

2012

TALENT SHORTAGE SURVEY

RESEARCH RESULTS



ManpowerGroup™

EXECUTIVE SUMMARY

Despite the continuing caution exercised by many organizations amid ongoing economic uncertainty, a substantial proportion of employers around the globe identify a lack of available skilled talent as a continuing drag on business performance. ManpowerGroup's 2012 Talent Shortage Survey, the seventh in the annual series, explores the extent to which employers in the world's leading economies are having difficulty filling talent; what jobs are most difficult to fill and why; concern over stakeholder impact; and what strategies employers are pursuing to overcome the talent shortage.

In this year's research, over a third of the employers we surveyed told us they were unable to find the talent their organizations need. That so many employers continue to identify talent shortages as a barrier to their business goals defies prevailing logic, especially when viewed against the high levels of unemployment in many economies—particularly among young adults. However, we asked employers to identify why they were experiencing problems filling positions in their organizations. Overwhelmingly, a lack of available candidates with the right technical expertise and employability skills continues to vex employers.

This talent mismatch will continue to challenge employers. In the Human Age, companies will have to navigate the continued growth of emerging markets, globalization, and the expanded use of increasingly sophisticated and rapidly changing technologies. Emerging trends put unprecedented value on talent as the driver of business success. This will only increase the competition for proven, talented employees with skills employers need. Furthermore, individuals with in-demand skills will become more selective as they evaluate their employment options, compelling companies to develop better recruitment and retention strategies. Similarly, this lack of talent will force organizations to adopt a new mindset regarding talent development, where upskilling their existing employees and

developing candidates with potential becomes the norm rather than the exception.

The Talent Shortage research results for 2012 are similar in many ways to the 2011 results. However, the world is a much different place than it was one year ago, and there are several notable differences. To begin with, skilled trades workers are once again identified as the most difficult position to fill globally after slipping to the third spot in 2011.

The most surprising response, however, involves the percentage of employers who indicate unfilled positions are expected to have little or no impact on key constituents, such as customers and investors; this proportion has grown considerably—from 36% in 2011 to 56% in 2012.

The reason behind this shift in perceived impact is puzzling. However, this finding could be revealing a new normal. For example, employers were understandably cautious in the aftermath of the recession, and responded to declining revenues by allocating their resources—both financial and human—cautiously. And although many organizations have emerged from the challenges of the recession operating at new levels of efficiency, they evidently remain reluctant to add employees at greater expense, or without proof that additional talent will provide long-term benefits. This is, in part, why hiring has not kept pace with the overall economic recovery—organizations have become more comfortable and adept at conducting business in an uncertain environment where systematic shortages of talent persist. They are increasingly utilizing contingent workers to introduce more flexibility to their workforce to deal with see-sawing demand. Since they believe the talent challenges will persist, rather than focus on solving complex talent management issues, they are instead focusing on other areas of the business for competitive advantage. However, for those companies that maintain a longer-term view and realize that their

talent will differentiate them from their competitors, they will likely gain a major competitive advantage over those who choose to put talent management on the back burner. As we have only been tracking “impact” in the research for two years, only time will tell if confidence operating with systematic talent shortages is truly the new norm in business.

Nonetheless, failure to understand the impact unfilled positions can have on the client experience and stakeholders, (and remember that an organization’s employees should be counted among this group) is a monumental mistake. Organizations cannot remain in denial about the long-term impact of talent on their businesses. Leaving positions unfilled may be a short-term solution that organizations feel they can endure at present and one that will boost the balance sheet, however, as the shortage of specific skill sets becomes even more acute, it is also a short-sighted, unsustainable approach to addressing talent shortages in the Human Age.

Signs that talent shortages are here to stay also highlight a key difference between the 2011 and 2012 surveys. In 2011, only 24% of employers named the “Lack of available applicants/no applicants” as the most common reason for difficulty filling jobs. In 2012, that percentage jumped to 33%. An equal percentage named “Lack of technical competencies/hard skills”—in particular the lack of industry-specific qualifications in both professional and skilled trades categories—up from 22% in 2011. Environmental factors, such as this lack of available applicants, may force organizations to counter Human Age trends with proactive, innovative and flexible workforce management strategies. These strategies are likely to include focusing on the skills development of existing Staff. In fact, the 2012 research indicates that a growing percentage of employers are addressing their talent shortages by upskilling current Staff and promoting Staff who demonstrate the potential to grow and develop, particularly among those employers who report that talent shortages are having a high impact on their businesses.

Other highlights from this year’s survey include:

- Worldwide, talent shortages are most acute in the Asia Pacific region, with particular difficulties faced by employers in Japan, where an aging workforce is exacerbating the issue. Among a subset of this region’s employers who are most concerned about inadequate talent supply, soft skills deficits among IT and Engineering candidates are a current challenge.
- Skilled trades positions are currently the most difficult to fill in Europe, the Middle East and Africa (EMEA), while employers in the Americas find engineering posts the hardest to fill. For the sixth consecutive year, Asia Pacific employers name the sales representative category as the most challenging role to fill.
- Despite the ongoing level of talent shortages, compared to last year employers express notably less concern about the impact shortages have on key stakeholders such as customers and investors. This surprising finding may represent a new normal.
- Environmental and organizational factors are important concerns for all businesses suffering from talent gaps, regardless of where the shortage lies. The top reason employers say they can’t fill roles is simply an overall lack of applicants; the second is the candidate-based factor that applicants lack the technical competencies, or hard skills, required for the role.
- Employers are becoming slightly more proactive about closing skills gaps—more employers seek to address talent shortages by providing training and development for existing Staff than was the case in 2011, particularly among employers saying that talent shortages are having a high impact on their businesses.
- More organizations are adopting ManpowerGroup’s “teachable fit” approach by hiring individuals without all of the prerequisite job skills, but who have the potential to learn and grow into the specific job role.

GLOBAL

For the 2012 Talent Shortage Survey, ManpowerGroup researched the views of more than 38,000 employers in 41 countries and territories. This is the seventh annual survey exploring the impact of talent shortages on the global labor market and how employers are responding to the challenges raised by the lack of available talent in specific job categories. A total of 38,077 interviews were conducted by phone with employers in three regions during Quarter 1 2012, including 10,232 in the Americas, 8,786 in Asia Pacific and 19,059 in Europe, the Middle East and Africa (EMEA).

DIFFICULTY FILLING JOBS

Against the backdrop of the slow-paced recovery in the global economy, around one in three employers (34%) continue to experience difficulties filling vacancies due to lack of available talent. The proportion is unchanged when compared with 2011, and is four percentage points above the level reported in 2009, at the height of the global financial crisis. (Figure 1) While the percentage has not reached pre-crisis levels, results show a gradual tightening of the global labor market.

Talent supply and demand issues are generally more acute in the Asia Pacific and the Americas regions

than in EMEA. The highest proportion of employers reporting difficulty filling jobs is in Japan where 81% indicate that this is an issue. Notable shortages are also reported in other Asia Pacific markets, including Australia (50%), India (48%) and New Zealand (48%). In the Americas, the most urgent talent shortage is reported in Brazil, where 71% of employers identify difficulty sourcing employees with the relevant profile. In the U.S., 49% of employers report difficulties filling jobs. In EMEA, meanwhile, talent shortages are perceived as a less critical issue; recovery has yet to fuel meaningful employer hiring intentions, with the proportion of employers reporting difficulty filling jobs falling below the global average in 15 of the 23 EMEA countries. (Figure 2) Yet, even in Greece where the debt crisis has severely shaken employer confidence, nearly one out of four employers tells us they have difficulty sourcing talent to fill vacant roles.

The percentage of employers reporting difficulties filling specific job roles remains relatively consistent over time among some of the world's leading economies. For example, in Japan, the proportion has remained between 76% and 81% in each of the past three years, while in the UK the proportion has

Figure 1

GLOBAL: % HAVING DIFFICULTY FILLING JOBS

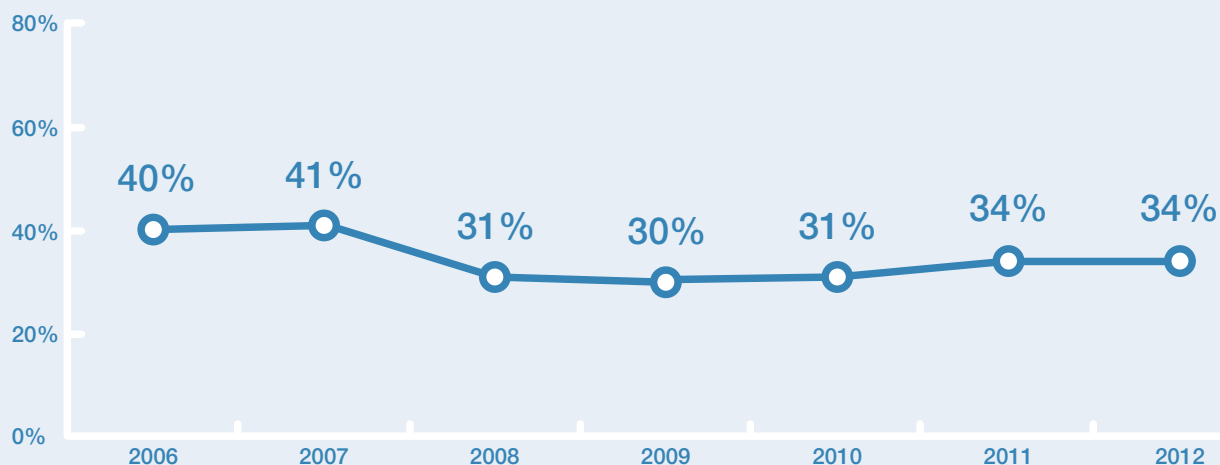
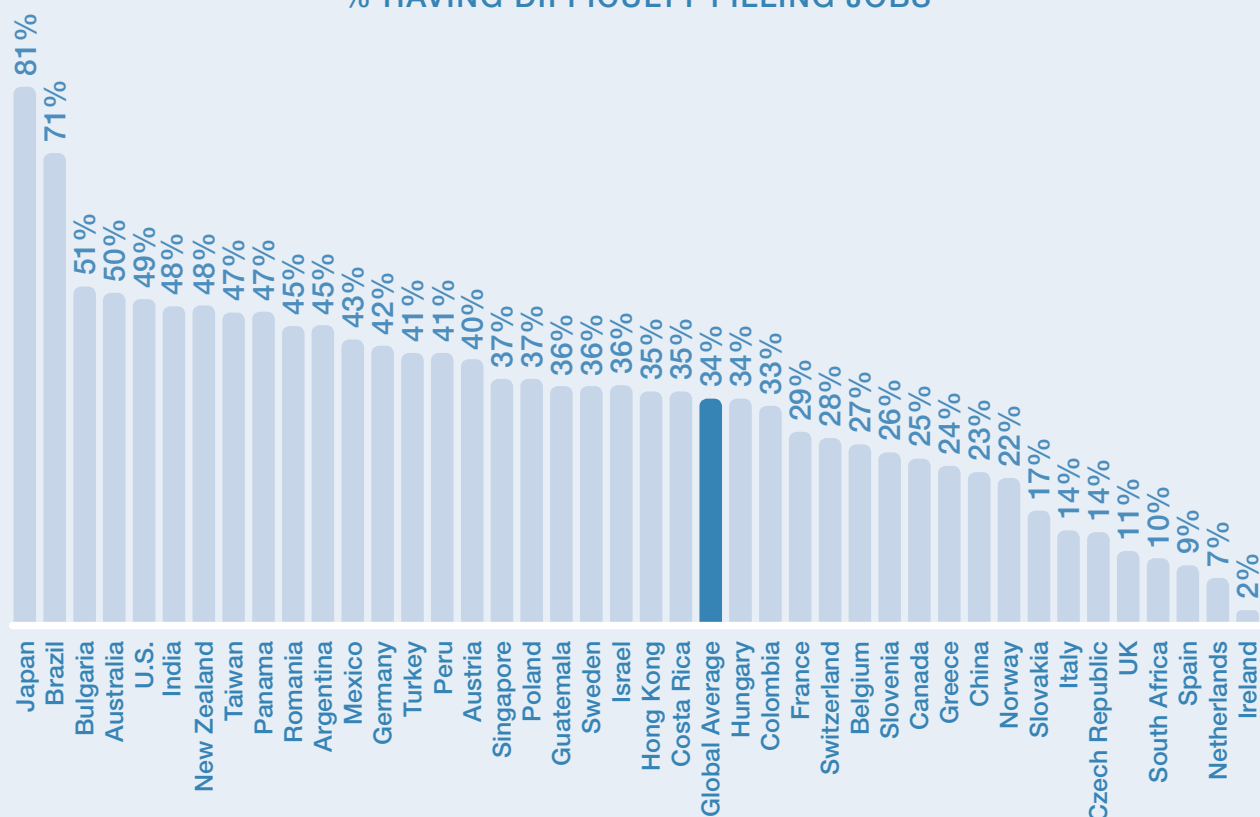


Figure 2

% HAVING DIFFICULTY FILLING JOBS



ranged from 9% to 15%. Elsewhere, however, there is notably more volatility, particularly in India, where the proportion increased from 16% to 67% between 2010 and 2011 only to fall back to 48% in 2012. Only in France does the survey reveal a noteworthy increase in the number of employers struggling to find appropriate talent with the proportion increasing from 20% to 29%. Conversely, beleaguered Italian employers report a considerably less pressing talent shortage, with the proportion declining from 29% in 2011 to 14% this year. (Figure 3)

MOST DIFFICULT POSITIONS TO FILL

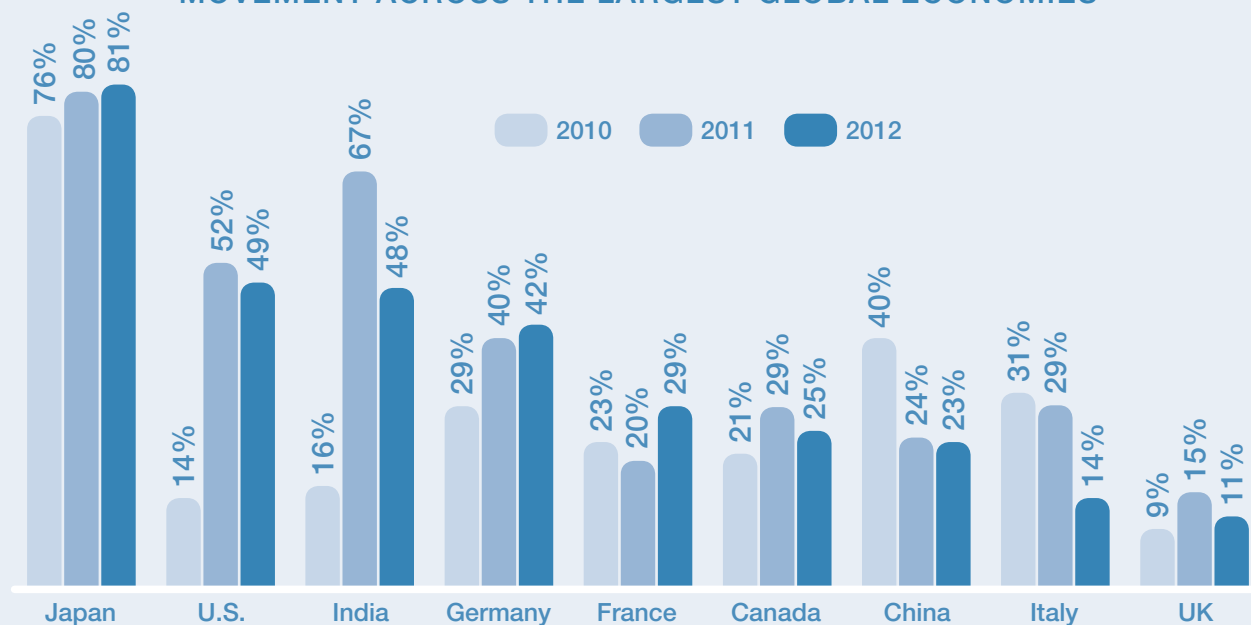
At a global level, vacancies for skilled trades workers top the list of the most difficult positions to fill. Skilled trades Staff topped the list from 2008 to 2010, were displaced to third position in 2011, but returned to the top in 2012. This should come as no surprise. As educational systems around the world have focused on four-year university education, this

has resulted in the decline of vocational/technical programs—both curricula and enrollments have eroded over the past several decades. In addition, with fewer new workers to offset current retirements in the skilled trades, many economies will face continued shortages in the future.

The second most in-demand category is engineering Staff which rises from fourth place in 2011. Mechanical, electrical and civil engineers are most often identified in short supply by employers. This finding continues to highlight the lack of focus on developing STEM (science, technology, engineering and math) skills in many economies around the world. Similar to the situation in the skilled trades, demand is simply outstripping supply. Sales representatives are the third most sought after category (down from second in 2011) and the role's continued presence in the top 10 is a result of companies continuing to seek out experienced

Figure 3

MOVEMENT ACROSS THE LARGEST GLOBAL ECONOMIES



sales people who can help drive revenue growth. Sales representatives are followed by technicians in fourth place (down from the top spot in 2011). IT Staff roles are evidently more of a challenge for employers to source this year, with this type of employee now ranked fifth, up from eighth in 2011. New technology trends, such as cloud computing, will continue to present a challenge for employers as they seek to keep the latest IT skills in their workforce. (Figure 4)

Employers also report increasing demand for accounting and finance Staff and professional drivers, with candidates in both categories moving up the list year-over-year, while the eighth and ninth-placed categories—management/executives and laborers—both slip down the rankings. As in 2011, secretarial, administrative and support Staff place tenth in the rankings. It is important to note that just because a particular role did not make employers' top 10 most difficult-to-fill list it does not mean that those jobs are not in demand. Specific industry sectors may have niche talent shortages that are very acute, but because they are less

widespread they do not statistically surface to the top of the list.

IMPACT ON STAKEHOLDERS

All employers who indicated they face talent shortages, and identified a specific talent category as the most difficult to fill, were asked how failure to fill these vacancies would likely affect key constituents such as customers and investors. Overall, 13% of employers worldwide believe that unfilled vacancies have a high impact on stakeholders, and a further 29% think there is a medium impact. However, the majority of employers feel there is little (31%) or no impact (25%).

When compared with 2011, employers are notably less concerned about how unfilled vacancies will impact customers and other stakeholders. Last year, a clear majority said this had a medium or high impact (57%) compared to just over two-fifths this year (42%). (Figure 5)

There could be a reason for this drastic change. Having been tested by the latest recession, organizations have become more comfortable

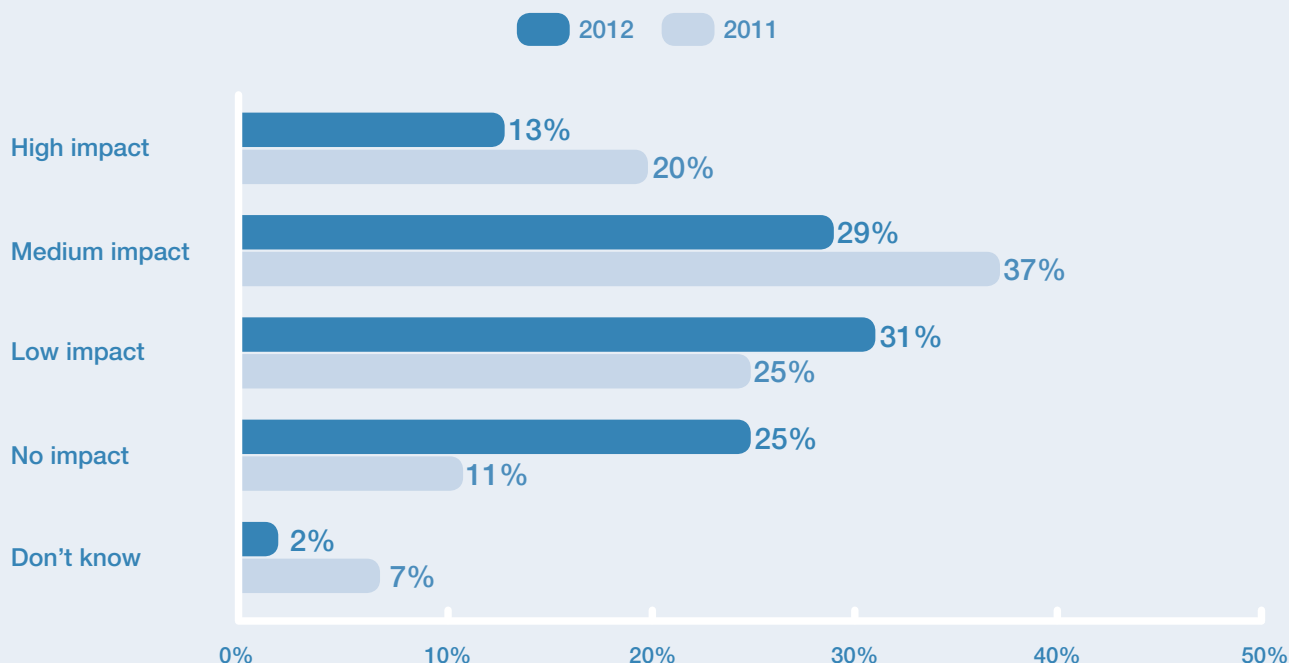
Figure 4

GLOBAL: TOP 10 JOBS EMPLOYERS ARE HAVING DIFFICULTY FILLING

1 Skilled Trades Workers	6 Accounting & Finance Staff
2 Engineers	7 Drivers
3 Sales Representatives	8 Management/Executives
4 Technicians	9 Laborers
5 IT Staff	10 Secretaries, PAs, Administrative Assistants & Office Support Staff

Figure 5

GLOBAL: IMPACT ON STAKEHOLDERS



and adept at conducting business in an uncertain environment where systematic shortages of talent persist. They are increasingly utilizing contingent workers to introduce more flexibility to their workforce to deal with see-sawing demand. Since they believe the talent challenges will persist, rather than focus on solving complex talent management

issues, they are instead focusing on other areas of the business for competitive advantage. Other ManpowerGroup research suggests that many employers still have the attitude that talent is plentiful and can be “bought” wherever and whenever it is needed. This attitude could also be coloring employers’ perception regarding the impact

of talent supply on their businesses. Only time will tell whether the data is revealing a new normal regarding how employers perceive the impact of talent shortages.

REASONS FOR DIFFICULTY FILLING JOBS

Employers cite a variety of causes behind their inability to fill jobs, ranging from undesirable geographic locations, to candidates looking for more pay than employers were offering. However, our research reveals one of the two most frequently reported reasons why employers say they have difficulty filling vacancies is a simple lack of available applicants in their local labor market. This structural market issue is more common in the Americas (36%) and Asia Pacific (35%), but is also a significant issue in EMEA (30%). In each region, particular countries stand out for lack of available applicants. The biggest applicant shortage in the Americas region is in the U.S., where 55% say this is a factor, while in Asia Pacific, employers in New Zealand (50%) and Taiwan (46%) report the most difficulty. The most pressing candidate shortage in EMEA is reported by employers in Austria (67%) and Switzerland (62%). (Figure 6)

The second key reason employers give to explain their difficulty sourcing qualified candidates is a lack of technical competencies in the workforce. This is an issue for 36% in the Americas, 34% in EMEA and 29% in Asia Pacific. This challenge comprises a number of different factors which summarize an overall definition of “hard skills.” Typically, employers are referring to a shortage of candidates with industry-specific qualifications, both for professional roles (16%) and skilled trades roles (11%). The category also includes other specific hard skills ranging from the ability to speak a foreign language to IT capabilities and machine-operation skills. (Figure 7) In fact, analysis of the subset of employers saying that talent shortages are having a high impact on their businesses reveals that the lack of hard skills in IT and engineering candidates is their biggest concern.

One in four employers (24%) globally says lack of experience in general is an underlying reason for the talent shortages they face, with employers in the U.S. (44%), Turkey (43%), Hungary (43%) and Brazil (40%) most often citing this issue. Another 18% select categories classified as employability skills or soft skills gaps where candidates are felt

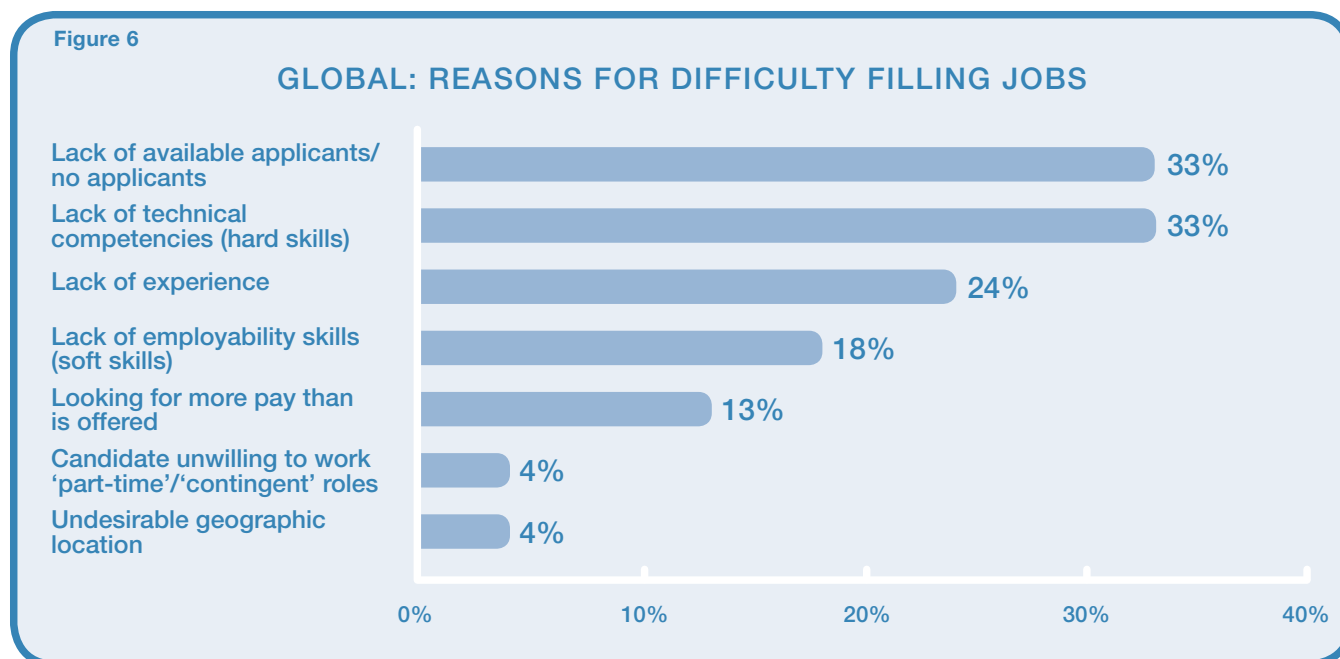


Figure 7

GLOBAL: TECHNICAL SKILLS DEFICIENCIES (HARD SKILLS)

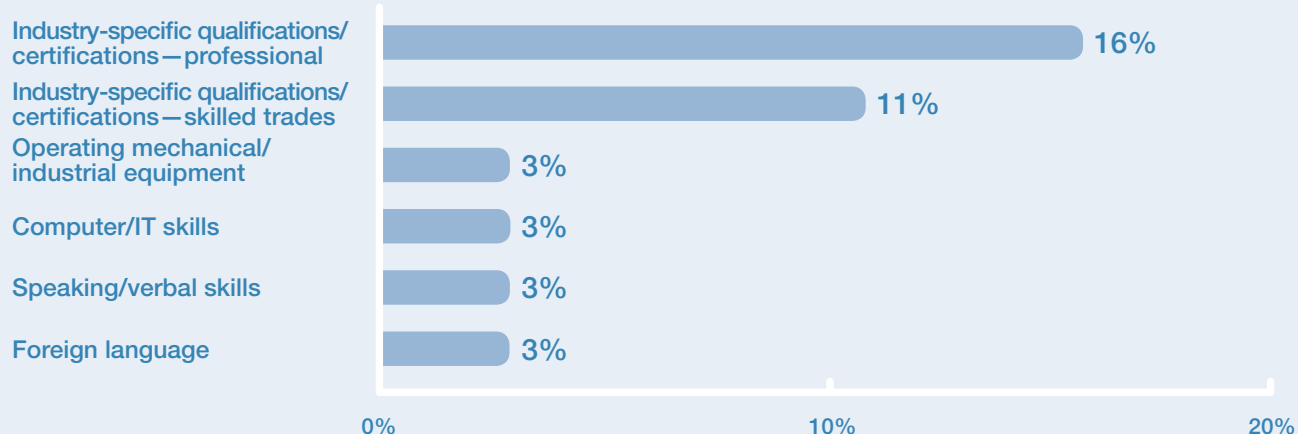
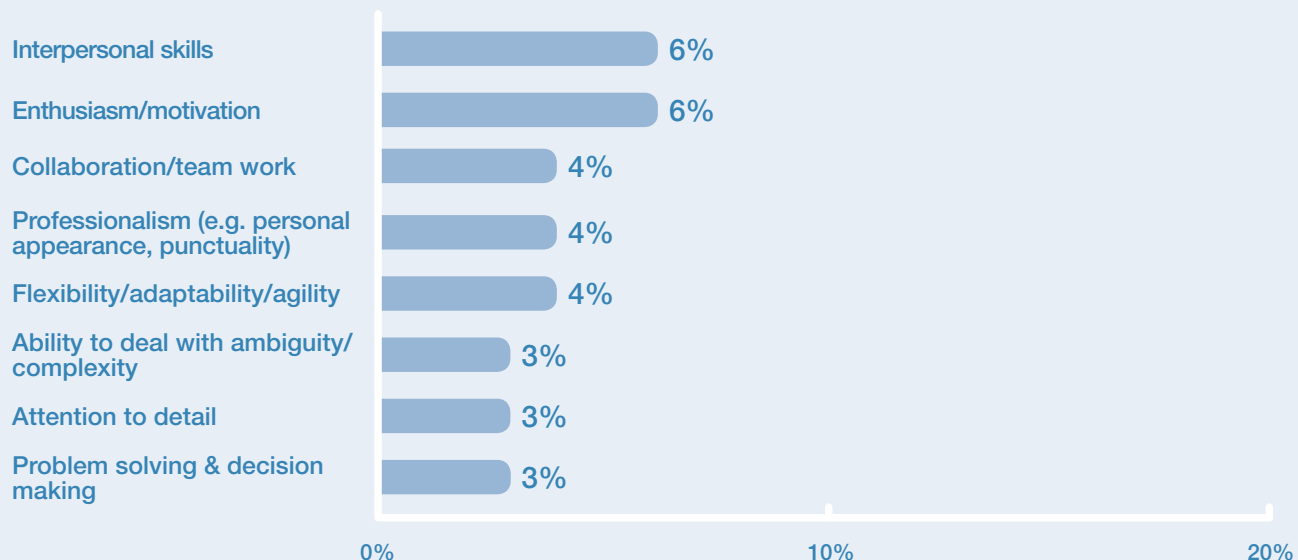


Figure 8

GLOBAL: EMPLOYABILITY SKILLS DEFICIENCIES (SOFT SKILLS)



to be lacking. These soft skills deficiencies are most prevalent in the Asian countries of Japan (70%) and Taiwan (67%). Among the most commonly identified soft skills employers found lacking are interpersonal skills and enthusiasm/motivation. (Figure 8)

OVERCOMING TALENT SHORTAGES

Employers were asked what strategies they are implementing to overcome the difficulty of filling jobs. Responses vary widely, from providing

additional training for current Staff and boosting compensation, to partnering with educational institutions to provide candidates with the essential skills that organizations cannot impart on their own. But their responses clearly point to a need for solutions that help them close specific skills gaps that handicap efforts to drive their organizations forward. In addition, the percentage of employers adopting the top three strategies to overcome talent strategies all increased from last year and suggests

that more companies are now feeling enough pain to begin doing something about it.

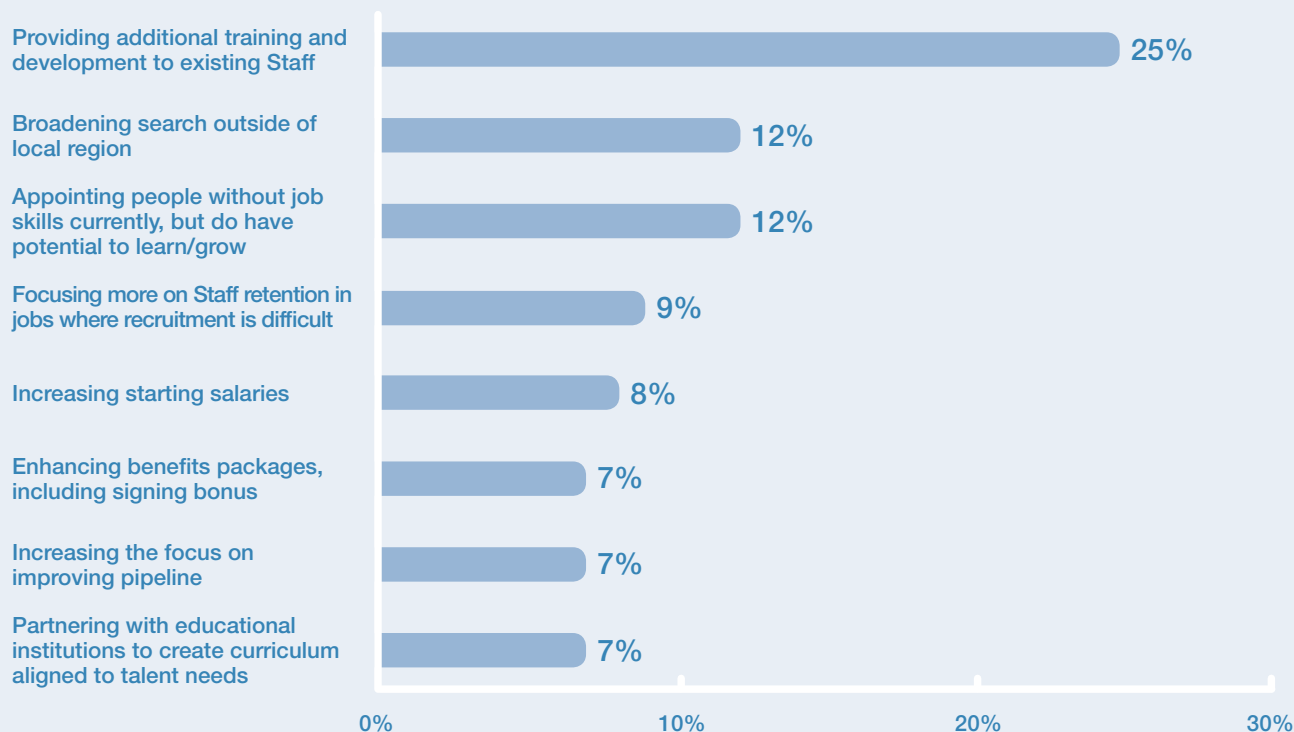
One in four employers (25%) actively provide further training to existing team members, a proportion which increases from 21% in 2011. Countries with the highest incidence of boosting training efforts include Mexico (49%), Turkey (48%), Peru (48%) and Brazil (46%). The second most common strategy to address the talent shortage is expanding the candidate search outside the immediate region (12%); employers in the United States (28%), Taiwan (23%) and Spain (21%) most often employ this strategy. Ranking third is appointing people who do not currently have the skills for the role, but show potential to learn and grow (12%). This approach of finding individuals who are a “teachable fit” is most common in the United States (36%), Taiwan (31%), South Africa (30%) and Bulgaria (26%). Almost one in ten (9%) employers focus on Staff retention in roles where recruitment is

particularly challenging, particularly in Hungary (38%), the U.S. (37%), Italy (30%) and Japan (27%). A further 8% offer increased starting salaries to attract candidates. This “pay more” approach is being implemented most often in China (27%), the U.S. and Panama (16%) and Slovakia (15%). Three further strategies are each indicated by 7% of employers: offering enhanced benefits packages including a sign-on bonus; increasing the focus on improving the organization’s talent pipeline; and partnering with educational institutions to create a curriculum more closely aligned with their organization’s talent needs. (Figure 9)

An analysis of the subset of companies feeling the greatest impact from talent gaps indicates that these are the companies doing the most to close those gaps. Compared to the norm, these organizations are prioritizing the development of skills in-house and focusing on retaining employees in positions where recruitment is difficult, rather than focusing on external recruitment.

Figure 9

GLOBAL: STRATEGIES EMPLOYED TO OVERCOME THE TALENT SHORTAGE



AMERICAS

ManpowerGroup surveyed 10,232 employers in the Americas region, covering Argentina, Brazil, Canada, Colombia, Costa Rica, Guatemala, Mexico, Panama, Peru and the U.S., during Quarter 1 2012.

DIFFICULTY FILLING JOBS

Finding the right candidates to fill job vacancies is becoming increasingly difficult, according to employers in the Americas. This year, 41% report this kind of difficulty, up from 37% in 2011 and 34% in 2010. Indeed, the proportion reporting hiring difficulties is at its highest since 2007, before the credit crunch and the weaker economy led to diminished employer hiring demand. Overall, employers in the Americas report greater levels of difficulty in filling jobs than their global counterparts with those in eight of 10 countries reporting greater difficulty in filling jobs than the global mean (34%). (Figure 10)

The most acute shortages are reported in Brazil, where 71% of employers face this issue, followed by the U.S. (49%) and Panama (47%). Meanwhile, talent shortages are somewhat less pressing in both Canada (25%) and Colombia (33%). Year-over-year, employers report greater difficulty

filling vacancies in seven of the 10 countries. The proportion of Peruvian employers reporting hiring difficulties increases by 31 percentage points, and increases of 14 and 11 percentage points are reported by Brazilian and Panamanian employers, respectively.

MOST DIFFICULT POSITIONS TO FILL

For the first time in the series of seven annual Talent Shortage Surveys, employers in the Americas report engineering roles are the most difficult to fill across the region. The engineering category moves into the top spot having been ranked fourth in 2011. While the role does not top the list in any country, it ranks second in Argentina, Canada, Costa Rica and the U.S. The technician category was regarded by employers across the region as the most difficult to fill each year from 2008 to 2011, but is now ranked second. This year, the technician role tops employers' most-wanted lists in Argentina, Brazil, Colombia and Guatemala. (Figure 11)

According to employers in the Americas, particularly those in Costa Rica, sales representatives are the third most difficult-to-fill skills category, down from second in 2011. Similarly, skilled trades

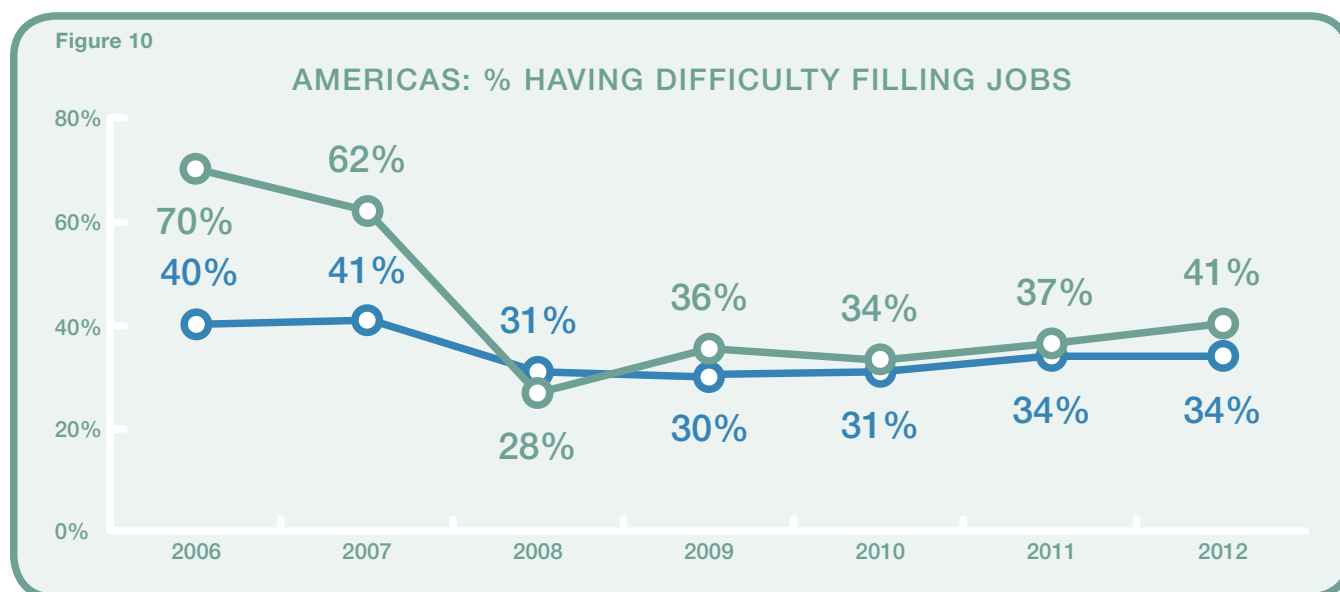


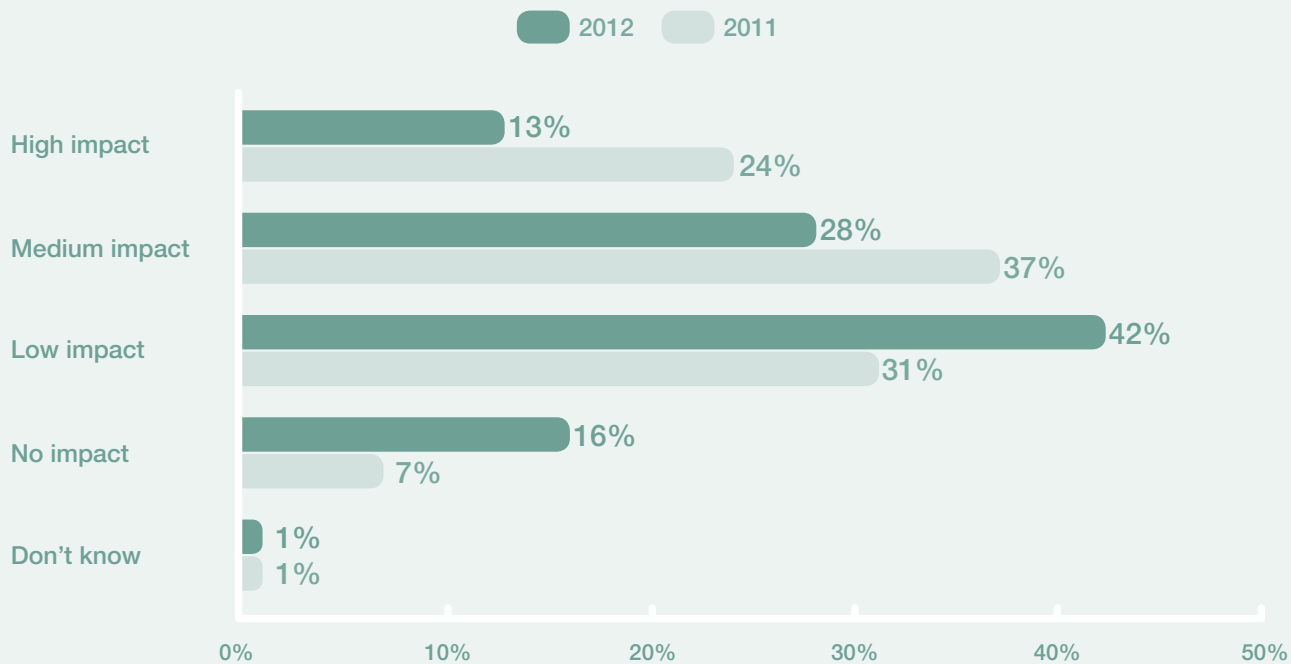
Figure 11

AMERICAS: TOP 10 JOBS EMPLOYERS ARE HAVING DIFFICULTY FILLING

1 Engineers	6 Secretaries, PAs, Administrative Assistants & Office Support Staff
2 Technicians	7 Accounting & Finance Staff
3 Sales Representatives	8 Drivers
4 Skilled Trades Workers	9 IT Staff
5 Production Operators	10 Laborers

Figure 12

AMERICAS: IMPACT ON STAKEHOLDERS



workers rank fourth, down from third last year, and according to employers they still are the most difficult-to-fill roles in Canada and the U.S. Production operators are the fifth most difficult hiring target, up two places on 2011. Two other categories move up in the rankings in 2012: the accounting and finance skills category rises from

ninth to seventh; and IT Staff places ninth, entering the top 10 for the first time.

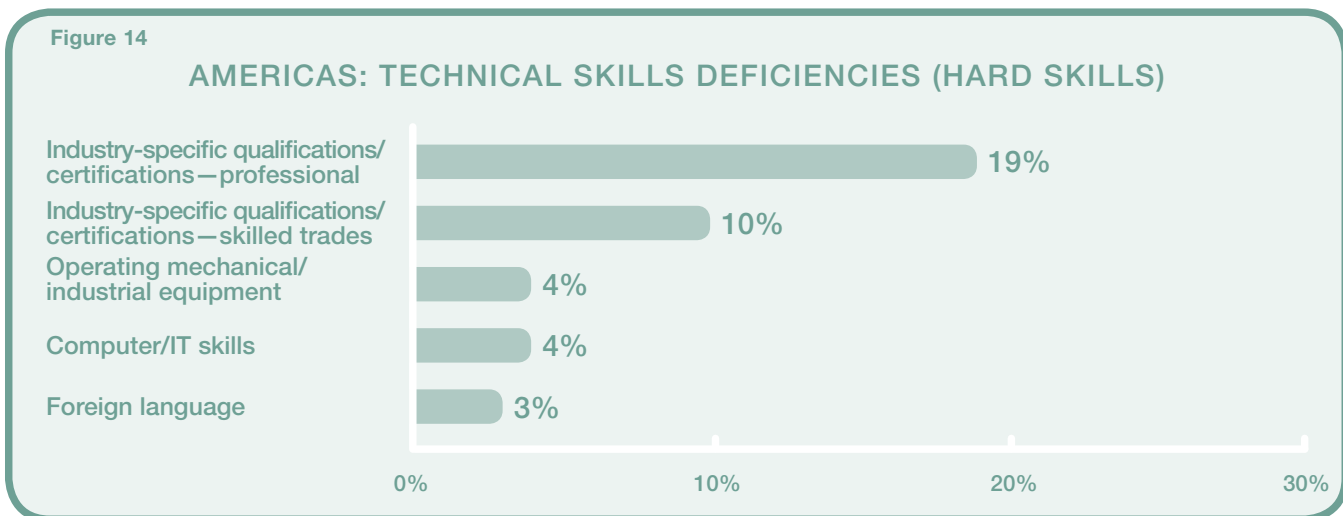
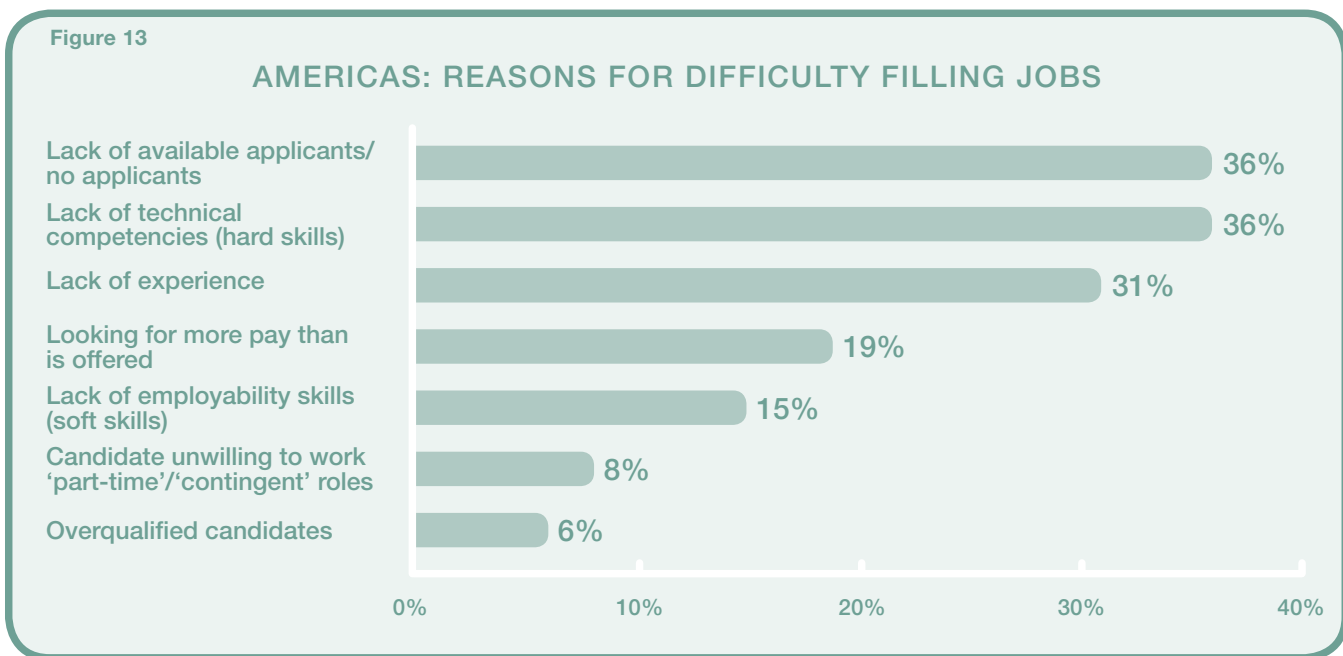
IMPACT ON STAKEHOLDERS

Despite the rising incidence of employers in the Americas reporting difficulties filling vacancies, they appear to be less anxious about the impact talent shortages have on key stakeholders such as customers

and investors. Overall, 41% feel the talent shortage is having a high or medium impact, compared to 61% in 2011. Correspondingly, the proportion feeling there will be low impact is up from 31% to 42%, and the proportion who believe talent shortages bear no impact increases from 7% to 16%. (Figure 12) Regionally, employers in Brazil (59%) and Argentina (47%) fear the greatest impact to stakeholders. Conversely, employers who are least concerned about impact to stakeholders—citing low or no impact—are in Mexico (67%) and Canada (63%).

REASONS FOR DIFFICULTY FILLING JOBS

When asked to explain what lies behind the talent shortages in their local labor markets, more than a third of employers in the Americas cite the overall lack of available applicants. The shortage of applicants is most often identified by employers in the U.S. (55%), Peru (42%) and Canada (41%). Even in Mexico, with the lowest regional proportion of employers reporting a shortage of applicants, 22% say the lack of available applicants is a problem. (Figure 13)



The second-most cited reason underlying the region’s talent shortage is the candidates’ lack of technical competencies, otherwise known as “hard skills.” Within this overall category, employers are most likely to be referring to a lack of industry-specific professional qualifications (19%) and a lack of relevant skilled trades qualifications (10%). (Figure 14) This issue is most pervasive in Brazil (56%) and Argentina (46%) and points to the need to have focused programs that help individuals gain these certifications.

However, analysis of the subset of employers in the Americas saying that talent shortages are having a high impact on their businesses reveals lack of hard skills is a particular problem for those organizations seeking IT Staff. Similarly challenging is the level of pay being sought by IT candidates.

Overall lack of experience among candidates is a factor cited by 31% of employers in the Americas, with those in the U.S. (44%) reporting the highest

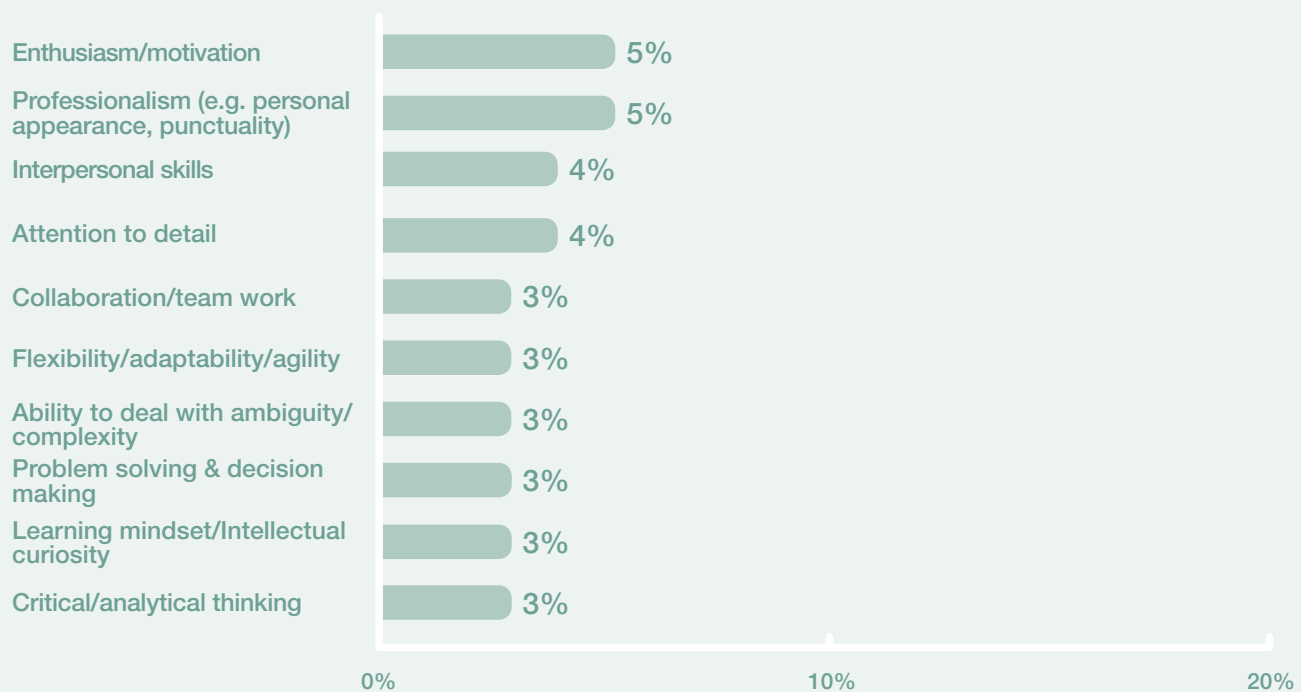
percentage of all the countries in the region. A further 19% report that they struggle to fill roles because applicants are expecting higher pay rates than those offered. The pay issue is most pronounced in U.S. where over half of employers indicate that inadequate compensation makes it difficult to land candidates. This suggests employers may need to consider paying more to attract the talent they need. In addition, 15% of employers report that applicants lack “soft skills” or employability skills, such as enthusiasm/motivation (5%) and professionalism (5%). (Figure 15)

OVERCOMING THE TALENT SHORTAGE

The most common strategy implemented by employers in the Americas to address talent shortages is additional training and development for existing Staff. The proportion that adopts this approach stands at 37%, up from 32% in 2011, and considerably more than the global average of 25%. Mexican (49%) and Peruvian (48%) employers

Figure 15

AMERICAS: EMPLOYABILITY SKILLS DEFICIENCIES (SOFT SKILLS)

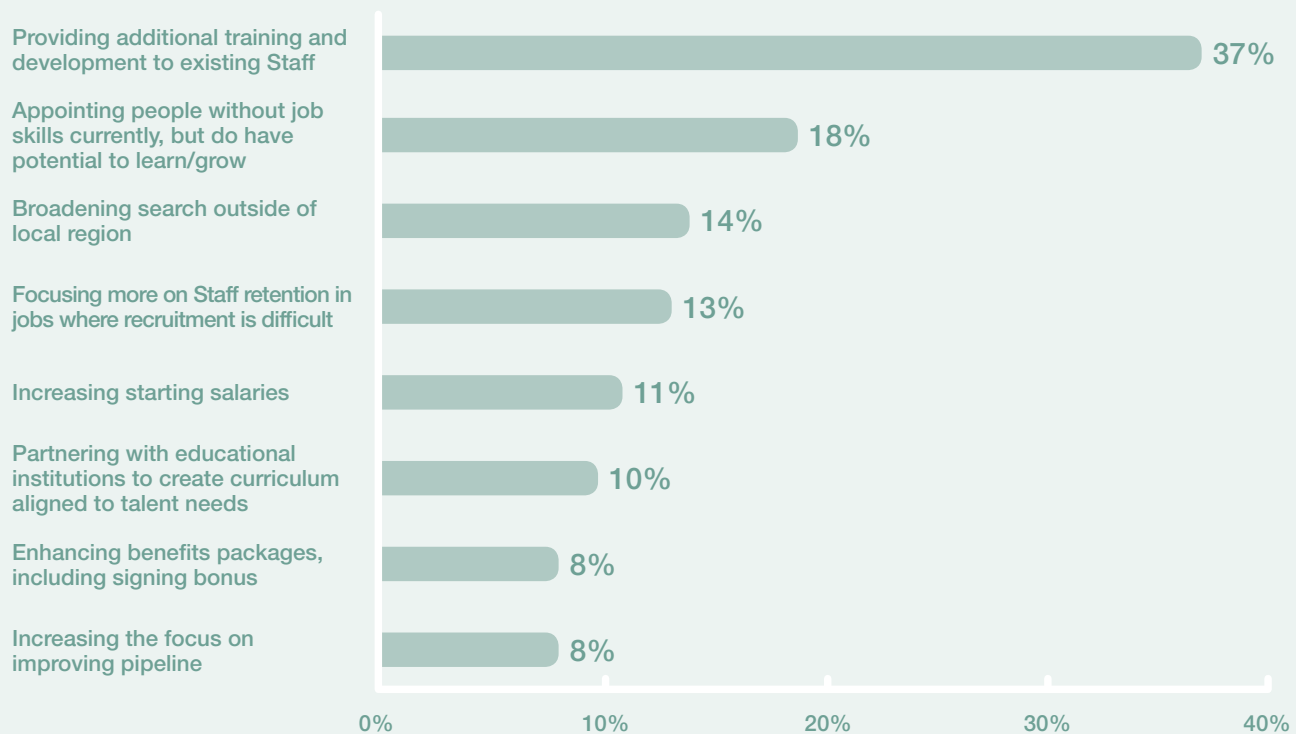


are most likely to boost training investments in existing Staff to help fill vacancies. On the other hand, U.S. employers are least likely to employ this tactic compared to their counterparts in the region. Other common strategies include appointing people who don't currently have the requisite job skills but have the potential to grow (18%), most often used by U.S. (36%), Mexican (22%) and Costa Rican (22%) employers. Broadening the candidate search beyond the local region (14%) is also used,

particularly by employers in the U.S. (28%) and Mexico (14%). Meanwhile, focusing more on Staff retention in roles that correspond to the more acute talent shortage issues (13%) is also a common strategy, and used most often in the U.S. (37%) and Panama (14%). Around one in ten (11%) employers offer increased starting salaries and/or partner with educational institutions to develop a curriculum more in line with their organizations' identified skills needs (10%). (Figure 16)

Figure 16

AMERICAS: STRATEGIES EMPLOYED TO OVERCOME THE TALENT SHORTAGE



ASIA PACIFIC

The 2012 Talent Shortage Survey includes the views of 8,786 employers in the Asia Pacific region. The survey was carried out in eight countries and territories—Australia, China, Hong Kong, India, Japan, New Zealand, Singapore and Taiwan.

DIFFICULTY FILLING JOBS

Talent shortages continue to be a problem for almost half of employers in Asia Pacific. As in 2011, 45% say they experience difficulty filling jobs, indicating that the post-recession hiring climate remains an ongoing challenge from an employer perspective. When compared with the first in the series of seven annual surveys back in 2006, the proportion experiencing hiring difficulties has increased by a considerable margin of 17 percentage points. The proportion of employers reporting difficulty sourcing the talent they need is also 11 percentage points above the global average (34%). (Figure 17)

Asia Pacific countries and territories occupy five of the top 10 places when all 41 countries and territories that participate in the survey are ranked by the percentage of those employers who report difficulty recruiting the right people. For the second

consecutive year, Japan is ranked at the top of all participating countries and territories, with 81% of employers reporting talent shortages. Australia is fourth, with 50% of employers reporting talent shortages, followed by those in India and New Zealand tied in sixth place at 48%. Taiwan is close behind in the top 10, with 47% reporting talent shortages. When compared with the previous year, the most striking decline in the proportion of employers reporting hiring challenges is in India, where the figure is 19 percentage points lower—perhaps the result of weaker demand for ITeS services from Europe—while the most notable increase of 4 percentage points is reported by employers in New Zealand.

MOST DIFFICULT POSITIONS TO FILL

Sales representative positions continue to be the most difficult-to-fill job roles in Asia Pacific: the category has now topped the rankings in each of the seven years that the Talent Shortage Survey has been carried out. The role tops the list in both Hong Kong and Taiwan. This is due in part to the continued expansion of multinational brands in the

Figure 17

ASIA PACIFIC: % HAVING DIFFICULTY FILLING JOBS

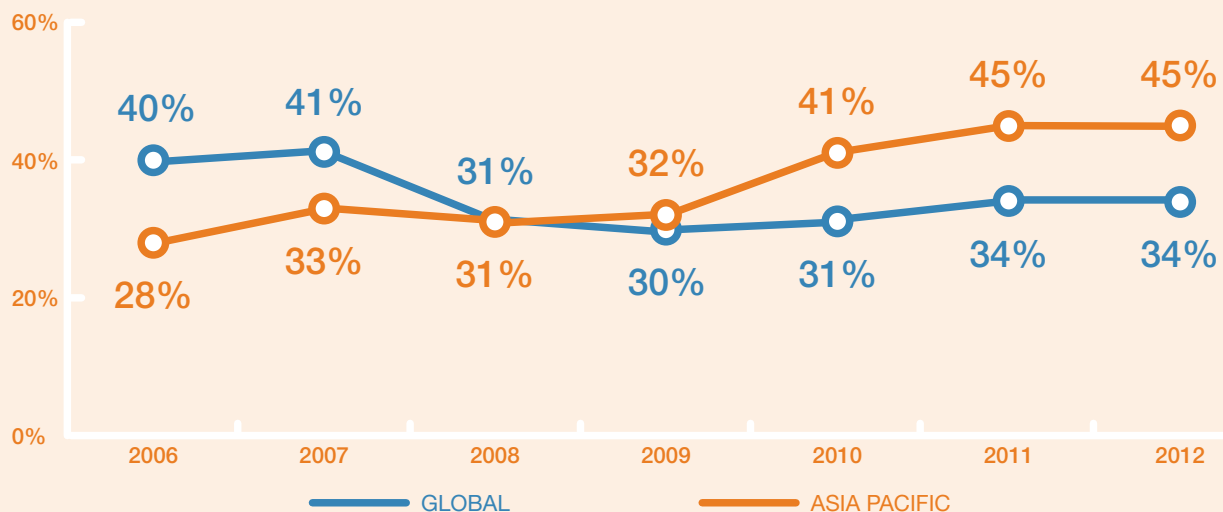


Figure 18

ASIA PACIFIC: TOP 10 JOBS EMPLOYERS ARE HAVING DIFFICULTY FILLING

1 Sales Representatives	6 Accounting & Finance Staff
2 Engineers	7 Management/Executives
3 Technicians	8 Laborers
4 Skilled Trades Workers	9 Researchers (R&D)
5 IT Staff	10 Marketing & Public Relations Staff

region, which require sales talent to support their growing footprint. Engineering roles are the second most difficult jobs to fill, particularly in Japan and New Zealand, with this skills category moving up the rankings from fourth in 2011. Third on the regional list is the technicians category, down from second in 2011 and the most difficult-to-fill job in China. Ranking fourth, skilled trades workers continue to be in great demand, particularly in Australia. Skilled trades roles move up five places from ninth in 2011. (Figure 18)

The fifth-placed job category in 2012 is IT Staff, up from seventh last year. It should be no surprise that IT Staff tops the list in India, as employers in the Indian ITeS sector continue to seek qualified Staff to meet business objectives. Meanwhile, accounting and finance Staff slip back from fifth to sixth. Ranked seventh, the management/executives skills category moves up one place from 2011, while the laborer category slips considerably, down from third in 2011 to eighth this year. The shortage of researcher (R&D) applicants appears to be less of an issue in 2012, with the skills category slipping down the rankings from sixth to ninth. In tenth place, the marketing & public relations Staff category makes its first appearance in the top ten.

IMPACT ON STAKEHOLDERS

Approximately half the employers surveyed in the Asia Pacific region (49%) believe the inability to fill

vacancies can have a high or medium impact on stakeholders such as customers and investors. While this proportion is down slightly from 2011 (54%) it remains higher than that reported by employers in the other two regions. However, there is also a notable rise in the proportion of employers who feel talent shortages have a low impact (up from 22% to 30%) and the percentage saying it has no impact (up from 10% to 18%). (Figure 19) Countries in the region that are most concerned about talent shortages impacting stakeholders are Japan (84%), Hong Kong (68%) and Singapore (65%). Conversely, Taiwanese (71%) and Indian (60%) employers are least likely to believe that talent shortages will impact their stakeholders.

REASONS FOR DIFFICULTY FILLING JOBS

Lack of available applicants is the top reason employers give to explain why certain job titles remain so difficult to fill. More than one in three (35%) report this as the primary source of the talent shortages they face. The perceived lack of applicants is most acute in New Zealand (50%), Taiwan (46%) and Australia (42%). Meanwhile, a complete lack of candidates is less likely to be a concern for employers in China (13%) and India (17%). (Figure 20)

The second key reason jobs are hard to fill, according to Asia Pacific employers, is related to shortages of hard skills, or technical competencies.

Figure 19

ASIA PACIFIC: IMPACT ON STAKEHOLDERS

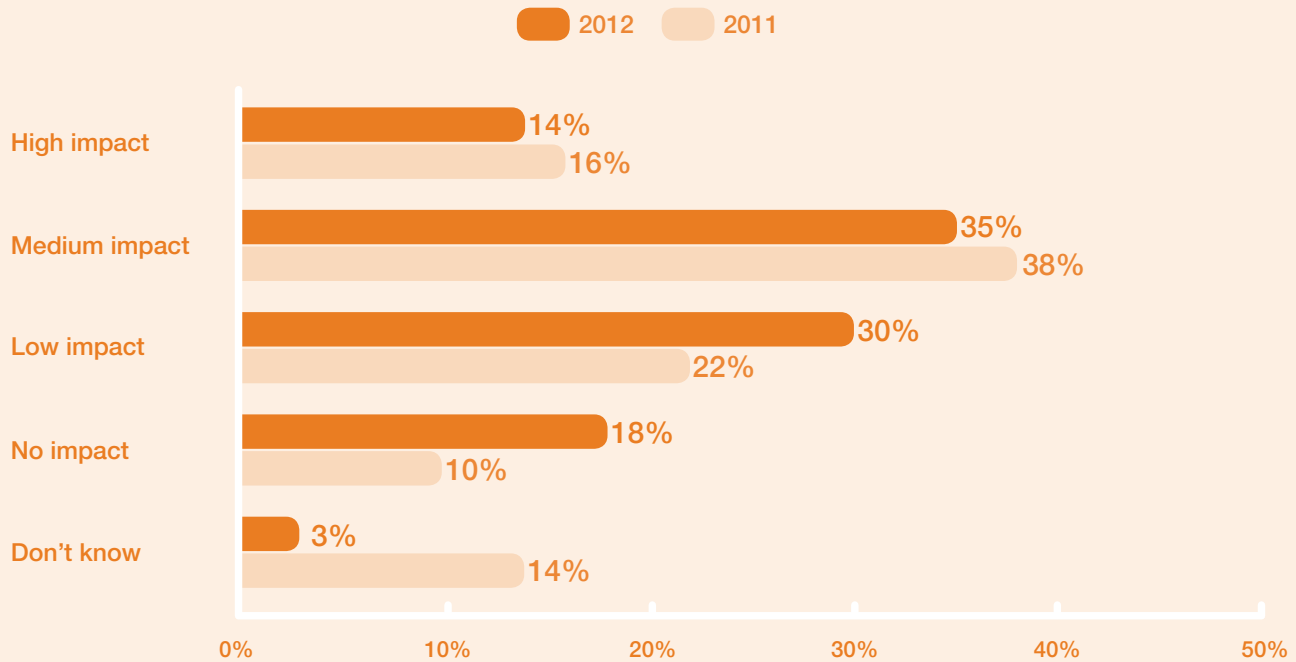
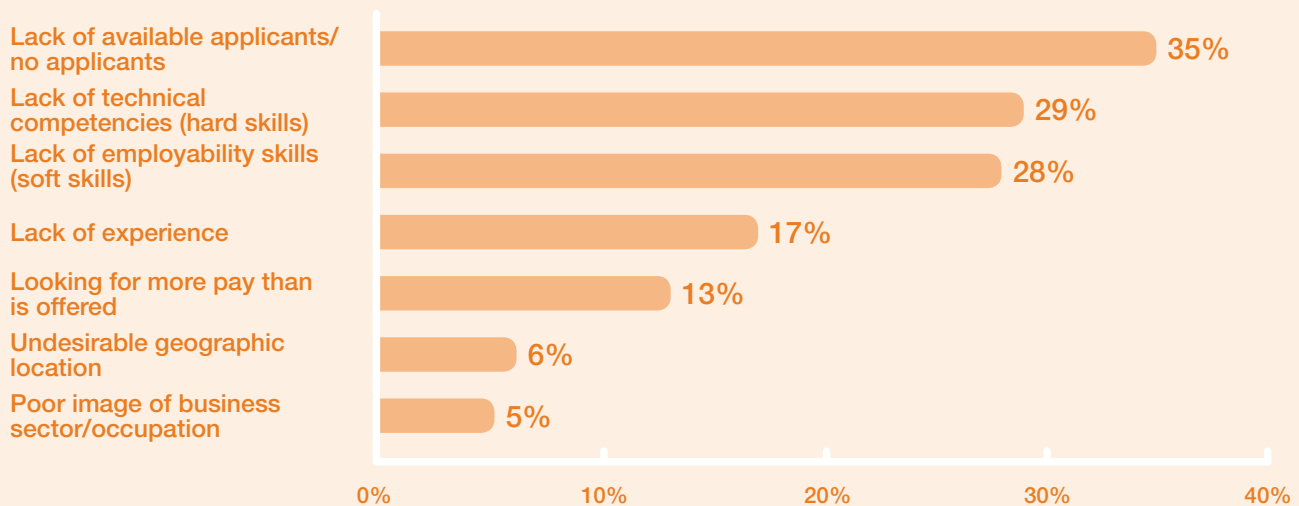


Figure 20

ASIA PACIFIC: REASONS FOR DIFFICULTY FILLING JOBS



Nearly three in ten (29%) believe this is a key factor, and employers identify a wide range of candidate deficiencies, including a lack of professional qualifications specific to the industry (10%), a lack of skilled trades qualifications (7%) and a lack of speaking/verbal skills (7%). Employers most often

cite this lack of hard skills as an issue in Japan (62%) and Taiwan (56%). (Figure 21)

Notably, among the subset of Asia Pacific employers saying that talent shortages are having a high impact on their businesses, lack of hard

skills among candidates are particularly problematic for employers seeking IT and engineering talent. Candidates looking for more pay than what is being offered also makes recruiting engineers in this region a challenge.

A shortage of applicants with suitable employability skills—soft skills—is highlighted as an issue by 28% of Asia Pacific employers. As was the case

with concern about hard skills, employers in Japan and Taiwan are the most likely to cite lack of soft skills among candidates' shortcomings. The soft skills most often identified in the region are poor interpersonal skills (12%). Employers also report particular issues with enthusiasm/motivation (9%), collaboration and teamwork (9%), and flexibility/adaptability/agility (9%). (Figure 22)

Figure 21

ASIA PACIFIC: TECHNICAL SKILLS DEFICIENCIES (HARD SKILLS)

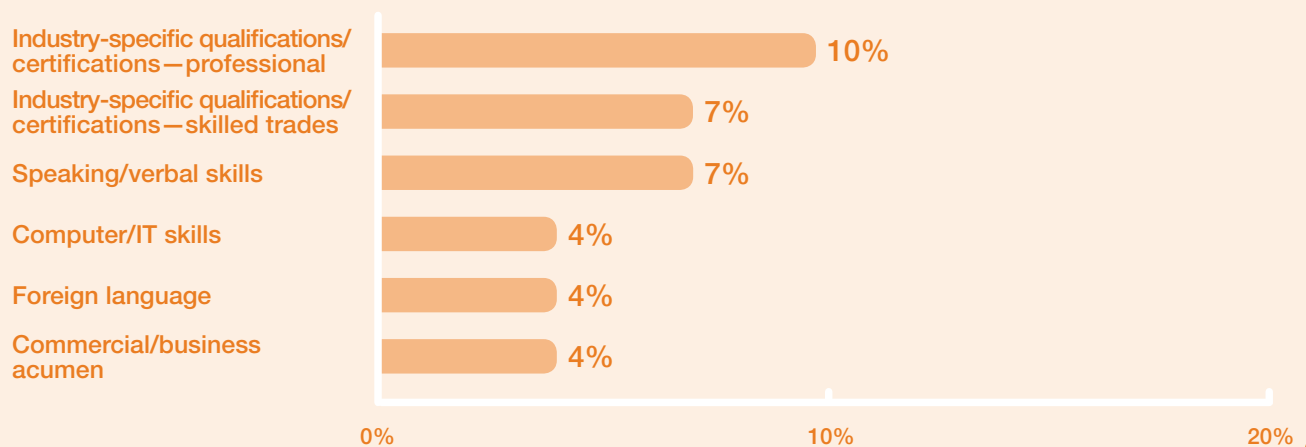
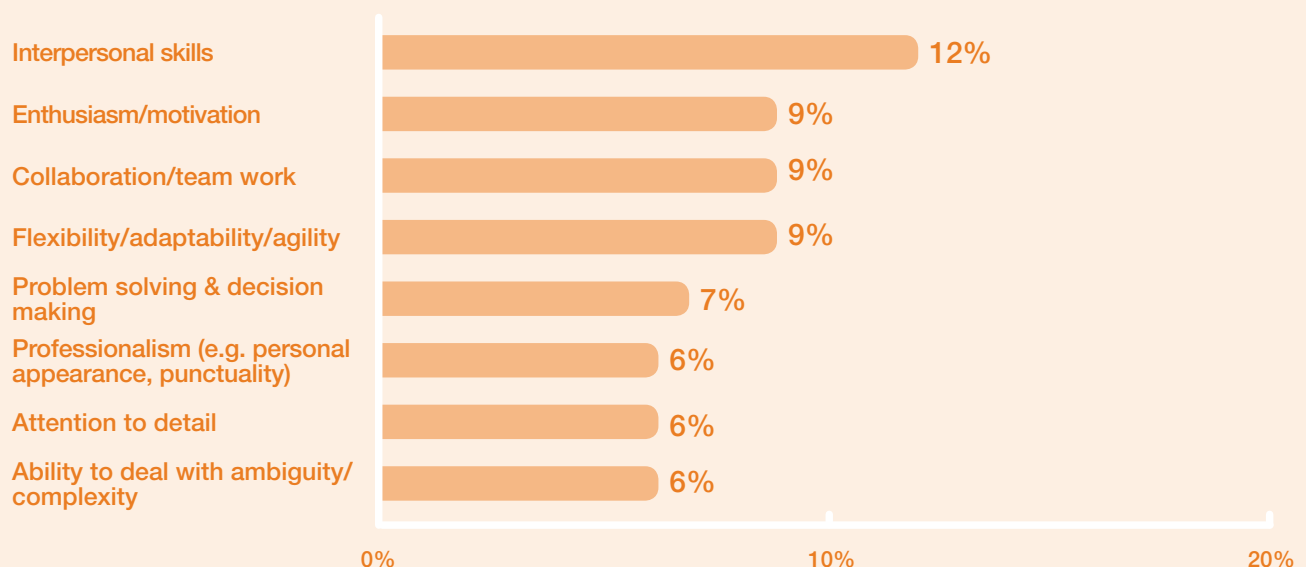


Figure 22

ASIA PACIFIC: EMPLOYABILITY SKILLS DEFICIENCIES (SOFT SKILLS)



OVERCOMING THE TALENT SHORTAGE

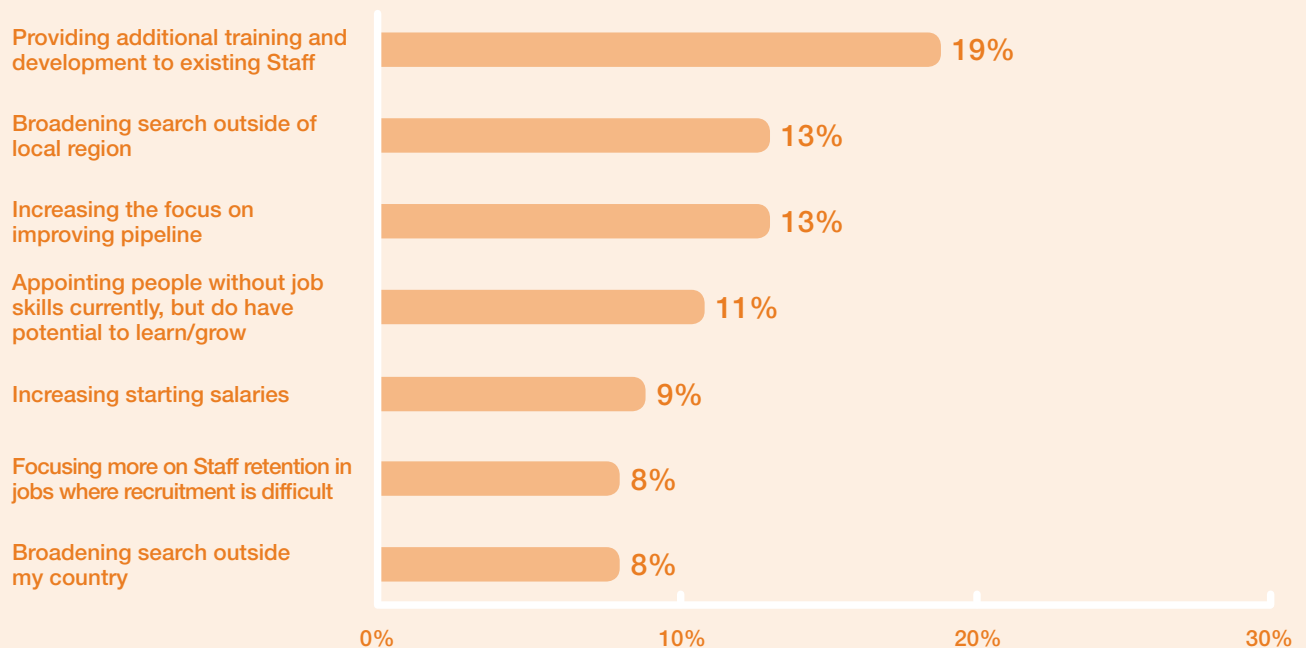
Asia Pacific employers consider a range of strategies to address talent shortages, the most common being additional training and development for existing Staff. The proportion of employers pursuing this approach is up slightly across the region from 17% in 2011 to 19% in 2012. Employers in China (27%) and Japan (22%) are most often employing this strategy. Approximately one in eight Asia Pacific employers (13%) is prepared to recruit outside their local region to address workforce gaps, most notably in Taiwan (23%). Interestingly, Indian employers (5%) are least likely to recruit outside their local region. An additional 13% of employers say they focus on developing their existing pipeline of talent, led by employers in Taiwan (38%) and Japan (35%). The “teachable fit” strategy is being implemented

by 11%, with employers in Taiwan most likely to help individuals grow into the role. No Chinese employers are currently using this approach but would do well to consider it as another tool to combat the talent crunch. Meanwhile, 9% of employers indicate they have increased starting salaries in an effort to attract applicants, led by employers in China (27%). (Figure 23)

Furthermore, among the subset of employers saying that talent shortages are having a high impact on their businesses, employers in the Asia Pacific region—more than in any other region—are focusing on improving their talent pipelines, such as identifying high potentials, building a succession management approach, etc. More employers should consider this longer-term approach to developing talent to help solve global talent mismatch.

Figure 23

ASIA PACIFIC: STRATEGIES EMPLOYED TO OVERCOME THE TALENT SHORTAGE



EUROPE, MIDDLE EAST & AFRICA

For the 2012 Talent Shortage Survey, ManpowerGroup interviewed 19,059 employers in Europe, the Middle East and Africa, across 23 different countries: Austria, Belgium, Bulgaria, Czech Republic, France, Germany, Greece, Hungary, Ireland, Italy, Israel, Netherlands, Norway, Poland, Romania, Slovakia, Slovenia, South Africa, Spain, Sweden, Switzerland, Turkey and the UK. Employers in Israel and Slovakia are surveyed for the first time.

DIFFICULTY FILLING JOBS

One in four EMEA employers (25%) reported difficulty filling jobs due to a lack of available talent. This proportion is considerably lower than in the Americas (41%) and Asia Pacific (45%). The percentage is relatively stable when compared with 2011, and the proportion of employers citing difficulty has not been notably greater since before the credit crunch in Quarter 1 2008. (Figure 24) Clearly, a weaker recovery trend continues to suppress employer hiring trends, making talent supply less of an issue in this region due to lukewarm demand.

Despite the overall trend, pockets of acute talent shortages are identified by employers throughout

the EMEA region. The most notable talent shortages are reported in Bulgaria (51%) and Romania (45%), and at least two in five employers are struggling to fill vacancies in Germany (42%), Turkey (41%) and Austria (40%). Meanwhile, hiring activity is least likely to be affected by talent shortages in Ireland (2%), the Netherlands (7%), Spain (9%) and South Africa (10%).

Year-over-year, employers in seven countries report increasing difficulty filling vacancies, most notably in Sweden, Norway and Austria where employers report increases of 19, 13 and 13 percentage points, respectively. Meanwhile, the proportion of employers reporting difficulty is lower in 13 countries this year, with steep declines of 18 percentage points reported by employers in Switzerland and a 17 percentage point decline reported in Greece.

MOST DIFFICULT POSITIONS TO FILL

For the sixth consecutive year, employers report that skilled trades positions are the most difficult type of vacancy to fill across EMEA as a whole. In fact, employers in 16 of the 23 countries identify

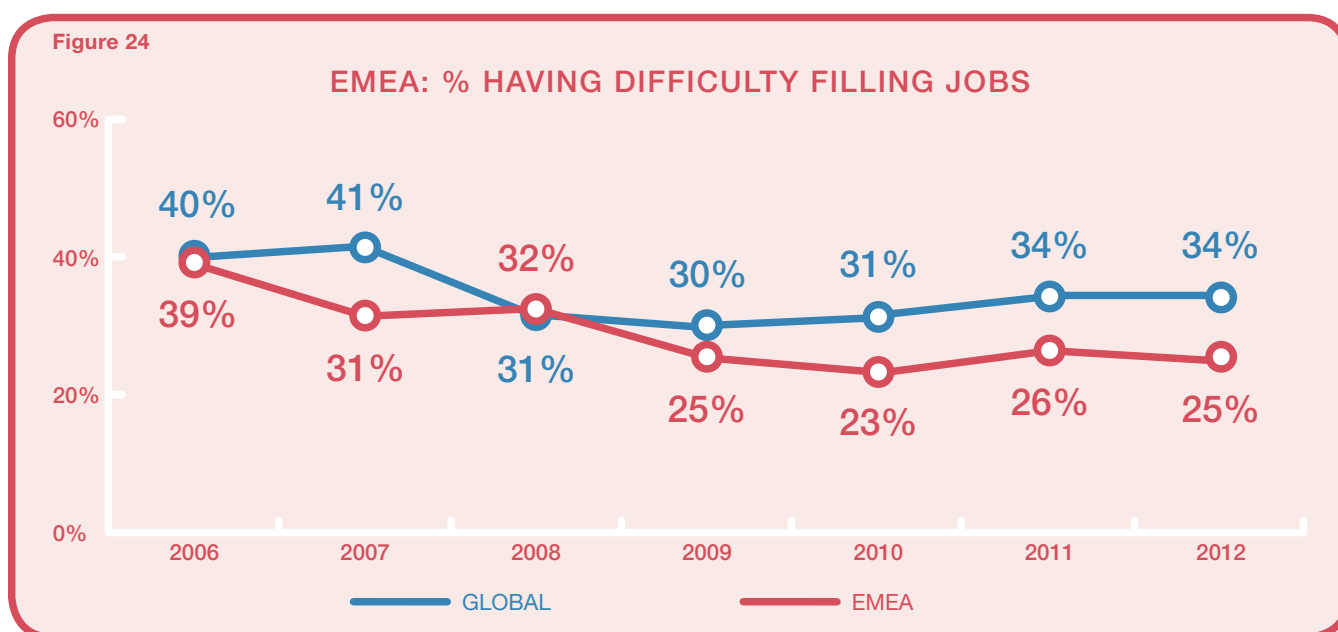


Figure 25

EMEA: TOP 10 JOBS EMPLOYERS ARE HAVING DIFFICULTY FILLING

1 Skilled Trades Workers	6 Laborers
2 Engineers	7 IT Staff
3 Sales Representatives	8 Accounting & Finance Staff
4 Technicians	9 Chefs/Cooks
5 Drivers	10 Management/Executives

skilled trades positions as their first or second most challenging position to fill. Skilled trades workers have been at the top of the list in France for seven consecutive years and in Germany and Italy for six consecutive years. The second most difficult positions to fill in 2012 are in engineering (climbing from third in 2011)—particularly in Poland and the UK where engineering positions have been the most difficult positions to fill for two consecutive years. The sales representative category moves up one place to third, with this category listed as the top challenge by employers in Greece, Norway and Sweden. This year, employers report comparatively fewer difficulties filling technician roles; however, the talent category remains in demand in many EMEA countries and only slips from second in the region to fourth overall. (Figure 25)

The fifth-placed category on the list of most difficult jobs to fill is professional drivers, up from sixth in 2011, and the category ranking sixth—laborers—has also moved up the ladder, from ninth in 2011. The IT Staff category re-enters the top 10 this year, and is ranked seventh. Accounting and finance roles were not listed among the top 10 difficult-to-fill positions in 2011, but places eighth in 2012. Also moving up the rankings is the chefs/cooks category, placing ninth while the management/executive category slips from fifth to tenth. Two talent categories—production operators and secretaries/

PAs/office support workers—drop out of the top 10 altogether.

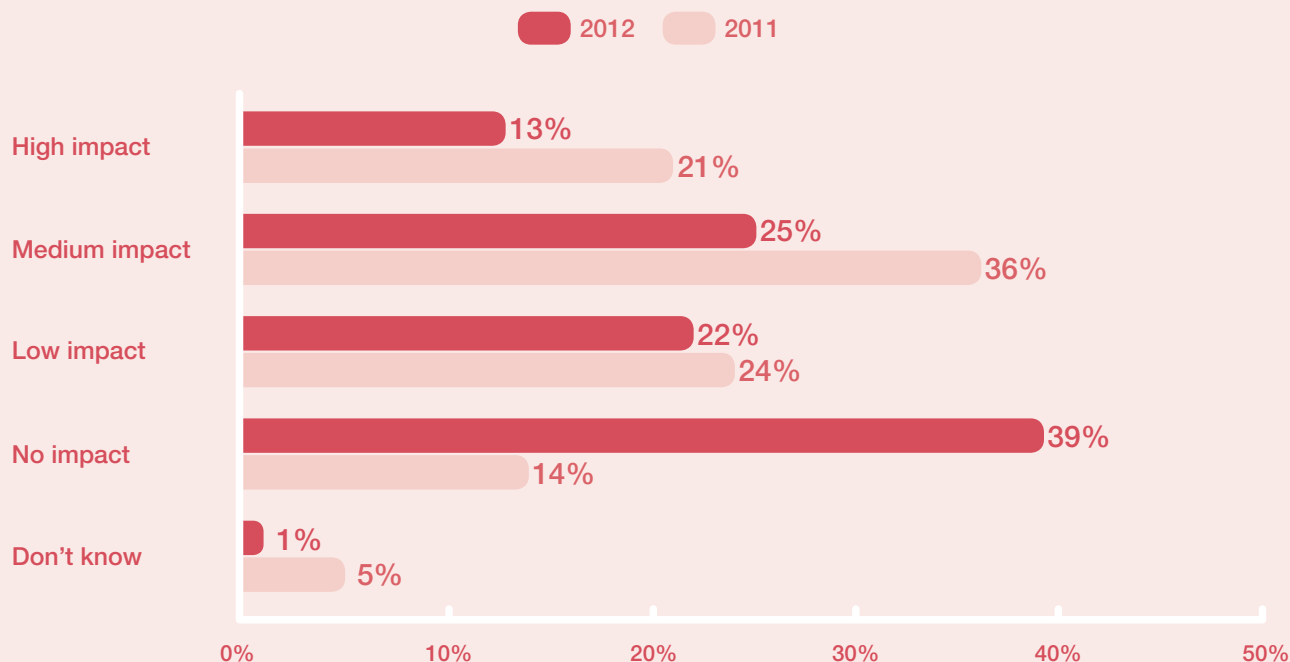
IMPACT ON STAKEHOLDERS

This year, EMEA employers are considerably less concerned about the impact talent shortages will likely have on key stakeholders, including customers and investors. The proportion of employers who say they see no impact has almost tripled, increasing from 14% to 39%. Employers have evidently grown accustomed to working around the dilemma. However, this may be a risky approach to ongoing talent management, and employers should not presume that their stakeholders will continue to look past whatever shortcomings in service and performance result from the current shortages. Furthermore, new business gains may be difficult to achieve—and then sustain—if companies remain unwilling to commit business spend on needed employees.

Surprisingly, in two countries where shortages of skilled workers would normally be expected to have a serious impact on stakeholders and handicap continued success, more than one out of two employers in Germany and Switzerland indicate that the shortage is expected to have no effect on customers and other stakeholders. However, despite the current inadequate supply, it is entirely possible that traditionally robust apprenticeship

Figure 26

EMEA: IMPACT ON STAKEHOLDERS



programs in both countries are providing employers there with at least some assurances that they will benefit from an ongoing pipeline of talent.

The pattern of diminishing concern with talent shortages is evident elsewhere, too; the proportion of employers reporting a high impact is down from 21% to 13% year-over-year, and the percentage of employers saying it has a medium impact declines from 36% to 25%. (Figure 26)

REASONS FOR DIFFICULTY FILLING JOBS

The most frequently cited reason for talent shortages in EMEA is a lack of technical competencies (hard skills) among applicants (34%). Even in Spain where unemployment hovers near 23% (and near 50% for those under 25), a lack of hard skills is cited by nearly six out of 10 employers as their chief challenge sourcing suitable talent.

Other key reasons employers cite is simply an overall lack of applicants (30%) and a lack of experience among applicants (24%). The shortage of applicants is most pronounced in Austria (67%),

Switzerland (62%), Slovakia (56%) and Slovenia (49%). Meanwhile, a lack of applicants is only marginally impacting employers in Romania (4%), Sweden (5%) and Turkey (6%). Employers in Hungary and Turkey (both 43%) were most likely to cite the absence of “experienced” candidates as the reason behind their talent shortages. (Figure 27)

When asked to distinguish between hard skills and soft skills, EMEA employers indicate that the lack of hard-skill related technical competencies are in shorter supply than soft-skill competencies. 17% of EMEA employers most frequently identify a lack of industry-specific qualifications at the professional level—particularly in Romania (43%) and Spain (32%). Shortages at the skilled trades level were named by 15% of employers as the most difficult hard skills to source—particularly in Romania (57%) and South Africa (31%). (Figure 28)

By far, a lack of soft skills among potential candidates was named by fewer employers throughout EMEA than elsewhere on the globe, and only occasionally named by employers as the

reason behind their difficulty accessing suitable talent. Approximately one in ten (11%) employers reported that candidates lacking soft skills—such as planning, organizing and collaborating—were at the root of their concerns. When soft skills were cited, the most common shortcomings mentioned by

employers in the region were a lack of enthusiasm and motivation (4%) and a lack of professionalism (3%). The overall lack of soft skills was most often named as a barrier to hiring by employers in Bulgaria (23%), Italy (22%) and Turkey (27%). (Figure 29)

Figure 27

EMEA: REASONS FOR DIFFICULTY FILLING JOBS

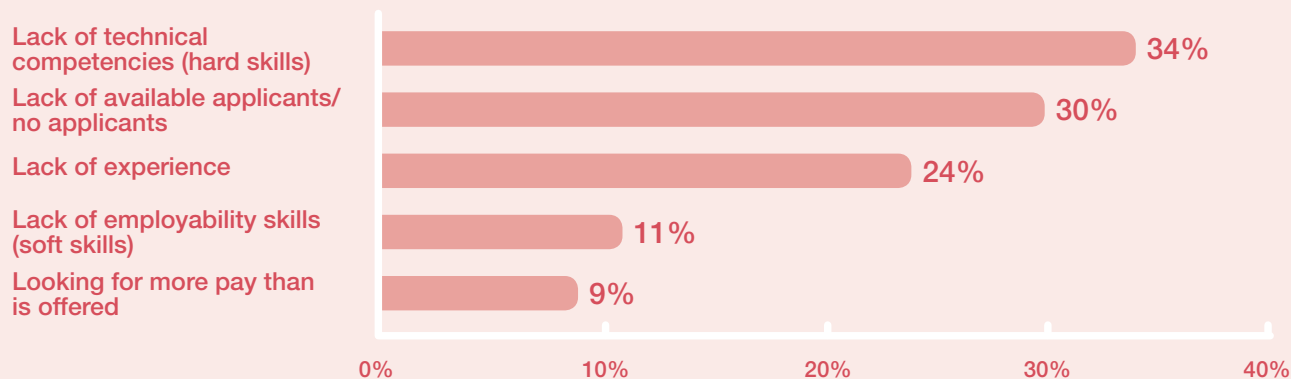


Figure 28

EMEA: TECHNICAL SKILLS DEFICIENCIES (HARD SKILLS)

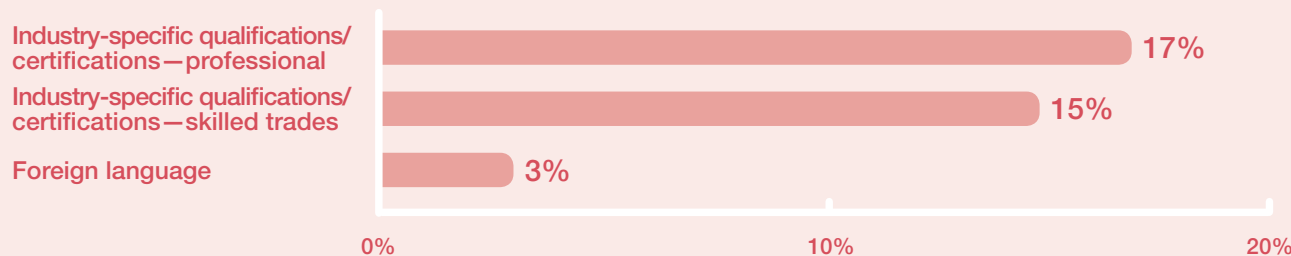
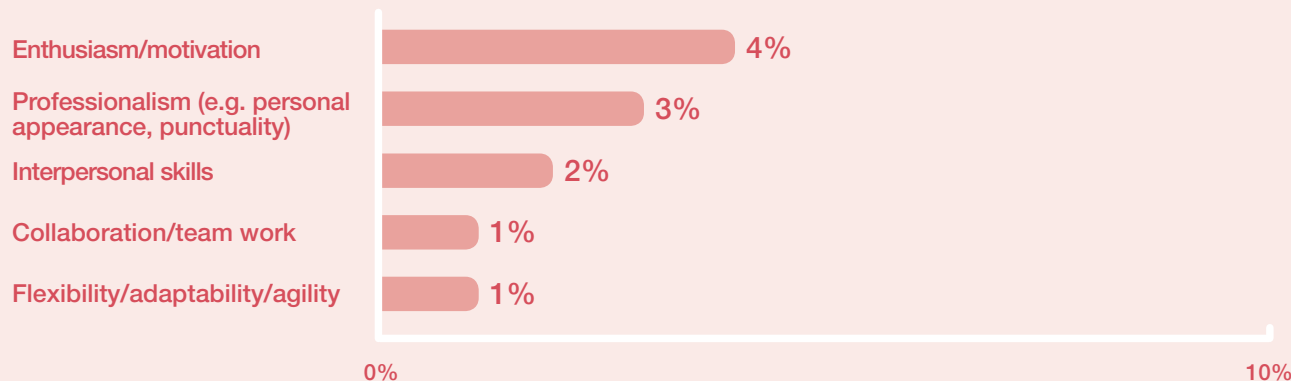


Figure 29

EMEA: EMPLOYABILITY SKILLS DEFICIENCIES (SOFT SKILLS)



Among the subset of EMEA employers indicating that talent shortages are having a high impact on their businesses, engineering candidates' hard skills deficiencies are of most concern, while the perceived lack of soft skills is the main issue concerning accounting and finance candidates.

OVERCOMING THE TALENT SHORTAGE

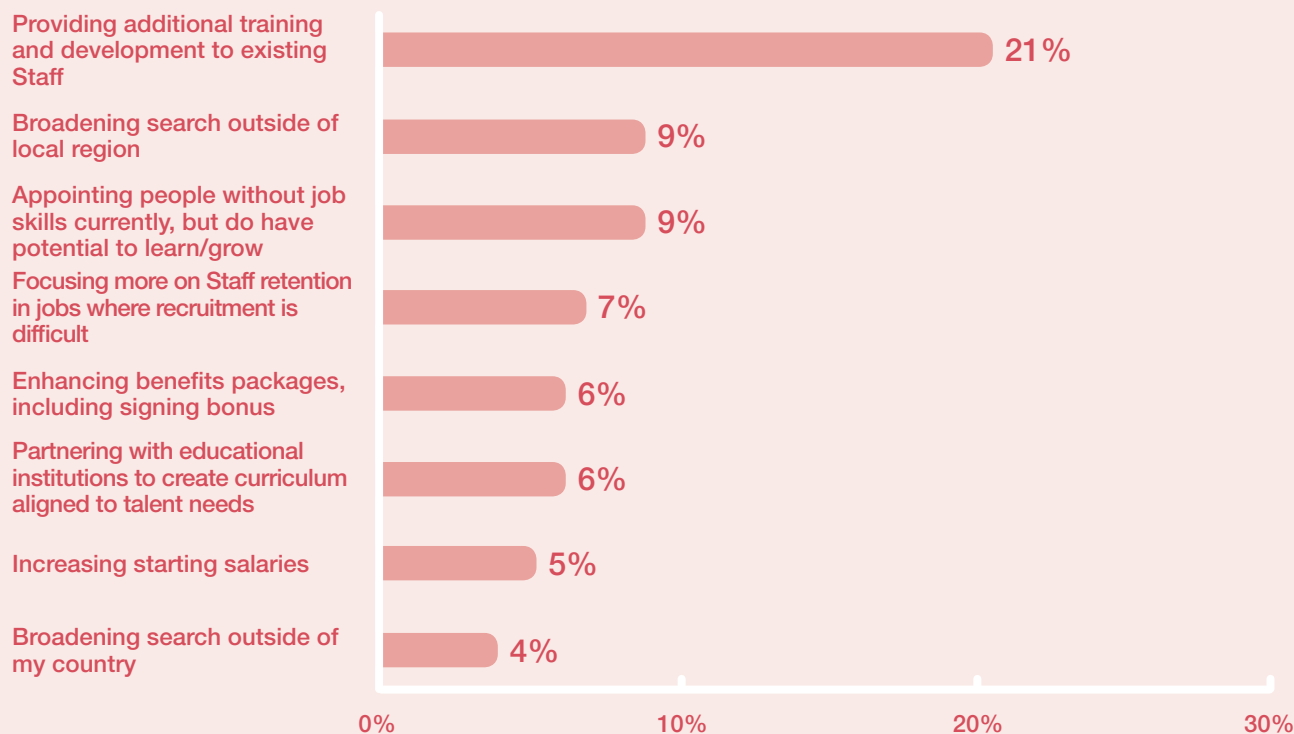
EMEA employers identify a number of methods their organizations use to address the talent shortages they face. As in the Americas and Asia Pacific, offering training and development to existing employees is by far the most commonly used approach, cited by more than one in five EMEA employers (21%)—slightly up from 19% in 2011. Other strategies adopted by around one in ten (9%) employers include expanding the search for candidates outside of their local region. However, this proportion is lower than elsewhere on the globe and may be indicative of the general sluggishness of the labor market throughout much of EMEA—especially given the ability of many candidates in

the Eurozone to move fluidly from one country to another in pursuit of work opportunities.

An identical percentage of employers (9%) express a willingness to appoint people who do not currently have relevant skills but who demonstrate the potential to learn and grow. This is particularly true in South Africa where 30% of employers say they are willing to help promising candidates grow into a role. In 7% of cases, employers are focusing more on Staff retention in key areas of talent shortage and 6% are offering enhanced benefits packages including signing bonuses. As is the case in the Asia Pacific region, only 6% of EMEA employers indicate that they partner with local education providers to create a curriculum more closely aligned with their talent needs. However, this may be because many organizations throughout EMEA respond to the challenge internally, taking a more independent and proactive approach to training the talent they need in order to fill specific skills gaps. (Figure 30)

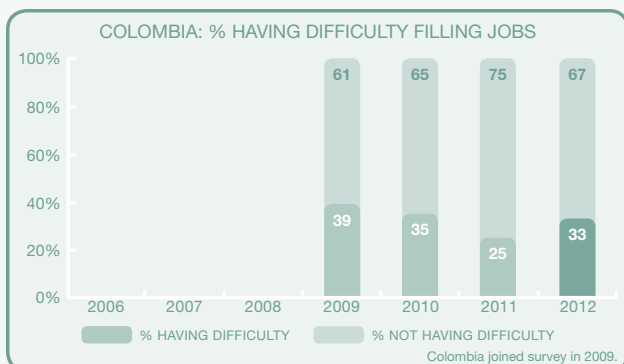
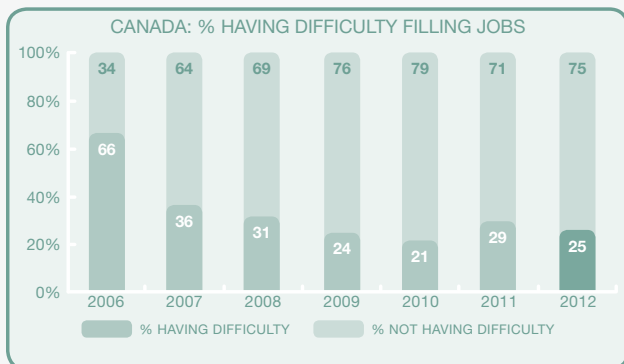
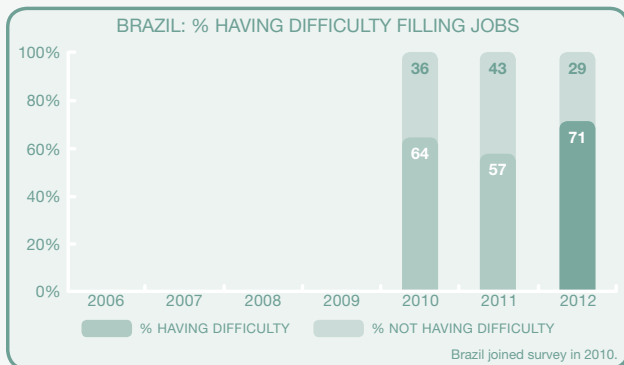
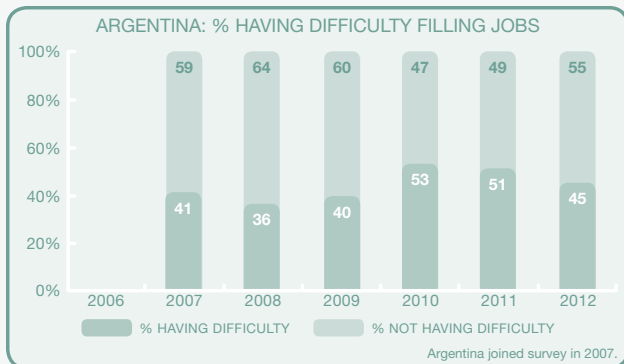
Figure 30

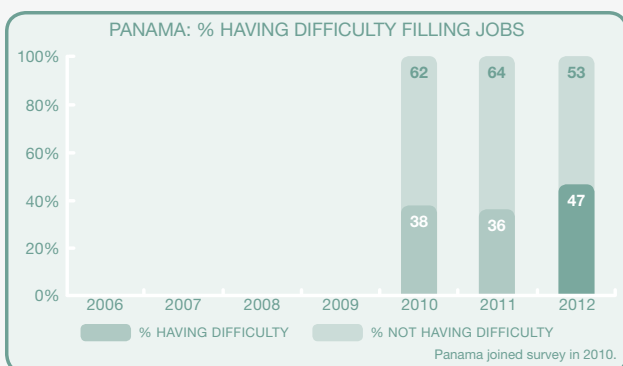
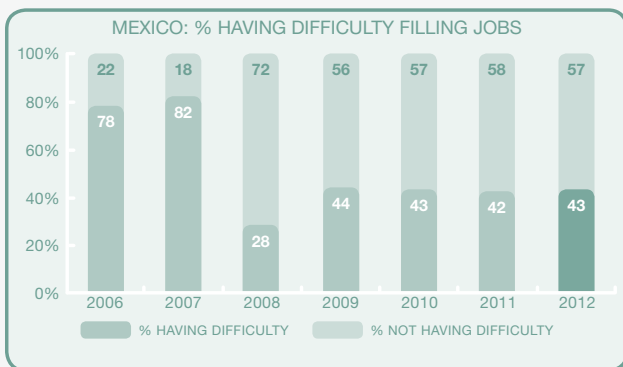
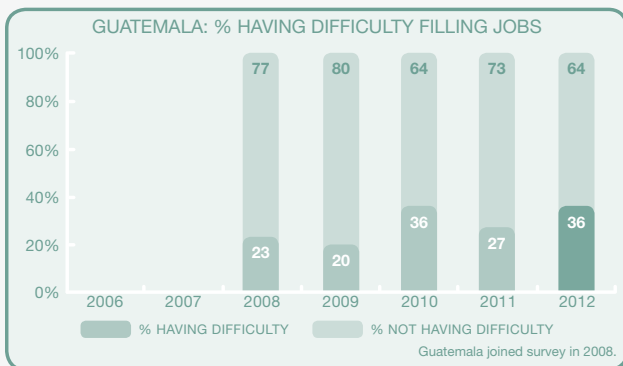
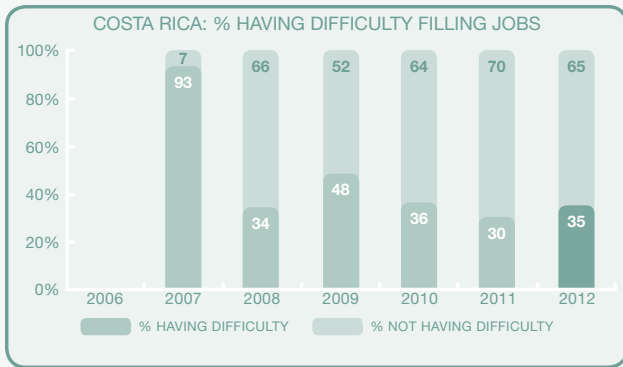
EMEA: STRATEGIES EMPLOYED TO OVERCOME THE TALENT SHORTAGE

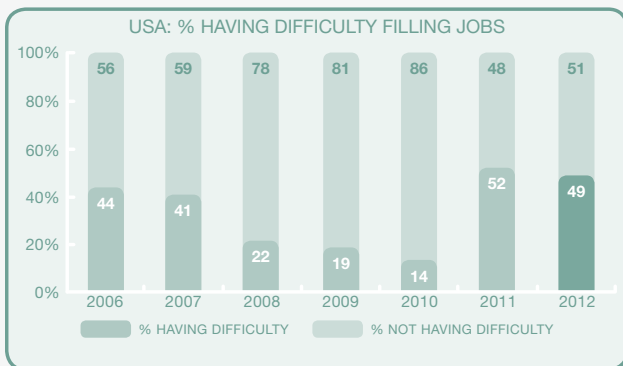
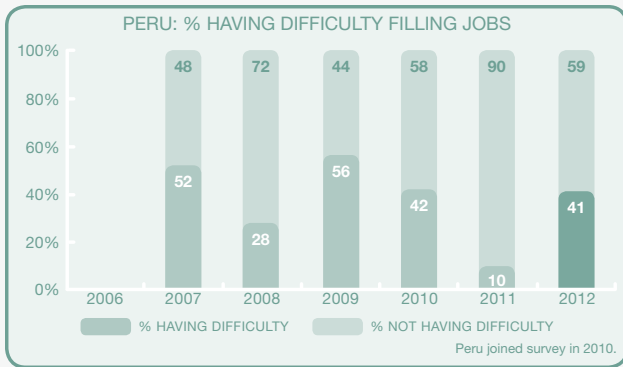


APPENDIX

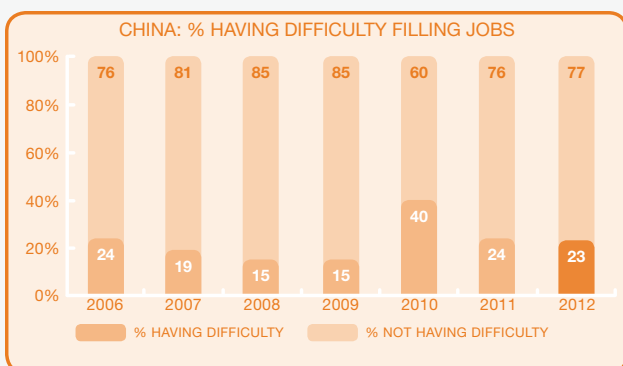
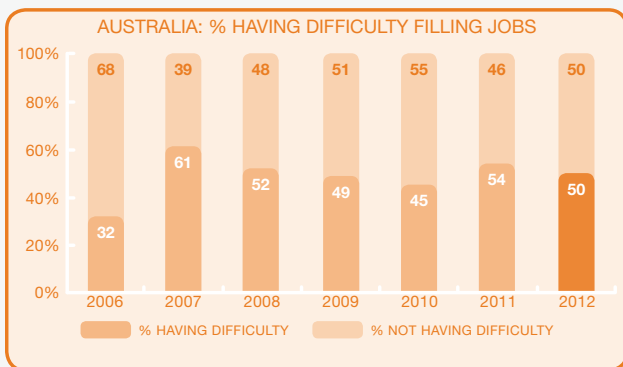
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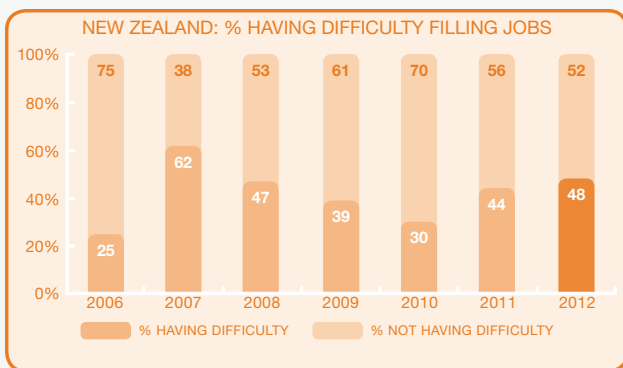
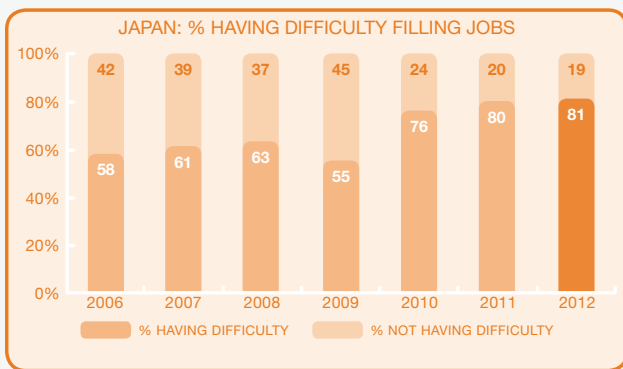
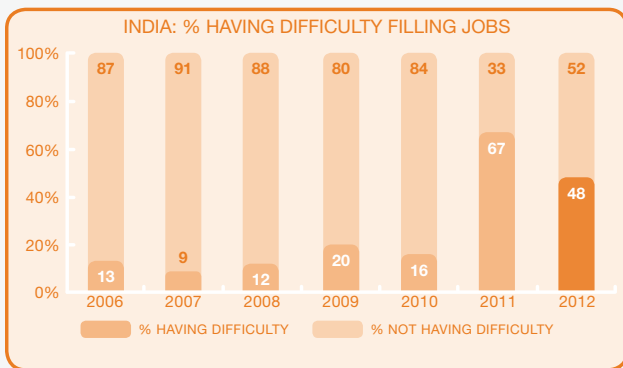
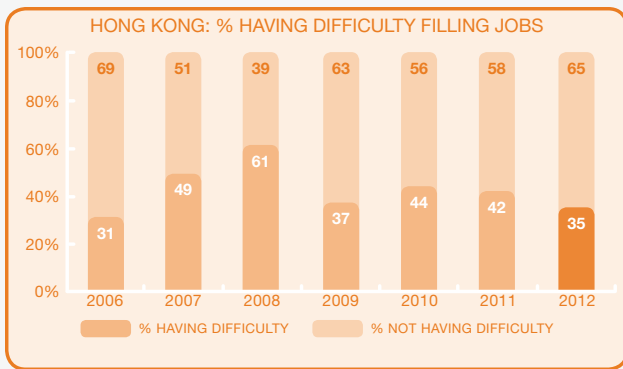


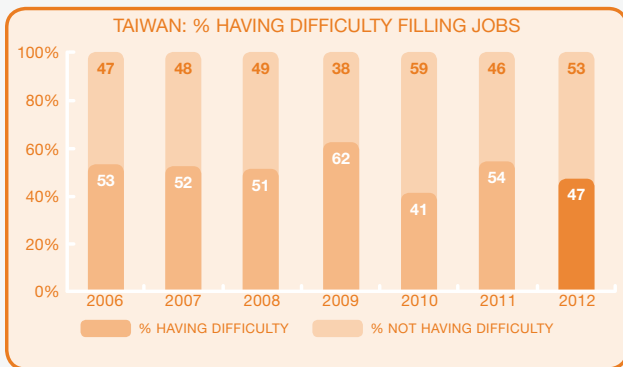
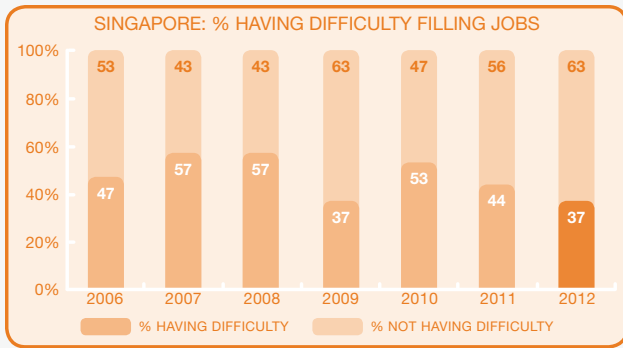




ASIA PACIFIC







EMEA

