



News Release

Deloitte: Study Reveals Talent Squeeze is Globalizing; Shortage, Motivation and Retention of Talent Emerge as Top HR Challenges

Employment security, retirement rank in top three personal concerns across all regions surveyed; Ability to afford retirement was top concern for U.S. respondents

NEW YORK, March 11, 2013 – Despite stubbornly high unemployment, with recent reports of job gains showing a modest decline in the U.S. unemployment rate, human resource (HR) professionals around the globe have continued concerns about attracting and retaining top talent. This talent paradox, combined with dynamics of four distinct generations in the global workforce, points to the need for more effective and adaptable talent strategies and rewards programs.

The 2013 “[Top Five Global Employer Rewards Priorities Survey](#)” from Deloitte, the International Society of Certified Employee Benefit Specialists (ISCEBS), and the International Foundation of Employee Benefit Plans reveals that HR leaders across the globe are acutely focused on talent as the top challenge and priority over the next three years. Approximately one in four respondents from all geographies surveyed, including the Americas (24 percent), EMEA (28 percent) and Asia-Pacific (24 percent) cited finding, motivating and keeping talent as their top priority.

“Given all of the sharply different economic, political and geographic challenges in the regions we surveyed, we found real parallels in terms of what is weighing heavily on employers,” said David Lusk, principal, Deloitte Consulting LLP and co-author of the report. “Attracting and retaining top talent is a universal theme.”

Top five priorities

“The Top Five Global Employer Rewards Priorities Survey” series is an annual barometer of talent and rewards management challenges. Conducted globally for the first time this year, 27 different countries ranked the top five priorities for 2013:

1. The ability of reward programs to attract, motivate, and retain employees
2. Clear alignment of Total Rewards strategy with business strategy and brand
3. Motivating staff when pay increases are flat or non-existent
4. The cost of providing benefits to employees
5. Demonstrating appropriate return on investment for reward expenditures

Retirement security: A 21st century retention strategy?

From a personal employee perspective, retirement continues to be top of mind. Two-thirds (66 percent) of U.S. respondents ranked their ability to afford retirement as their top concern. This issue is so deeply felt that more than one in three U.S. employees (34 percent) plan on delaying their retirement age. This is in contrast to other regions, including EMEA where a triple dip recession looms. There, 16 percent of employees say they plan on delaying retirement, and similarly in Asia, 17 percent indicate plans to delay retirement as well.

“Calibrating talent and rewards strategies to meet generational expectations of extended employment is a step many employers and national governments should consider taking,” said Scott Cole, senior manager, Deloitte Consulting, LLP and co-author of the report. “This can also be an astute retention strategy, particularly as employees across all regions indicate they will consider leaving their current employer for another that provides better benefits or more stability.”

Skills gap paradox and employee consumerism

In an era of limited economic growth compressing job opportunities, it would seem that there should be enough talent to go around, but the reality couldn't be more different.

“As boomers retire, many companies face a conundrum for how to fill jobs quickly. Their hiring strategies may need to go beyond simply preparing to fill the positions with a stockpile of resumes,” added Lusk. “Leading employers understand that their employees have choices. Their ability to quickly fill roles, particularly those requiring highly-skilled talent, often depends on having world-class Total Rewards programs with benefits that outpace the competition in addition to offering training, leadership and mentoring programs and other non-traditional forms of rewards and recognition.”

Generational considerations: Rewards tailored to career stages

The report highlights the challenges of addressing the needs of a diverse range of generations. Workforces in China, the U.S., and most of Europe are aging, while others, such as those in India and Brazil, are seeing a high influx of young employees. These changes are putting a strain on companies and their leadership to identify and implement effective rewards programs as each generation is marked with distinct values and expectations. This is reinforced by the finding that only 61 percent of global respondents either somewhat agree or strongly agree that their organization's leadership team understands the differing generational values in the workforce; more than one in four respondents (28 percent) indicate their organization does not have the correct Total Rewards strategy in place to recruit and retain the talent needed in their workforce.

“The reality of today's workplace is one where four distinct generations can be seen in the same workforce,” said Michael Wilson, CEO of the International Foundation and ISCEBS. “To stay competitive, companies have to redefine their Total Rewards programs to motivate, attract and retain employees at every stage within their career and with somewhat divergent demands from their employer.”

Job security

Given austerity programs, weakness in the Yen and the budget crisis in the U.S., employees in all countries are facing concerns over the security and viability of their positions. The report reveals that more than half (56 percent) of respondents say the future of their employment security is among their top three challenges, including nearly one-third (30 percent) who view this as their number one concern.

For a copy of the 2013 “Top Five Global Employer Rewards Priorities Survey” report, click [here](#).

To attend a Deloitte Dbriefs Webcast “Employee Rewards Programs: Global Trends and Insights” on March 13 at 2:00 p.m. Eastern for an overview of key findings from the report, please register [here](#).

About the Survey

In its 19th year, the "Top Five Global Employer Rewards Priorities Survey" is jointly sponsored by Deloitte and the International Society of Certified Employee Benefit Specialists (ISCEBS). Different than years past, the 2013 edition asked HR professionals internationally to participate, making this the first Global Top Five Survey, comprised of 415 respondents, representing employers in 27 different countries across the Americas, EMEA and Asia-Pacific. Survey participants were asked to respond as representatives of their employers with the exception of two questions about personal challenges and plans. For purposes of this survey, the phrase Total Rewards is defined as all compensation, benefits, perquisites and any other direct or indirect payments to employees. The survey respondents represent a diverse cross-section of the global employer population by industry and size.

About Deloitte's Human Capital practice

Deloitte helps organizations effectively manage their human capital to drive business growth. It does this leveraging advanced analytics to develop talent management and business-driven HR strategies to deliver results. Deloitte is a leader in human capital consulting, bringing a distinct combination of business, industry and HR knowledge, supported by the breadth of services and capabilities of a multidisciplinary professional services organization and the Deloitte Touche Tohmatsu Limited global network of member firms. For more information, please visit <http://www.deloitte.com/humancapital>.

About IFEBP and ISCEBS

The International Foundation of Employee Benefit Plans is a member-driven organization with five decades of experience as a leading objective source of employee benefits education and information. The Foundation offers education, information and the Certified Employee Benefit Specialist (CEBS) program to its 33,000 members. For additional information, visit www.ifebp.org. Its sister organization, the International Society of Certified Employee Benefit Specialists (ISCEBS), provides continuing education opportunities for those who hold or are pursuing the CEBS and its affiliated designations. For more information, visit www.iscebs.org.

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