Workforce 2020

Germany 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. 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.

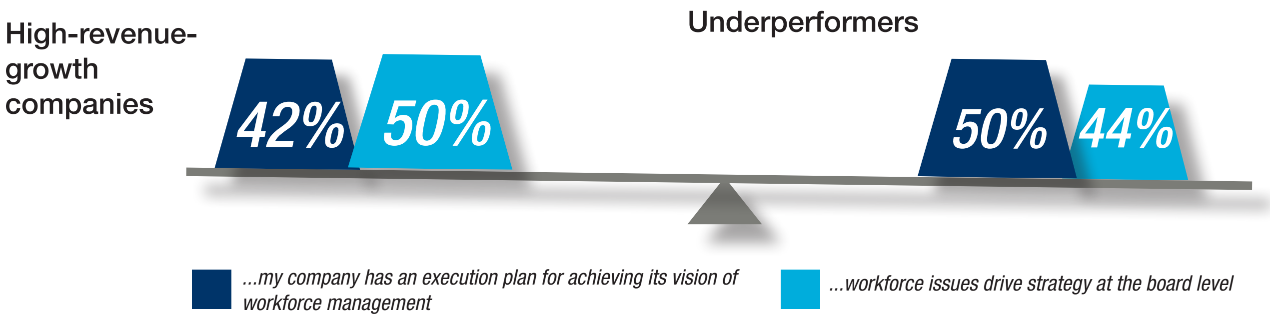
This fact sheet outlines the major differences between high performers and underperformers in Germany. Both face unique challenges and opportunities when preparing for the workforce of the future.

The New Face of Work

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

- Half of executives at high-revenue-growth companies say workforce issues are already driving strategy at the board level. That number is slightly lower for underperformers—44%—and they do not expect that number to grow in three years.
- Companies with below-average profit margins are struggling to keep up with changing workforce trends: more than half of executives say difficulty recruiting employees with base-level skills is impacting their workforce strategies. They also struggle to find employees with more advanced skills (see **The Learning Mandate**).
- 68% of German companies with below-average revenue growth say their expansion plans for growth markets are limited by access to the right talent—only 17% of high performers agree.

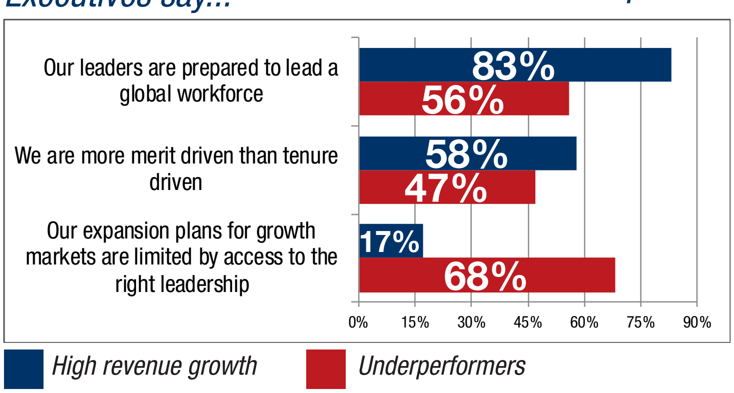
Executives say...



The Leadership Cliff

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

Executives say...



- More executives at companies with above-average profit margin growth are confident that leadership is sufficient to support a global workforce (77% vs. 64%), but underperforming executives are more likely to say talent in leadership positions can drive growth.
- More than companies with below-average profit margin growth say a lack of leadership is an impediment to achieving their workforce goals—vs. 23% of high performers.

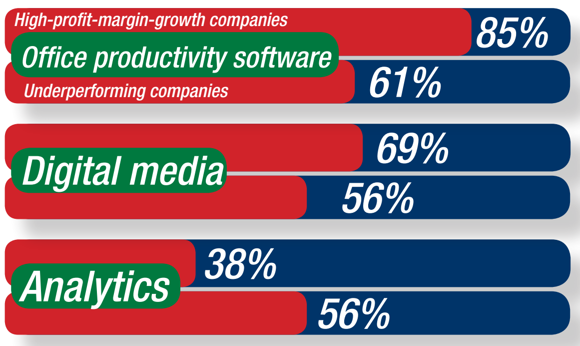
Workforce 2020—High performers

Bridging the Skills Gap—The Learning Mandate

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

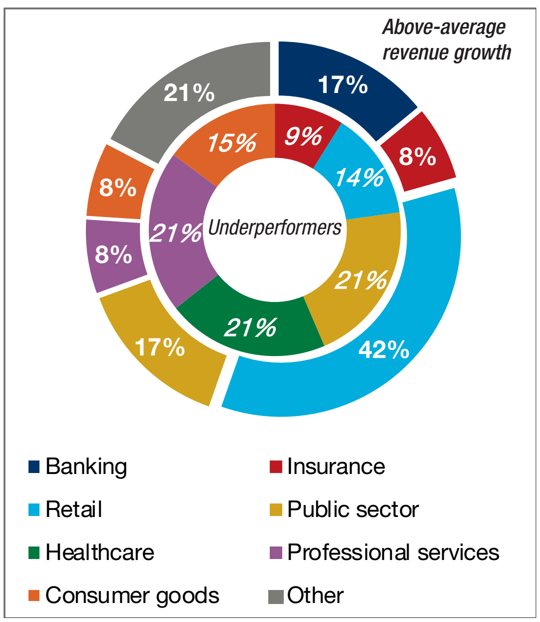
- Three-quarters of executives at high-revenue-growth companies are satisfied with the quality of candidates they receive, vs. 62% of underperformers.
- More than half of high-profit-margin-growth companies say they offer supplemental training programs as an employee benefit—significantly more than underperformers.
- High-profit-margin-growth companies are also more likely to have a formal mentoring program (69% vs. 53%).

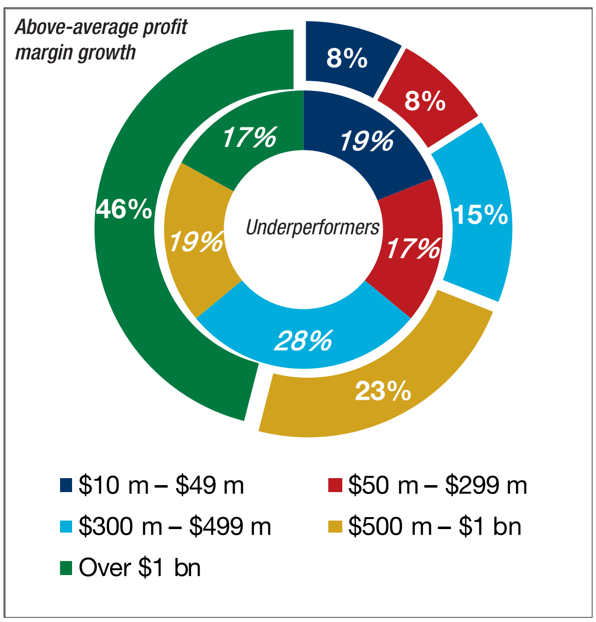
Executives say these technology skills are well represented at their organization.



Survey demographics: High performers

- High-revenue-growth executive titles: CEOs (0%); COOs (8%); CFOs (0%); CIOs (17%); CMOs (8%); Chief Human Resources Officers (17%); VPs/Directors of HR (17%); VPs of Learning/Development (17%); VPs Compensation & Benefits (17%); VPs Recruiting or Talent (0%)





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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