%) rate the use of these personal devices in the workplace as either "important" or "very important".

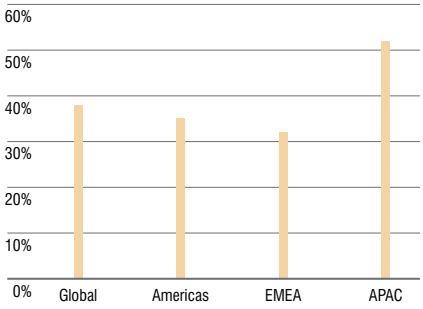
In APAC, it is considerably more important than in the Americas and EMEA.

Many employees have the benefit of employer-provided electronic devices as part of an employment agreement or salary package.

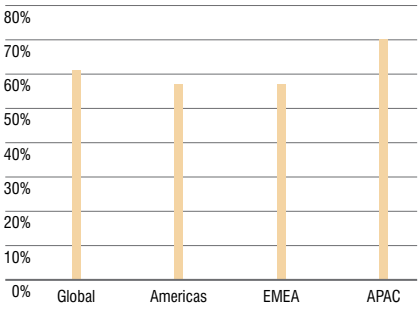
A total of 61% support the personal use of these devices, with 70% in APAC in favor, compared with 57% in both the Americas and EMEA.

Going one step further, more than one-third (37%) globally say that the ability to use their employer-provided device for both work and personal use rates "highly" and "very highly" in deciding where to work.

How important is it to you to have the flexibility to use your personally owned electronic devices such as a computer/laptop, tablet, smartphone at work or when you are working? (Respondents rating 4 or 5 on a scale of 1–5 where 1 = "Not at all important" and 5 = "Very important").

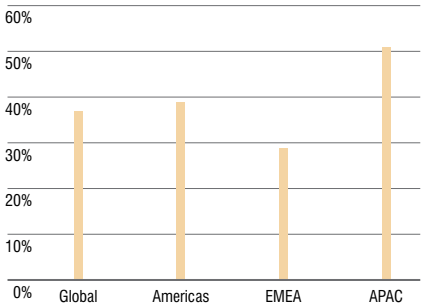


How important is it to you to be able to use employer provided electronic devices such as a computer/ laptop, tablet or smartphone for both work and personal use? (Respondents rating 4 or 5 on a scale of 1–5 where 1 = "Not at all important" and 5 = "Very important").



A TOTAL OF 61% SUPPORT THE PERSONAL USE OF THESE DEVICES, WITH 70% IN APAC IN FAVOR, COMPARED WITH 57% IN BOTH THE AMERICAS AND EMEA.

To what degree would the ability to use employer provided electronics (such as a computer/laptop, tablet or smartphone) for both work and personal use influence your decision to accept a new job/position? (Respondents rating 4 or 5 on a scale of 1–5 where 1 = "Would not influence decision at all" and 5 = "Very highly influence your decision").



WHAT EMPLOYERS CAN DO

Social media opens up a plethora of connections for people to share information, views, encouragement, and referrals about prospective job opportunities.

It is already a key tool in recruitment because of the expanded pool of candidates it provides access to.

Social media is also important in staff retention because many employees don't draw a distinction between their work and personal lives and suddenly they have the freedom to share their working lives with a vast audience.

The task of managing this phenomenon in the workplace is one that many employers are still coming to grips with.

Employers might consider the following elements as part of an approach to social media:

- Use social media as part of an integrated business communications strategy, both internally and externally.
- Embrace social media as an extension of the broader employee recruitment and retention process.
- Set out clear goals and guidelines as to how employees engage with social media while at work.

CONCLUSION

The global economic shockwave of recent years unleashed a new orthodoxy for understanding and managing employee relations.

One of the unforseen outcomes has been a new generation of employees who are more independent, globally focussed and adaptive.

In evaluating their employment options, they are looking beyond the present to understand where businesses are going and how enterprises will contribute to an individual's skills and capability.

There is recognition that employees need to do more for themselves, but also a realization that the employment relationship needs to foster the competencies and flexibility required for an uncertain future.

Employers can't afford to play a passive role. They are more watched and scrutinized than ever by a workforce that understands the reality of fluctuating business fortunes.

It's worth remembering that Gen Y's first experience of an economic downturn was the biggest since the Great Depression. This will shape attitudes for years to come.

In these circumstances, it's only prudent for employees to be looking beyond the present, to where work will be taking them in 10 or 15 years.

This will be a testing time for some employers. The most sought after will have well-developed strategies to manage talent through the employment life cycle.

But even the best employers cannot guarantee smooth career trajectories, and all sides will increasingly look to ensure the right fit between employees, skills and career stages.

It has been a jolt that few expected. The challenge is for all players to understand why the landscape has changed and to ensure their compasses are set for a new destination.

ABOUT THE KELLY GLOBAL WORKFORCE INDEX

The *Kelly Global Workforce Index (KGWI)* is an annual global survey revealing opinions about work and the workplace. Approximately 122,000 people across the Americas, EMEA and APAC regions responded to the 2013 survey. This survey was conducted online by RDA Group on behalf of Kelly Services.

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