Workforce 2020

United States fact sheet: How high-performing companies set themselves apart

Data from our Workforce 2020 research program show a correlation between above-average profit margin and revenue growth and workforce development. Companies with above-average profit margin and revenue growth (high performers) are better prepared for the future workforce than those with below-average growth. For example, executives who report that their companies have below-average profit margin growth over the past two years (we call them underperformers) indicate that they are struggling to keep up with changing workforce trends. This is especially true when it comes to recruiting employees with both base-level and advanced skills. Perhaps most telling, underperforming companies are significantly less likely to say that HR issues are driving strategy at the board level—which could be a major oversight.

This fact sheet outlines the major differences between companies with high performers and underperformers in the United States. Both face unique challenges and opportunities when preparing for the workforce of the future.

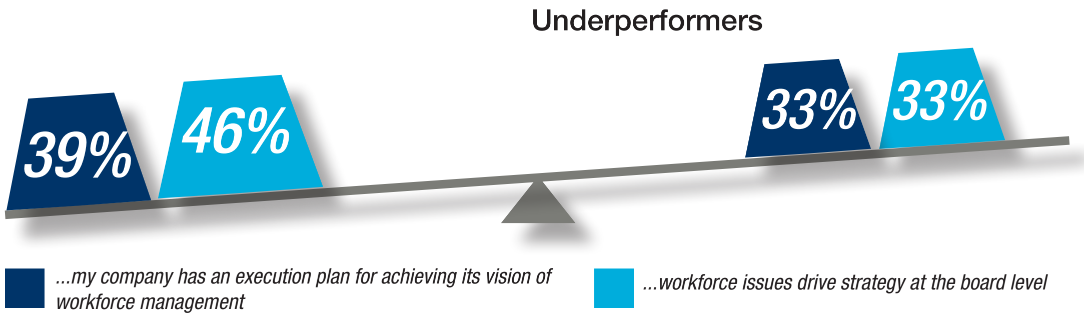
The New Face of Work

Research shows priorities shifting as economies rebound globally, but companies lag in understanding these changing dynamics.

- 46% of executives at high revenue growth companies say workforce issues are already driving strategy at the board level. That number is much lower for underperformers—33%—which will grow to 44% in three years.
- Companies with below-average profit margins are struggling to keep up with changing workforce trends: 55% say difficulty recruiting employees with base-level skills is impacting their workforce strategies. They also struggle with more advanced skills (see **The Learning Mandate**).

Executives say...

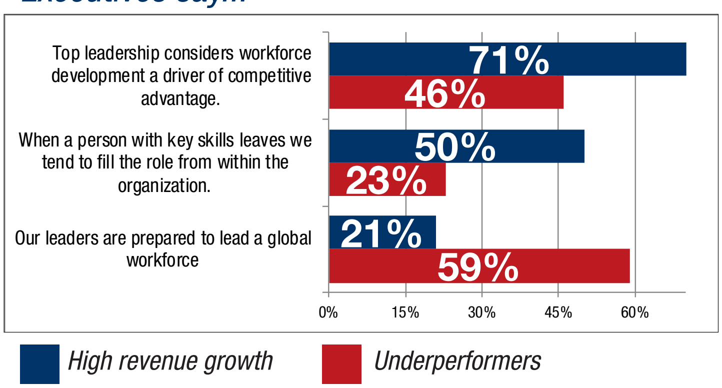
High revenue growth companies



The Leadership Cliff

Executives and employees agree that leadership is lacking—and companies are not focused enough on developing future leaders.

Executives say...



- 61% of executives at high-revenue growth companies say HR works with the C-suite to make strategic decisions about the business, vs. 31% of underperformers. In three years, 79% of high performers say HR will work with the C-suite.
- Executives at high revenue growth companies are significantly more likely to say their leaders can inspire employees (50% vs. 44%).

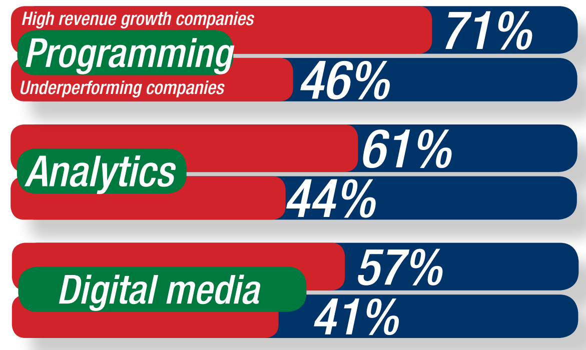
Workforce 2020—High performers

Bridging the Skills Gap—The Learning Mandate

Better training and education opportunities would benefit employees and businesses alike.

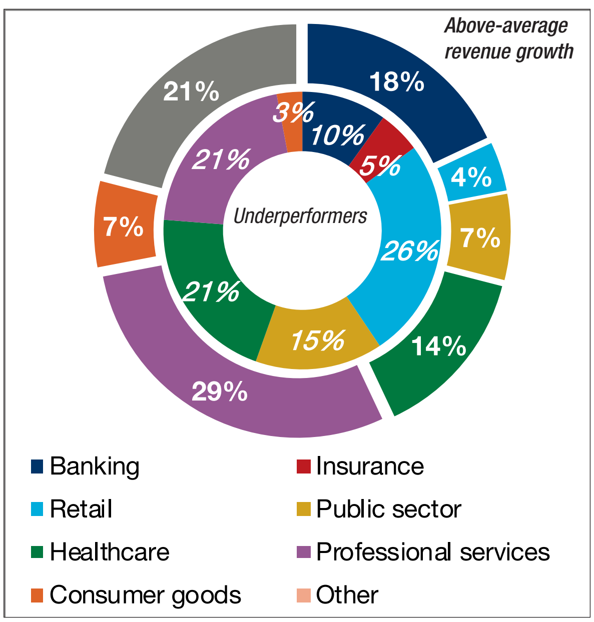
- An overwhelming majority (89%) of high revenue growth companies say workforce development is a key differentiator for their firms—only 51% of underperformers agree.
- 82% of executives at high revenue growth firms say they are capable of retaining, updating, and sharing institutional knowledge—less than half of underperformers agree.
- High profit margin growth companies are significantly more likely to be merit-driven rather than tenure-drive (48% vs. 32%).

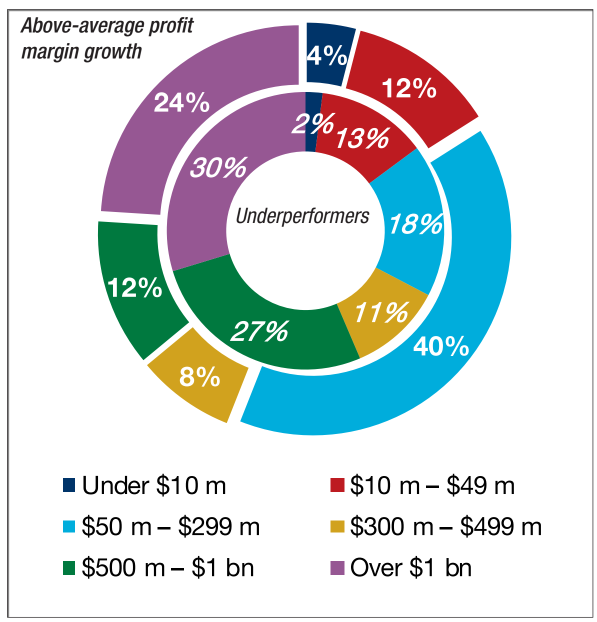
Executives say these technology skills are well represented at their organization.



Survey demographics: High performers

- High-performing executive titles: CEOs (25%); COOs (11%); CFOs (7%); CIOs (4%); CMOs (0%); Chief Human Resources Officers (18%); VPs/Directors of HR (7%); VPs of Learning/Development (4%); VPs Compensation & Benefits (4%); VPs Recruiting or Talent (4%); Other (18%)





About the research

Workforce 2020 is a large-scale global study to discover best practices and actual progress toward the creation of talent strategies for the future in the global economy. We surveyed more than 2,700 executives and 2,700 employees, and interviewed 28 executives across the following countries: Australia, Brazil, Canada, Chile, China, Colombia, the Czech Republic, Denmark, France, Germany, India, Japan, Kenya, Malaysia, Mexico, the Netherlands, Poland, Russia, Saudi Arabia, South Africa, Spain, Sweden, Switzerland, Turkey, UAE, UK, US. Survey respondents came from a variety of industries, company sizes, and age groups (49% of employee respondents are Millennials).

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