



News Release

Deloitte: Study Shows Global Talent Squeeze Continues to Affect Employers

Talent shortage, motivation and retention issues remain top HR challenges

NEW YORK, April 29, 2014 – Even as the economy slowly improves, human resources (HR) professionals around the globe struggle to find the right people for technical and skilled jobs. This talent shortage makes employee retention and engagement strategies even more critical.

The 2014 “Global Top Five Total Rewards Priorities Survey” from Deloitte, the International Society of Certified Employee Benefit Specialists (ISCEBS), and the International Foundation of Employee Benefit Plans shows that HR leaders globally are acutely focused on talent as the top challenge and priority over the next three years. With the added challenge of managing the dynamics of four distinct generations in the global workforce, the survey results point to the need for more effective and adaptable talent strategies and rewards programs.

“With global economies continuing their slow rebound amid persistent skills gap issues, it comes as no surprise among over a third (35 percent) of those surveyed that attracting, motivating and retaining talent is the primary concern of employers around the world,” said Jason Flynn, principal, Deloitte Consulting LLP and co-author of the report. “While the alignment of rewards with overall talent management was the top challenge across all geographies, the approaches to achieve this goal truly reflected the economic, cultural and political nuances of the local regions.”

Top five priorities

The “Global Top Five Total Rewards Priorities Survey” series serves as an annual barometer of talent and rewards management challenges. Conducted globally for the second time this year, 22 different countries ranked these the top five priorities for 2014:

1. Aligning total rewards with business strategy by attracting, motivating, and retaining employees
2. Reducing the costs of providing healthcare and other non-cash benefits to employees
3. Motivating staff when pay increases are flat or non-existent
4. Demonstrating appropriate return on investment for reward expenditures
5. Creating a rewards program that reflects the culture and goals of the organization

Evolving rewards programs and strategies

The study indicates that employers should continue to modify and adjust their total rewards programs in today’s dynamic economic environment. Forty-three percent of those surveyed identified an increase in health and well-being initiatives as an action that their organization has undertaken within their overall total rewards strategy. There has been more focus on these initiatives in the Americas (50 percent) than in EMEA (26 percent) and Asia Pacific (33 percent).

Forty percent of employers also responded that they have or plan to change the definition or mix of components within their overall rewards strategy. This remixing was more prevalent in responses from EMEA (45 percent), but still high in the Americas (38 percent) and Asia Pacific (33 percent).

“Employers recognize the critical nature of total rewards as a primary way to recruit and engage employees. Equally important is for employees to understand the value of their total rewards,” said Michael Wilson, CEO of the International Foundation and ISCEBS. “Employer-provided education and communication is imperative for employees to better understand and make use of their rewards. Additionally, employers are educating beyond basic benefits literacy to include topics such as personal finance, health and wellness.”

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 is quite different.

“There is a talent paradox that we are seeing around the world. Employers are having difficulty finding the right skills and talent to fit their workforce, despite persistent unemployment numbers,” said Yon-Loon Chen, senior manager, Deloitte Consulting, LLP and co-author of the report. “This leads to increased competition for the fewer highly-skilled employees; so it’s no wonder that the focus comes down to enticing talent away from the competition and keeping the talent you have. And you accomplish all this through your Total Rewards program.”

Global generational considerations: Varied rewards focus

While the workforce populations in the U.S. and most of Europe are aging, India and Brazil are experiencing a high influx of young employees. The report indicates that 60 percent of employers somewhat agree or strongly agree that their organization’s leadership team understands the total rewards perspectives and values of the different generations in their workforce, but only 37 percent of employers globally would consider a menu-driven reward mix that allows employees from different generations to build a total rewards package to fit their particular needs.

“Organizations have come to face the reality that their workforces are intergenerational and what may work for one generation in the Total Rewards program doesn’t necessarily work for the others,” added Chen. “It will be imperative for organizations to have a flexible Total Rewards program that will support all its employees as they progress through their careers.”

For a copy of the 2014 “Top Five Global Employer Rewards Priorities Survey” report, visit [here](#).

About the Survey

In its 20th year, the "Top Five Total Rewards Priorities Survey " is sponsored jointly by Deloitte, the International Foundation and ISCEBS. The 2014 edition marked the second year that international HR professionals participated, making this the second Global Top Five Survey, comprised of 222 respondents, representing employers in 22 different countries across the Americas, EMEA and Asia-Pacific. Survey participants were asked to respond as representatives of their employers. 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 by leveraging advanced analytics to develop talent management and business-driven HR strategies that 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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