

successfactors™
An SAP Company



Global 27-country twin surveys

5,400 People; 2,700 executives and 2,700 employees
conducted by Oxford Economics



OXFORD
ECONOMICS

Oxford Economics, The 2020 Workforce, 2014

SuccessFactors An SAP Company

Five research finding themes

1

The new face of work

2

A Millennial misunderstanding

3

What matters most

4

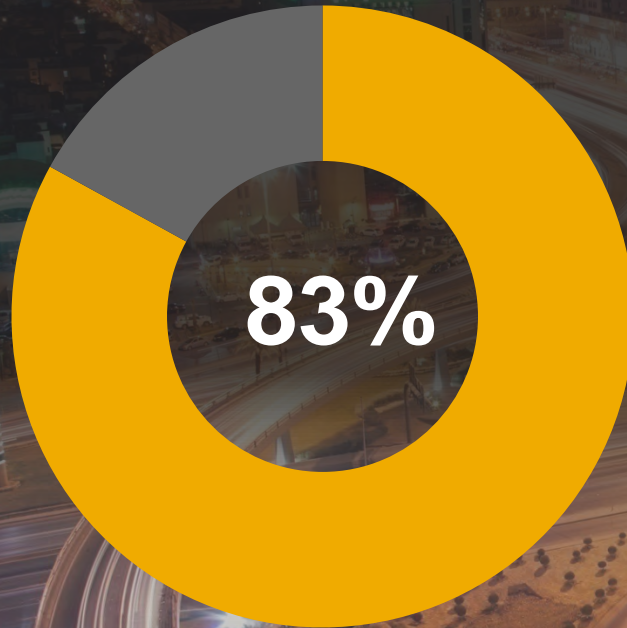
The leadership cliff

5

The learning mandate

The new face of work

The 2020 workforce will be increasingly flexible



Executives say they are increasingly using contingent, intermittent, or consultant employees, which will require them to:

- Change compensation plans
- Conduct more training
- Invest more in HR technology

Labor shifts executives are most concerned about

The Workforce Will Be Increasingly Diverse



Companies are not making progress toward meeting workforce goals

34%
Good

47%
Moderate

19%
Slight

The top impediments to making progress are:

1. Lack of employee longevity/loyalty
2. Lack of adequate leadership
3. Lack of adequate technology
4. Lack of skilled talent

A lack of metrics and tools holds HR back



39%

A donut chart with a yellow segment representing 39% of the total. The rest of the chart is grey.

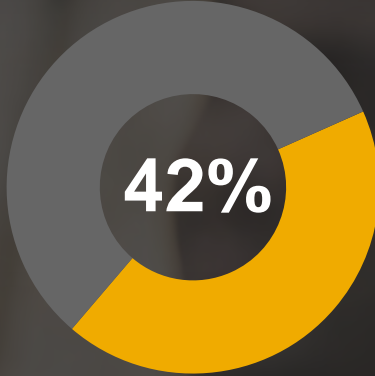
Have ample data to understand strengths and potential vulnerabilities



38%

A donut chart with a yellow segment representing 38% of the total. The rest of the chart is grey.

Use quantifiable metrics and benchmarking as part of workforce development strategy



42%

A donut chart with a yellow segment representing 42% of the total. The rest of the chart is grey.

Know how to extract meaningful insights from the data available to them

A millennial misunderstanding

Millennials are not as different as we think

Almost everyone
wants training and
development

Compensation
is the most
important factor

Their top
priorities
are the same
as non-
Millennials

Even
retirement
plans are only
slightly more
important to
non-Millennials

Myth or truth?



01

Millennials care more about making a positive difference in the world

Importance to job satisfaction

21%

Millennials

20%

Non

02

Achieving work/life balance is more important to Millennials

29%

Millennials

31%

Non

03

Learning & growing is more important to Millennials than meeting income goals


32%

Income

10%

Learning

Millennials do need to be managed differently
in terms of feedback and development

A woman with long brown hair, wearing a black blazer over a white shirt, is sitting at a desk and holding a tablet. She is looking towards the camera with a slight smile. In the background, there is a blurred office setting. On the left side of the image, there is a blue bar chart graphic with two bars of different heights. The text is overlaid on the image.

Millennials
want feedback

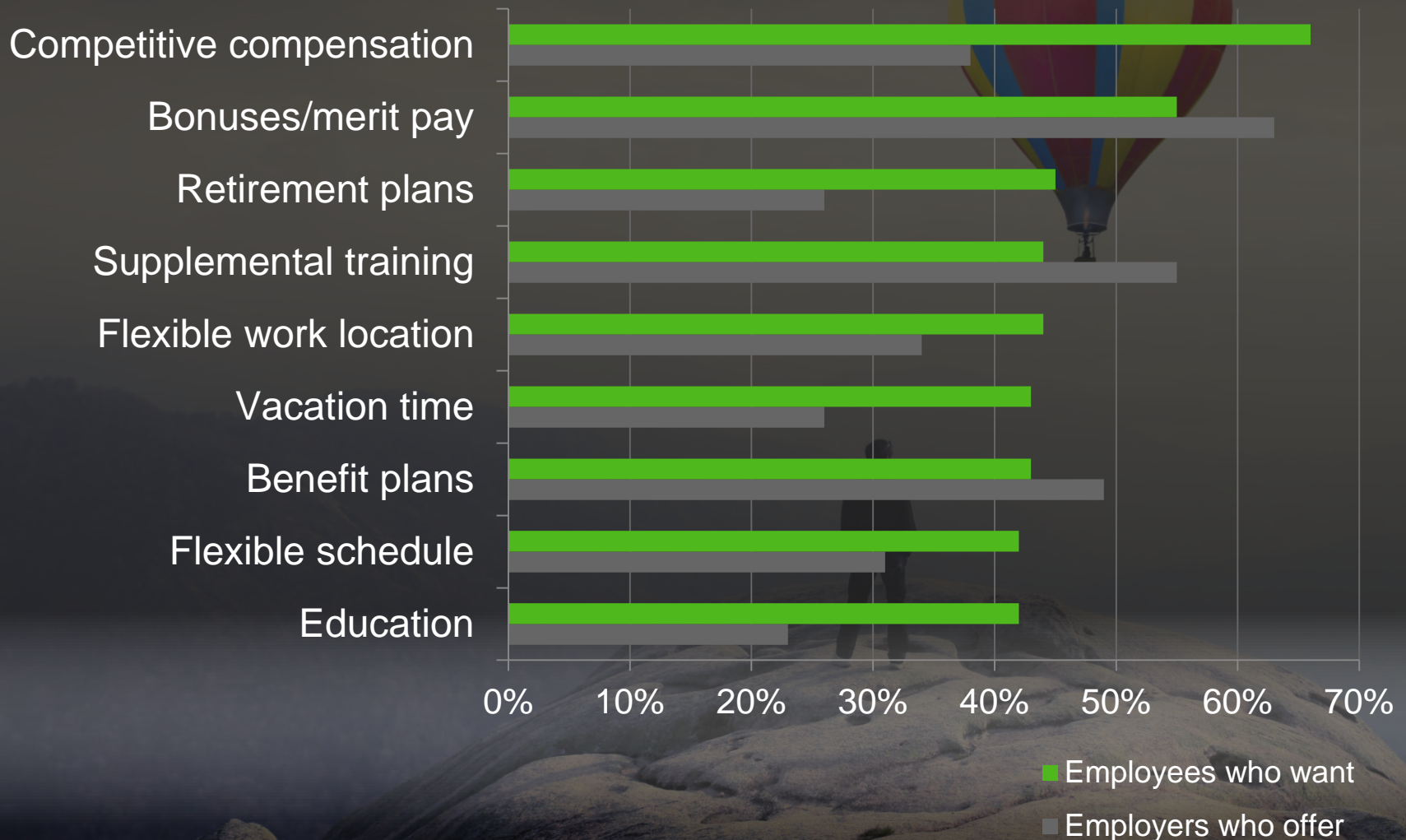
50%

more often than
non-Millennials



What matters most at work

When it comes to satisfied employees, compensation matters – a lot



Executives value loyalty more than job performance

Priority
Option

	What executives value as top employee attributes	What employees think employers want
1. High level of education	1	4
2. Loyalty & long-term commitment	2	2
3. Ability to learn	3	1
4. Diverse background	4	6
5. Interest in the wider business	5	7
6. Self-directed learner	6	8
7. Willingness to let others lead	7	9
8. Substantial field experience	8	10
9. Leadership ability	9	8
10. Job performance & results	10	3

Men and women have slightly different priorities for job satisfaction and benefits

Men

47%

...would prefer to use more current technology on the job

51%

...am interested in quality of life over career path

28%

...expect more feedback on my performance than I currently receive

Women

53%

47%

34%



The leadership cliff

Gaps in leadership capabilities spell trouble for future growth

Executives cite a lack of adequate leadership as **the number two impediment** to building a workforce to meet future business objectives.

- 52%** Have the skills to manage talent
- 51%** Know how to inspire employees
- 47%** Are prepared to lead a global workforce
- 44%** Are able to drive change
- 34%** Can lead a diverse workforce

Most companies are not cultivating leadership within their organizations

40%

Employees who say it is easy for them to collaborate

37%

Employees who agree their company is committed to diversity

19%

Executives who picked leadership as a top 3 attribute

31%

Employees who expect more feedback than they get now



The development mandate

For employees, obsolescence is a bigger concern than layoffs

Position changing or becoming obsolete

40%

Not enough advancement opportunities

35%

Inadequate staffing

31%

Wage stagnation

27%

Technology changes

19%

Economic uncertainty

19%

Layoffs

18%

Employees aren't prepared for the future

50%

The skills they have now will be what's needed in 3 years

34%

Their company is able to give them the training they need

Organizations struggle to develop a learning culture

**Employees
say their company...**

47%

Is capable of retaining and sharing
institutional knowledge

45%

Has a culture of continuous
learning

51%

Has a formal mentoring program

43%

Offers incentives for pursuing
further education

**Executives
say their company...**

52%

47%

52%

41%

Companies need to provide employees with a path and develop skills for the future

51%

We are more merit-driven than tenure-driven

31%

We plan for succession and continuity in key roles

37%

Long-term loyalty and retention is an important part of our talent strategy

43%

When a senior person leaves we tend to fill the role from within the organization



Key Takeaways

01

Development of employees and leaders will become the new employer differentiator

- Learning
- Succession planning
- Feedback

02

It may be time to rethink our compensation strategies

03

HR should continue to push toward boardroom strategy setting

04

We must prepare for a more diverse, flexible, and contingent workforce



For more information, go to
www.successfactors/workforce2020.com
Questions?



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