

Workforce Strategy Survey: Global Key Findings

Insights on Whether Organizations' Workforce Strategies are Aligned to Their Business Strategies and Their People are Prepared to Execute That Strategy

Summary

After several years of downsizing and doing more with less, leaders are now relatively comfortable with the staff they have. They intend to hire again when they see increased demand for their products or services, and assume that the talent they need will be available. These organizations are not thinking strategically about what they need to position themselves for long-term growth in today's and tomorrow's environment. Organizations may say their workforce strategy is aligned with their business strategy, but Manpower finds that most are thinking only about the here and now and are not positioned to build the workforce they need to achieve the company's business strategy in the future.

- Nearly one quarter of employers across 36 nations concede that their organization's workforce strategy does not support their business strategy or don't know if it does. Even more alarming: Among those two subsets of respondents, more than half admit that they are not doing anything about it.
- Of those who say they have a workforce strategy aligned to business strategy, only 64% say it is agile enough to address the changing needs of the economic environment. A further 29% say the strategy is only partially agile enough to address these changing needs.
- Large sections of the workforce are still in the dark about how their contributions support the business—one in five employees say that they either don't understand their company's business strategy or that they don't know how their role supports it.
- Business leaders say they are focused on the professional development of their workforce, yet this remains a weak spot for many organizations. More than a third of employees say their organizations have not made training and development a priority. A fifth say that training and development opportunities are inadequate for achieving the company's business strategy—or are not provided at all.

About the Survey

Manpower's *Workforce Strategy Survey* was conducted in two parts to identify the disconnects that exist between organizational business strategy and workforce strategy, and how well prepared the workforce is to execute on that strategy. First, a total of 37,866 **employers** across 36 countries were interviewed by telephone in July of 2010. The employer sample consists of human resource executives and senior managers from small, medium and large public and

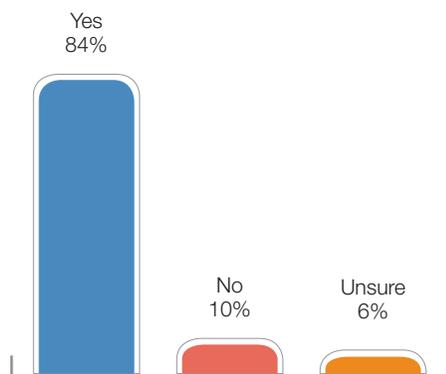
private organizations. The maximum margin of error is +/-0.5% at the 95% confidence level. Second, a total of 14,385 **employees** in nine countries—G7 countries plus China and India—were polled online in July and August of 2010. The employee sample consisted of a mix of employed individuals performing a range of professional and skilled trades roles at small, medium and large organizations. The maximum margin of error is +/-0.8% at the 95% confidence level.

Business and Workforce Strategy

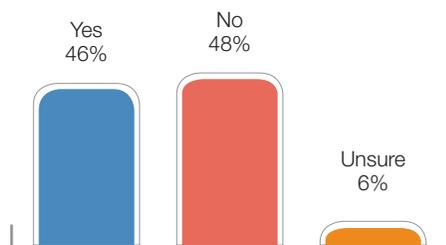
The talent to execute business strategy

When asked if they had the talent necessary to execute their business strategy, 84% of employers affirm that they do. Manpower is surprised at this finding, especially since we continually hear from clients around the globe who tell us they are having difficulty filling key positions. Further informal qualitative research reveals that in answering this question, most employers are focused on the here and now. After several years of downsizing and doing more with less, many leaders are now relatively comfortable with the staff they have. They're concerned mainly with productivity until they see increased demand for their products or services. Only then will they consider hiring again and probably assume that, at that point, talent will be plentiful and readily available. But these organizations are not thinking strategically about what they need to do to position themselves for long-term growth in today's and tomorrow's environment. The world of work is changing faster and faster and business leaders can't reset to pre-recession approaches. They must consider the workforce implications of their plans.

However, 10% of employers say they don't have the talent they need, and 6% aren't sure if their talent can execute their business strategy or not. Of those employers who know that their talent isn't adequate for their business strategy, 46% say that this talent gap is one of the top three risks to their business strategy. Another 6% are unsure of whether or not the talent gap is a significant risks, while 48% of businesses who say their talent is not adequate to meet business strategy don't believe this talent gap is a primary risk to achieving their objectives.



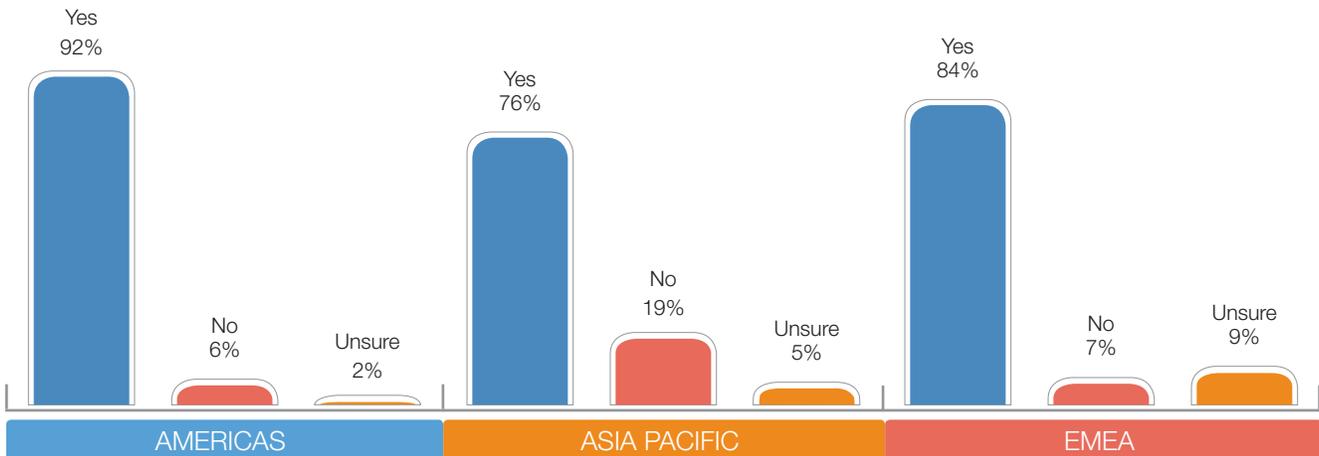
Does your organization have the talent it needs to execute its business strategy?



Is this talent gap one of your top three risks in achieving your business strategy?

REGIONAL BREAKDOWN

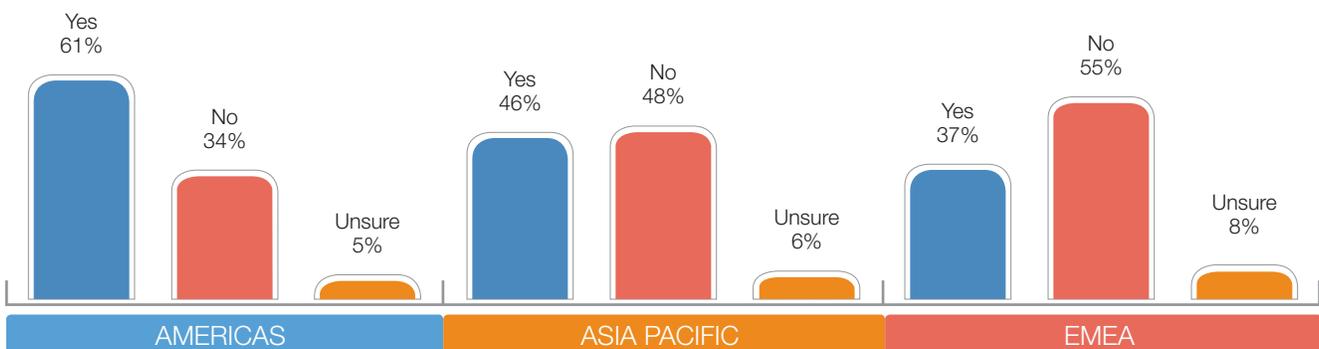
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Employers in the Americas are the most satisfied with their talent, with 92% reporting that they have the talent they need to execute their business strategy, while only 84% of employers in the Europe, Middle East, and Africa region (EMEA) and 76% in the Asia Pacific region feel they have the talent necessary. One striking regional difference is that of the employers who state that they don't have the talent necessary to execute their business strategy, 61% of employers in the Americas see it as one of the top three risks to the strategy, while only 46% of employers in Asia Pacific and 37% of employers in EMEA consider it as a primary risk.

REGIONAL BREAKDOWN

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Alignment and Agility

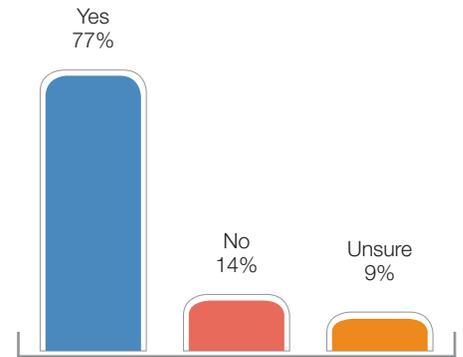
Employers were asked if their organization had a workforce strategy that aligned with their business strategy, and while 77% of respondents report that they do, of the remaining 23%, 9% are unsure of their workforce strategy and 14% report they lack an aligned workforce strategy.

Again, we believe this optimistic response is skewed by the fact that respondents answered with a short-term perspective as they look to “get by” during the difficult business environment. This view is also supported by similar findings from the Boston Consulting Group and the World Federation of People Management Organizations who report that only 15% of the companies they have surveyed strategically plan their workforce more than three years in advance.

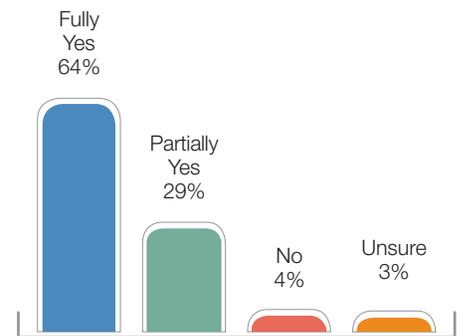
Of the 77% of employers that have aligned workforce and business strategies, only 64% believe their workforce strategy is fully agile enough to address the changing needs of the economic environment. Of the 36% without a fully agile workforce strategy, 29% their workforce strategy is partially able to meet changing needs, while 4% say it is not, and 3% are uncertain of its agility.

Of the 14% of employers who say they don't have a workforce strategy aligned with their business strategy, over half (53%) say they were doing nothing to create one and 5% aren't sure what they are doing about it. Companies taking a more proactive approach to creating or aligning their workforce strategy report they are thinking about it (20%), revising their current strategy (10%), outsourcing the work (5%), or taking another approach (7%).

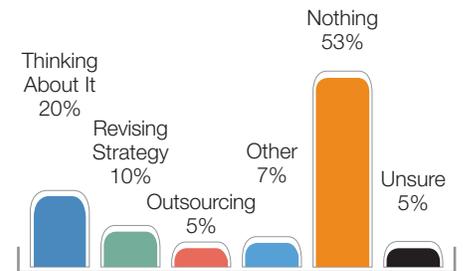
The breakdown for the regions is similar. In the Americas, 88% of respondents report that they have a workforce strategy that aligns with their business strategy, while in the Asia Pacific Region, 71% of employers indicate they have an aligned workforce strategy, and in the EMEA region that figure is 74%.



Does your organization have a strategy for its workforce that is aligned with its business strategy?



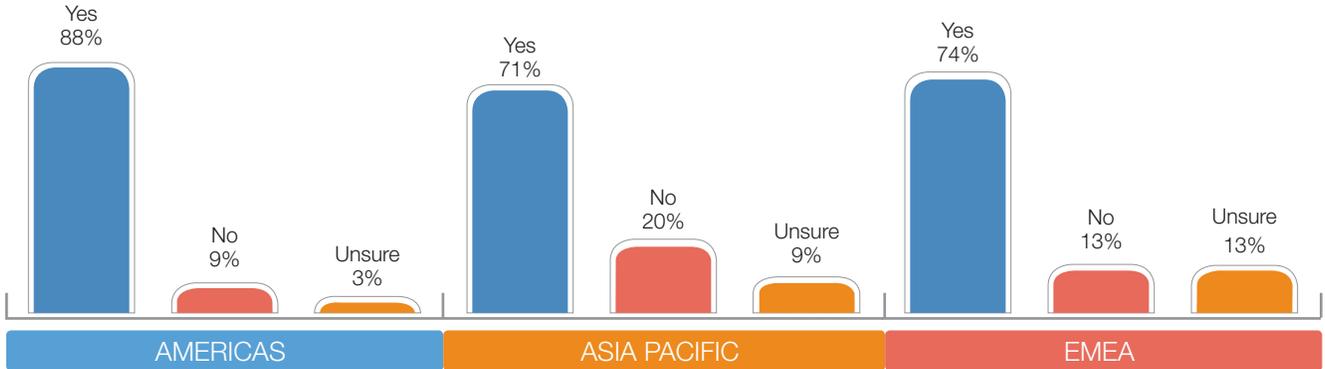
Is that “workforce strategy” agile enough to address the changing needs of the economic environment?



What is your organization doing to create a workforce strategy?

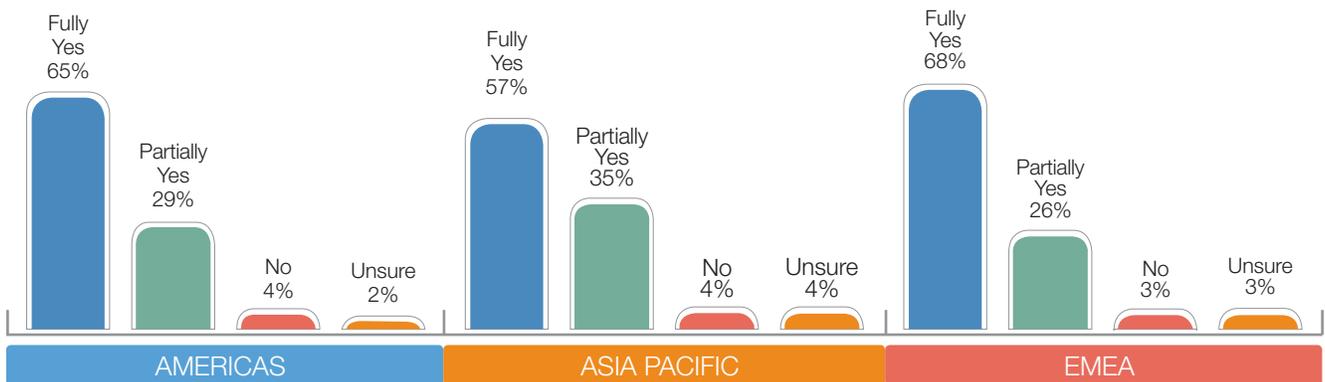
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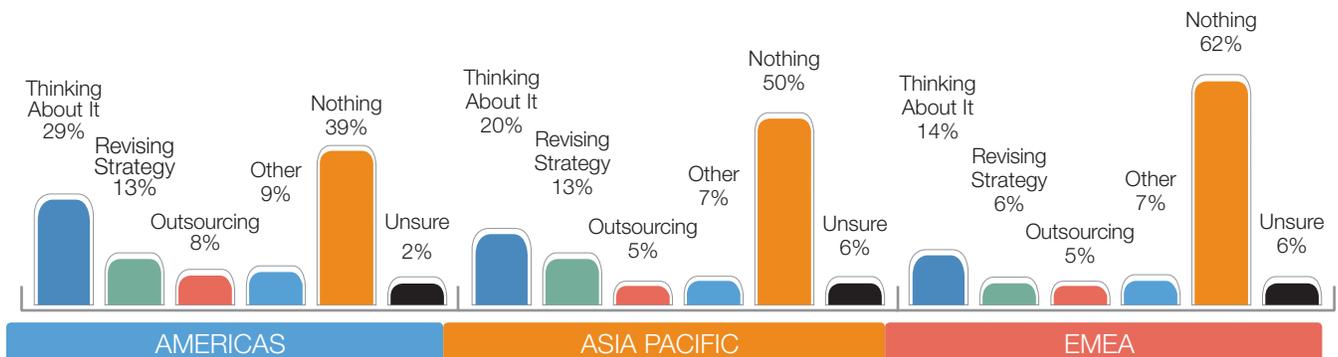
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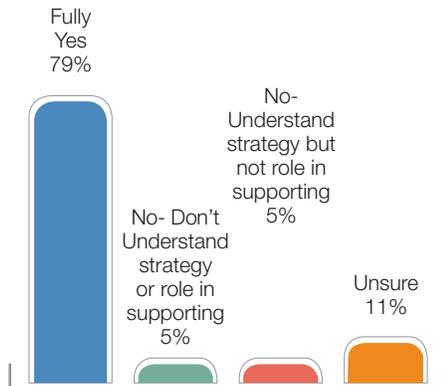
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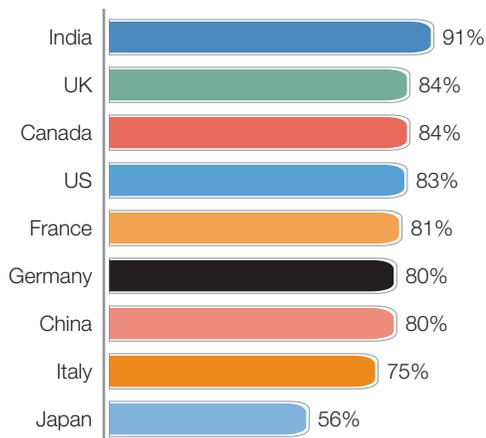
Do you have a clear understanding of your company's business strategy and how your role supports it?

Of those that do have an aligned workforce strategy, 65% of employers in the Americas, 57% of employers in the Asia Pacific region, and 68% in EMEA say this strategy is fully agile enough to address the changing needs of the economic environment. On the other hand, 29% of employers in the Americas, 35% in Asia Pacific, and 26% in EMEA believe their workforce strategies are only partially able to address changing business needs.

Of the employer subset indicating they do not have a workforce strategy that is aligned with their business strategy, those in the Americas are the most active about addressing the issue, with 59% thinking about their strategy, revising a strategy, outsourcing the work or taking another approach, while 39% are doing nothing. In contrast, 50% of employers in the Asia Pacific region and 62% of employers in EMEA are doing nothing to create a workforce strategy.

Employee Understanding of Workforce Strategy

The 14,385 employees surveyed in Canada, China, France, Germany, India, Italy, Japan, United Kingdom and the United States were asked if they have a clear understanding of their companies' business strategies and how their roles support them, and 79% report that they do clearly understand both the strategy and their role. In contrast, over one in five have a less clear understanding—5% say they either don't understand the strategy or their role, and 5% say they do understand the strategy, but not their role, while an additional 11% are unsure.



Proportion of those who understand both strategy and role.

While the majority of those surveyed say they understand both the company business strategy and their role in it, there's a surprising discrepancy between the level of understanding of those in India, where 91% indicate they understand both the strategy and their role, and those in Japan, where only 56% understand both the strategy and their role. This lack of understanding on the part of Japanese employees could be a real barrier to accelerating growth among Japan's businesses and one could argue that this issue is impeding performance today, looking at the comparative strength of other countries coming out of this most recent recession.

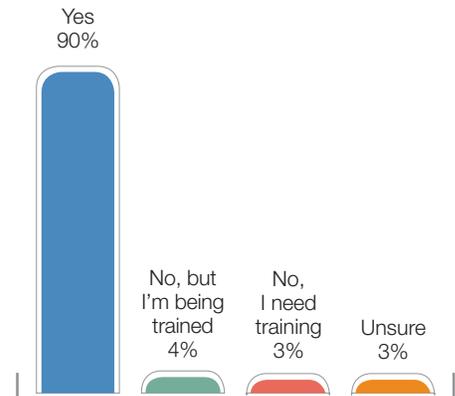
Skills Gaps in the Workforce

During this study, employees were also asked if they feel they have the capabilities to execute their roles, and 90% believe they do, while 4% say that although they don't currently have the capabilities, they are being trained. Another 3% say they need training and 3% aren't sure if they have the capabilities they need.

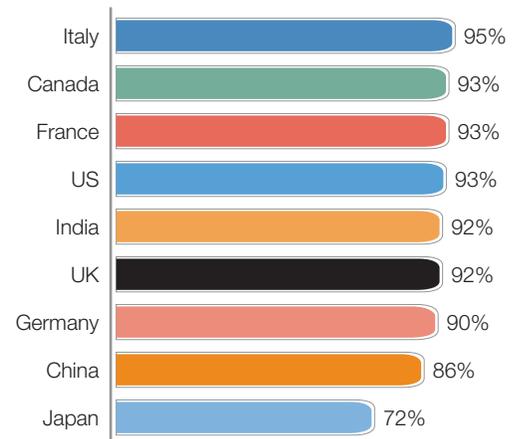
While most of the employees surveyed believe they have the capabilities necessary to execute their roles, there is again a regional discrepancy that correlates to the degree to which they understand their role. While employees in most countries strongly feel they have the capabilities, those in Japan are less likely believe they do.

Employers were asked which skills categories were the weakest in their organization, and therefore the biggest barrier to executing their business strategy. Communications skills and technical skills are identified by 13% and 11% of employers, respectively, as the most troubling weakness. Meanwhile, 8% of employers most often cite planning and organization skills as a key issue, while collaboration and teamwork skills, leadership skills, and professional qualifications or certifications are each identified by 7% of employers as a hurdle to executing business strategy. Industry and process knowledge and problem solving skills are each key issues for 5% of employers, while just 2% indicate there is some another skills category hindering their business strategy. Over one in three (35%) employers do not know what their organizations' weakest skills areas are.

Regionally, one in five employers in the Americas either don't know what their workforce's weakest skill are (21%), or cite communication skills as the primary weakness (20%), while in the Asia Pacific region 28% of employers don't identify a particular weakness, although technical skills are cited as the greatest weakness by 15% of those surveyed. Finally, 50% of EMEA employers didn't or couldn't identify a single biggest skills weakness.



Do you feel you possess the capabilities to execute your role?



Proportion of those who feel they possess the capabilities.



In your organization, which of these skills categories is the weakest, and therefore the biggest barrier to executing your business strategy?

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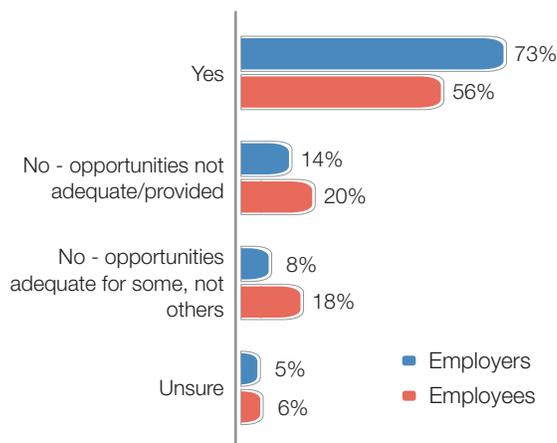
In comparison, employees were asked which capabilities were the most important for them to develop personally, in order to execute their roles and help their companies achieve their goals and objectives. As identified in the chart below, and similar to the employer sample, communication and technical skills are cited most often by employees. Communication skills, technical skills, and planning/organization skills are each cited by 15% of respondents as the most important, while collaboration/teamwork (14%), problem solving (13%), leadership (11%) and professional qualifications or certifications (10%) are also among the most mentioned. 6% feel they needed to develop industry/function/or process knowledge, and 1% note there was some other capability they needed.

Communication, technical, collaboration, and planning skills are the most frequently cited areas for development by employees, although those in Japan and China also refer to problem solving and leadership skills as primary areas for development.

Which of the following is the most important for you to develop personally in order to execute your role and help your company achieve its goals and objectives?

	Most Important Skills to Develop	Second most important
US	Communications	Technical
UK	Communications	Technical
France	Collaboration/Teamwork	Technical
Germany	Collaboration/Teamwork	Planning/Organization
Italy	Planning/Organization	Collaboration/Teamwork
Canada	Communications	Planning/Organization
Japan	Technical	Problem solving
India	Planning/Organization	Communications
China	Collaboration/Teamwork	Leadership

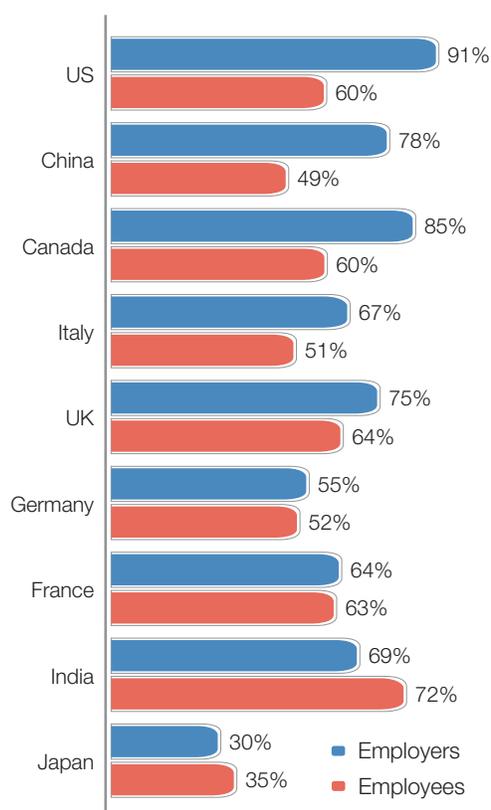
Training and Development



Does your organization provide training and development opportunities to help employees at all levels build the skills they need to achieve the company's business strategy?

Both employers and employees were asked if their organizations provide training and development opportunities to employees at all levels to build the skills they need to achieve the company's business strategy. While 73% of employers say that they do, only 56% of employees believe this to be the case. Furthermore, 20% of employees believe that the training opportunities are either not adequate or not provided, compared to 14% of employers. 18% of employees believe that training opportunities are adequate for some but not others, compared to 8% of employers. A similar proportion of employers and employees aren't sure if the training and development opportunities are adequate, 5% and 6%, respectively.

Regionally, the largest discrepancy between employer and employee opinions on training and development can be seen in the United States, China, and Canada, where there is a gap of 31, 29, and 25 percentage points between employers and employees, respectively, with employers always having a more positive opinion of their training programs. India and Japan are the only countries where employees felt more positive about the training and development programs than did the employers who provide them.

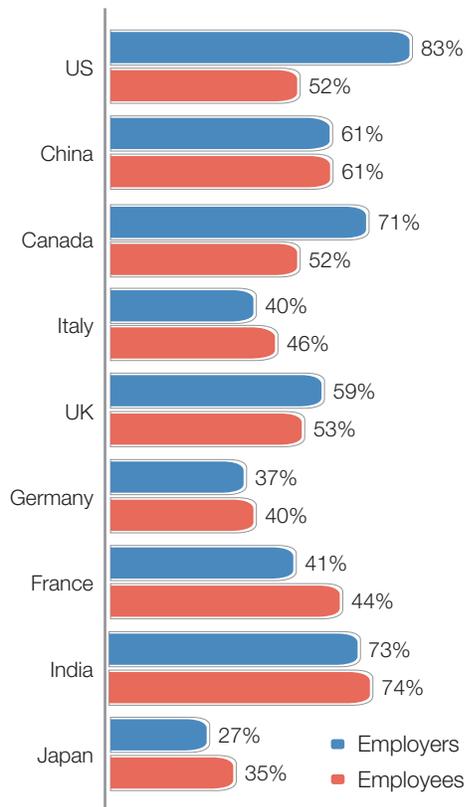


Proportion saying training opportunities are provided for all employees.

When asked if their organization has made training and development a priority, the results are more closely aligned, with 61% of employers and 51% of employees saying yes and 33% of employers and 35% of employees saying no. Although 6% of employers are not sure if training and development is a priority, more employees (14%) are unsure.

Country by country, there is more of a difference in employer and employee opinions on whether organizations have made training a priority. In the United States, this difference is especially noticeable, with 83% of employers saying training and development are a priority, but only 52% of employees saying so—a 31 percentage point difference. Data for Canada and the U.K. display similar discrepancies, while in China employer and employee opinions match. In the remaining countries, the trend reversed, with more employees feeling that training and development had been made a priority than employers.

*These findings were originally highlighted in a Manpower Fresh Perspectives paper titled, **Is Talent Holding You Back? Designing Workforce Strategy for Sustained Business Growth**, which can be downloaded at www.manpower.com/researchcenter.*



Proportion saying training and development is a priority.

About Manpower

Manpower Inc. (NYSE: MAN) is a world leader in innovative workforce solutions, creating and delivering services that enable its clients to win in the changing world of work. With over 60 years' experience, Manpower offers employers a range of solutions and services for the entire employment and business cycle including permanent, temporary and contract recruitment; employee assessment and selection; training; outplacement; outsourcing and consulting. Manpower's worldwide network of 4,000 offices in 82 countries and territories enables the company to meet the needs of its 400,000 clients per year, including small and medium size enterprises in all industry sectors, as well as the world's largest multinational corporations. The focus of Manpower's work is on raising productivity through improved quality, efficiency and cost-reduction across their total workforce, enabling clients to concentrate on their core business activities. Manpower Inc. operates under five brands: Manpower, Manpower Professional, Elan, Jefferson Wells and Right Management. More information on Manpower Inc. is available at www.manpower.com.

The World of Work Experts

Manpower develops research tools and reports to lend insight into labor market issues and trends around the world.

Some of these include:

- Quarterly Manpower Employment Outlook Survey
- Annual Talent Shortage Survey
- Borderless Workforce Survey

More research like this can be viewed at:
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