GLOBAL INSIGHTS
HR BAROMETER

Putting People First
How HR is at the Forefront of Business Growth and Transformation

Michael Page

ABOUT US

Michael Page is one of the world's best-known and well-respected professional recruitment consultancies. Established in 1976 in the United Kingdom, we now span 154 offices in 35 countries. We are a leading provider of permanent, contract and temporary recruitment for qualified professionals and executives. Through organic growth we have become a FTSE 250 company with more than 5,600 employees globally. We operate a consultative approach to professional recruitment combining local know-how with global expertise, to find the best fit between client and candidate.

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EXECUTIVE SUMMARY

Based on extensive data collected from over 2,500 HR managers in 65 countries across the globe, the Michael Page HR Barometer presents important findings from the global HR community.

The headlines

- **Strong hiring and recruitment expectations in many locations** signal a new phase of economic growth and rebuild. Numbers from countries such as Germany and the UK and Ireland are particularly optimistic, sending a positive message about future plans for workforce expansion.

- There are clear signs that this is **the long-predicted prelude to the Second War for Talent**, following on from the first peak in demand fuelled by the surge in technology during the closing years of the last century. While the technology and related industries will be on the front line in this new war for talent, other sectors are expected to follow rapidly in their wake.

- As a result, **HR is increasing in consequence and influence**, as illustrated in the intensified focus on the recruitment, development and management of talent. Talent retention and employer branding will also be as crucial in this new war as they were first time around.

- **HR is becoming key to business growth** and needs to continue its evolution towards being an operational and strategic business partner. In some regions at least, the difficult HR tasks of laying off employees and cutting costs, demanded by the economic downturn, may now no longer divert HR from more strategic initiatives. We also see renewed focus on HR data and key performance indicators (KPIs) to manage performance.

- **Is HR ready for this complex mix of challenges?** Certainly in terms of numbers of resources, organizations are not planning any significant increase in their HR teams, even though they are expecting to increase their workforce within the next twelve months. This crucial finding raises obvious questions about HR professionals being ready to help their employers to handle a growing workforce. Will HR be able to cope with the pace of growth required by the business? This is a key challenge for the foreseeable future.

Reflecting on the insights we have received from HR leaders across the world, we see that the HR function is undergoing radical change. From being regarded as an administrative function, HR has become more focused on recruitment and talent development.

The responses of HR leaders globally signal a **maturing HR function**, which is aligning more closely with the business and becoming **a strategic partner** in attracting, hiring, developing and retaining talent, as organizations place increased value of their people.

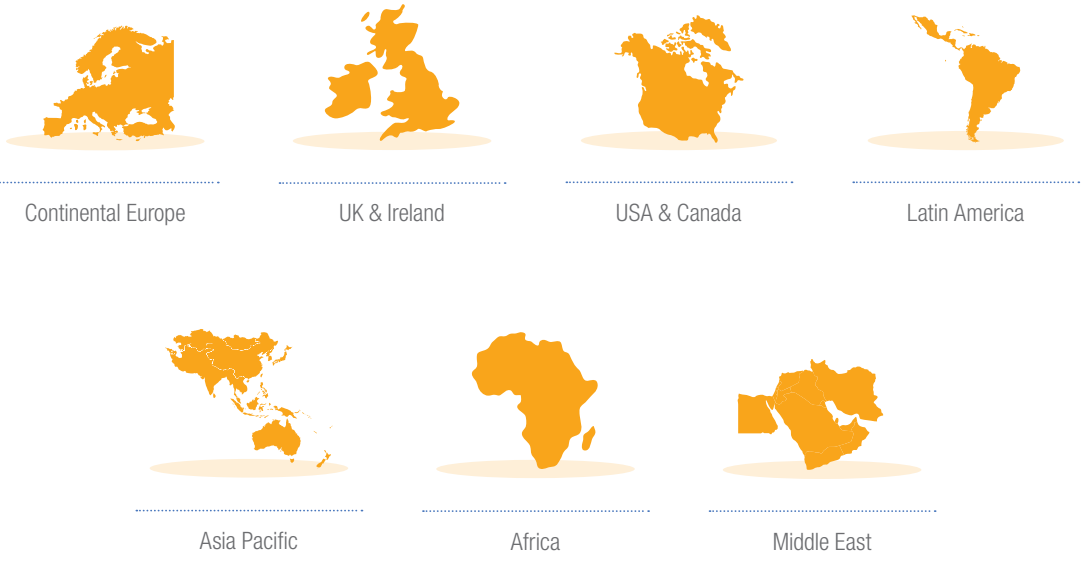
METHODOLOGY

Michael Page's Global HR Barometer is a comprehensive and unique online survey of HR leaders in 65 countries. Conducted during the early part of 2015, the survey comprises information on 2,572 organizations, from SMEs to blue-chip brands in a cross-section of industries, allowing us to make well-founded observations on the HR landscape.

Seven regions are represented: Continental Europe, the United Kingdom and Ireland, United States of America and Canada, Latin America, Asia Pacific, Africa and the Middle East. In order to account for differences in regional economic performance, the data has been weighted, based on gross domestic product (GDP).

Regions surveyed

Based on 2,572 responses

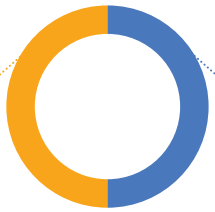


Study objectives and demographics

The study questionnaire was designed to gather key information on:

- The scope of the HR manager's/leader's role
- Key priorities for HR
- Where HR sits within the organization
- Key changes in the pipeline
- Recruitment plans
- Strategic HR initiatives

Respondents' position



50%

HR senior management
(Vice President HR, President HR, HR Director, Head of HR)

50%

HR middle management
(Senior HR Manager, HR Manager, HR Business Partner)

Industry

Industrial manufacturing	Banking/Financial services	Business services	Technology	Consumer goods
21%	**7%**	**7%**	**7%**	**7%**
Healthcare	Retail	Energy	Construction	Public sector/ Not-for-profit
6%	**5%**	**4%**	**4%**	**3%**
Transport	Logistics	Leisure & Hospitality	Telecommunications	Real Estate/Property
3%	**3%**	**2%**	**2%**	**2%**

Media & Publishing	Other
2%	**14%**

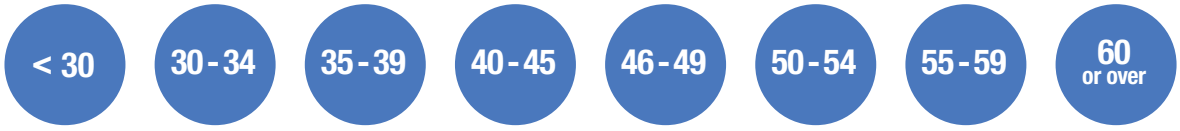
Company size

Number of employees

1 - 99	100 - 499	500 - 999	1000 - 4999	5000 and over
17%	**32%**	**15%**	**20%**	**16%**

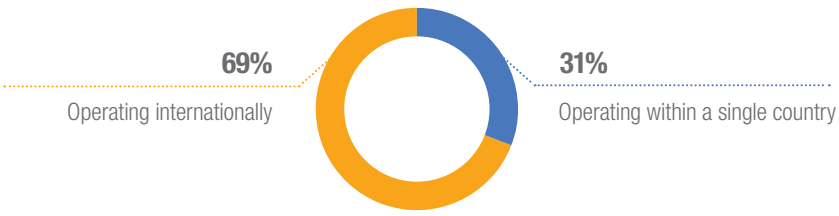
Gender

Age



< 30	30 - 34	35 - 39	40 - 45	46 - 49	50 - 54	55 - 59	60 or over
4%	**18%**	**22%**	**25%**	**12%**	**11%**	**5%**	**3%**

International operations vs single country



THE ROLE OF HR AS BUSINESS PARTNER

What are the priorities for HR and how is the role changing?

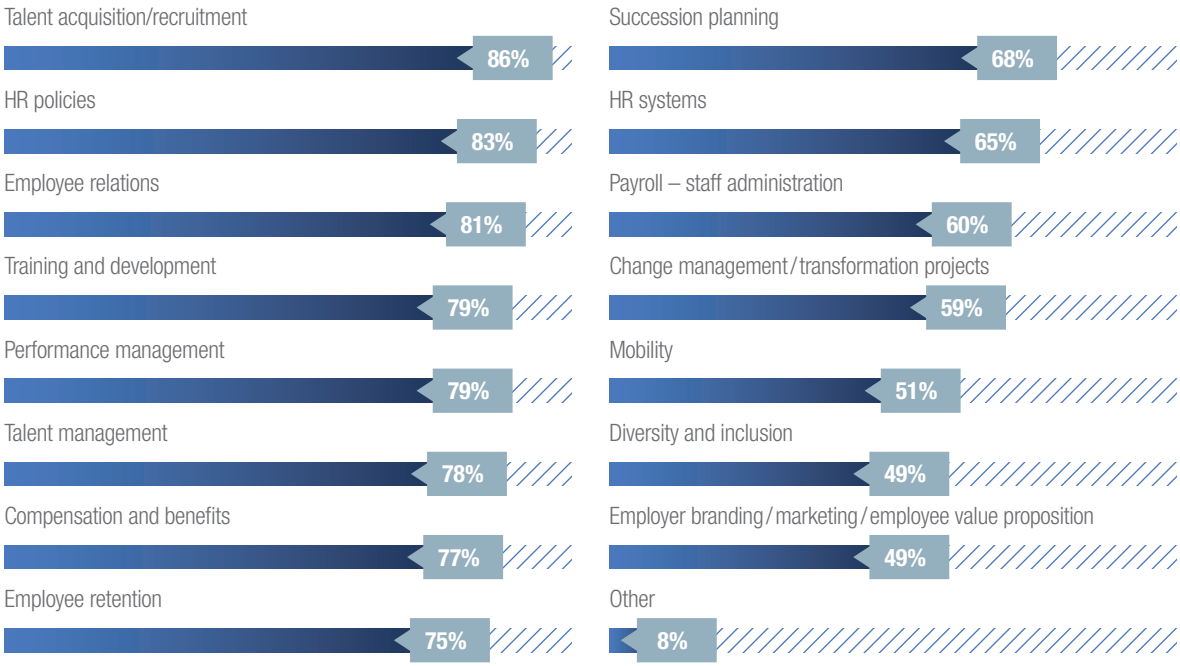
Our Global HR Barometer focuses on identifying the key priorities for HR and considers its new strategic role. The report looks at the evolution of HR and the ability of the organization to measure HR performance. Critically, it reviews the readiness of HR to compete in the war for talent.

To validate the strategic importance of HR within the organization itself, we examined the organizational and reporting structure of HR leaders, observing that, worldwide, most senior HR leaders directly report to management at the highest levels. **63% of senior management respondents directly report to the CEO / CFO / chairman or woman / general director / managing director.**

On exploring further, we have also identified that:

- 80% of HR leaders have strategically significant responsibilities (e.g. talent management)
- 60% reported payroll / staff administration within their scope of responsibility
- The majority of HR leaders have accumulated a wealth of knowledge and experience, having worked in HR for 15 years or more

The scope of HR leaders' work



Talent tops the priority list

HR leaders report the following top priorities:

- Talent management – 33%
- Training and development – 33%
- Talent acquisition/recruitment – 32%

The majority of organizations report no single overriding HR priority. However, the trio of HR priorities most frequently reported together are: talent management, training and development, and mobility/succession planning.

Hot topics not so hot

Areas that might be expected to be 'hot topics' are given a much lower priority, including:

- Employer branding/marketing/employee value proposition – 13%
- Diversity and inclusion – 4%

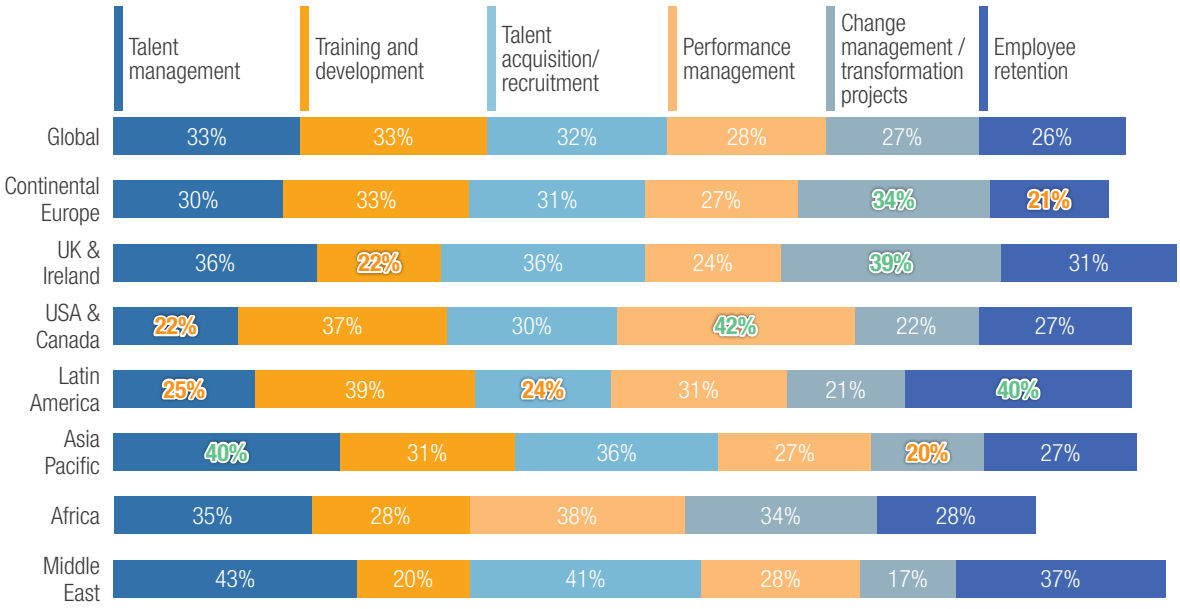
With organizations under pressure to differentiate themselves in the labour market to attract talented candidates, this latter finding is especially surprising.

Talent management: a priority in diverse locations

What do India, South East Asia (Indonesia, Malaysia, Singapore and Thailand) and Turkey have in common? Half of organizations in these locations rate talent management among their top three HR priorities for the next twelve months, compared to 33% across all the countries in the survey. This relates to rapid economic growth and a less established HR function that must evolve quickly for this increase to be sustainable.

In India, an above average number of organizations also identify talent recruitment / acquisition as a major HR priority. This correlates with other evidence showing that India and Asia Pacific lack skilled labour on a large scale.

HR top priorities per region



*Figures marked in **orange** or **green** are significantly **below**/**above** the global average.*

Germany and India – two contrasting countries sharing a top HR priority

Looking at talent recruitment/acquisition, the case of Germany is also remarkable. While German organizations do not acknowledge talent management as a major HR priority any more frequently than in other countries, the proportion prioritising talent acquisition/recruitment is significantly above the overall level – at 42% it is 10% above the average – and is the most frequently recorded HR priority in Germany.

The challenge seems to be that of attracting talented employees in the first place, rather than developing, deploying, and retaining existing talent.

> Similarly, in India, a striking 45% of organizations rate talent acquisition/recruitment as a priority.

Size of company determines HR priorities

Organizations with over 500 employees rate talent management among the three most important HR priorities significantly more often than their smaller counterparts (> 36% compared to < 30%). Smaller enterprises may find it hard to actively manage their talent due to the more limited career opportunities they offer. Many also lack the budget, resources and HR expertise to react to labour shortages through talent management initiatives.

Training and development not based on objective analysis

In order for training and development to be among the top trio of HR priorities, we might expect HR to monitor and analyse training and development needs. Yet it is only among those with more than 5,000 employees that placing a priority on training and development is associated with a higher likelihood of tracking employee competencies as an HR KPI.

In the survey as a whole, only 41% of organizations placing a priority on training and development systematically track employee competencies. Most, therefore, may be making assumptions about employee competencies and training needs based on anecdotal evidence.

Industry-specific HR priorities

Renewed focus on talent acquisition, recruitment and employee retention in the technology sector

Technology companies, which depend on having a supply of highly qualified labour, report two priorities significantly more frequently:

- Talent acquisition/recruitment – 45%, compared to 32% overall
- Employee retention – 36%, compared to 26% overall

In technology and associated industries, the war for talent is already being fiercely fought. With heightened competition and accelerated time to market, larger organizations are under pressure to innovate and reinvent themselves.

Incentivisation: a priority for the public sector

The public sector saw compensation and benefits as a more pressing HR priority than respondents overall: 33% compared to 18%.

As a direct consequence of the economic crisis and downsizings, many top professionals from the private sector, where there are complex compensation and benefit schemes, joined the public sector. As a consequence, we could now be seeing the highly regulated public sector compensation and benefits schemes gain in structural complexity and flexibility to enable the sector to hire and retain top level professionals.

Does investment align with key HR priorities?

A crucial question is whether there is a mismatch between the challenges that companies identify and the action that they take to address them?

Those that acknowledge employee retention as one of their three main HR priorities are more likely to:

- Track staff turnover – 76% compared to 64% overall
- Focus on employee engagement – 50% compared to 44%

However, this brings to light an anomaly: while employee retention is associated with monitoring employee engagement and staff turnover, **a quarter of organizations rating retention as a priority do not track staff turnover** and, while half prioritise employee retention, they are not equipped to address staff turnover through employee engagement.

A need to quantify the challenge

It is indicative that 24% of organizations recognising employee retention as a challenge cannot quantify the extent of staff turnover they suffer.

Meeting priorities by targeting specific employees

Does prioritising employee retention influence female-friendly measures?

We might expect organizations prioritising employee retention to consider how they can adapt their working practices to retain certain segments of their workforce, such as by adopting female-friendly measures. Yet these organizations are significantly less likely to deploy measures specifically targeted at women: 44% of organizations noting employee retention as a priority have not yet implemented measures specifically for women, compared to 37% in the survey overall. However, because their programmes and initiatives for employee retention cover all of the workforce, female employees necessarily benefit.

Measures implemented by companies mentioning employee retention

	Total	Employee retention mentioned	Employee retention not mentioned
None	39%	**44%**	37%
Mentoring	20%	18%	20%
Coaching	23%	21%	24%
Networking	20%	18%	21%
Flexible working	39%	**35%**	40%
Horizontal career paths (lateral moves instead of managerial careers)	24%	**20%**	25%

*Figures marked in **orange** or **green** are significantly **below**/**above** the global average.*

Diversity and inclusion – increasing in importance with organization size

In total, only 5% of organizations have an HR function or team whose sole focus is diversity and inclusion management, while less than a third (27%) report having an HR function or team whose responsibilities include diversity and inclusion.

Two-thirds (67%) do not have an HR function or team responsible for diversity and inclusion at all. However, we observed that there is a correlation with size: a function or team responsible for diversity and inclusion is more commonly found (55%) among organizations with over 5,000 employees.

HR resources assigned to diversity and inclusion by organization size

Number of employees

	Total	1-9	10-19	20-49	50-100	More than 100	Don't know
We have a dedicated full-time function or team addressing D&I issues	6%	**2%**	5%	8%	**9%**	**20%**	–
We have a function or team managing D&I along with other issues	27%	**20%**	**36%**	**34%**	33%	**45%**	**9%**
We don't have any function or team assigned this area	67%	**78%**	**60%**	**59%**	**58%**	**35%**	**49%**

*D&I = diversity & inclusion. Figures marked in **orange** or **green** are significantly **below**/**above** the global average.*

Budget does not guarantee resource allocation

Allocating budget to diversity and inclusion management does not necessarily mean assigning resources to the task: 30% of organizations with no specific function or team responsible for diversity and inclusion spend up to 5% of their HR budget on associated activities.

Percentage of total HR budget allocated to diversity & inclusion activities

	None	Under 5%	5-10%	Over 10%
Total	48%	38%	11%	3%
We have a dedicated full-time function or team addressing D&I issues	**8%**	**47%**	**33%**	**12%**
We have a function/team managing D&I along with other issues	**16%**	**56%**	**22%**	**6%**
We don't have any function or team assigned this area	**64%**	**30%**	**5%**	**1%**

*D&I = diversity & inclusion. Figures marked in **orange** or **green** are significantly **below**/**above** the global average.*

Priority on diversity and inclusion associated with increased investment in budget and staff

Do the 4% of organizations in the survey that place diversity and inclusion among their top three HR priorities approach this priority differently from others? Among this small sub-sample, significantly more have a team or function solely or partly responsible for diversity and inclusion: 12% with sole responsibility; 50% with shared responsibility. On the other hand, 38% have no function or team responsible for diversity and inclusion at all.

Among organizations stating that diversity and inclusion is a priority, a considerable percentage – 28% – spends no HR budget on related activities. However, this means that 72% do, compared with 50% in the survey overall. A possible conclusion is that perhaps some organizations have not yet delivered on their promises for diversity and inclusion.

Nevertheless, some organizations spend a large proportion of their total HR budget solely on diversity and inclusion activities: those prioritising diversity and inclusion are more likely to spend over 10% of their HR budget on associated activities – 9% compared to 3%.

An interesting finding is that offering measures specifically for women is 25% higher among organizations with a priority on diversity and inclusion: 85% compared to 60%.

Measures implemented specifically for women compared with diversity and inclusion as a priority

	Total	Diversity and inclusion mentioned	Diversity and inclusion not mentioned
None	39%	**15%**	40%
Mentoring	20%	**46%**	18%
Coaching	23%	**37%**	23%
Networking	20%	**36%**	20%
Flexible working	39%	41%	39%
Horizontal career paths (lateral moves instead of managerial careers)	24%	**34%**	24%

*Figures marked in **orange** or **green** are significantly **below**/**above** the global average.*

Key findings

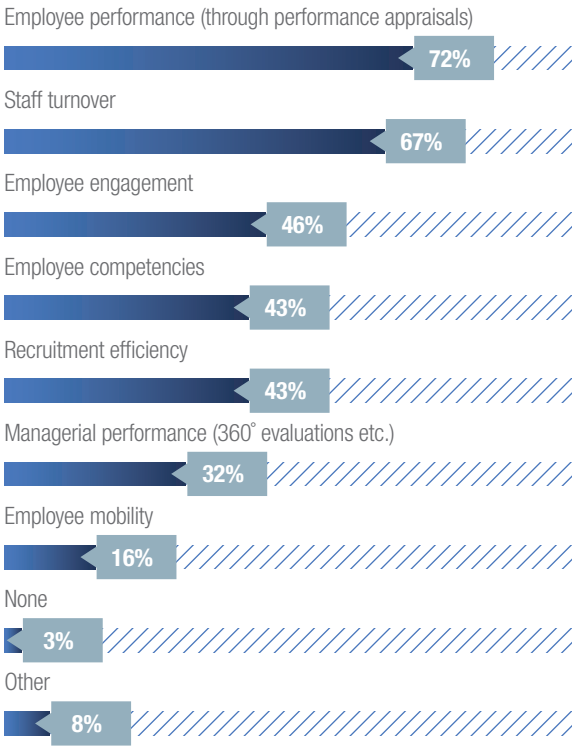
- An impressive 80% of HR leaders engage in strategically significant responsibilities, such as talent management
- Three priorities are consistently top of mind for HR leaders: talent management and training & development tying for first place (33%), with talent acquisition/recruitment coming a close second (32%)
- Only 4% of HR leaders are focused on diversity and inclusion

ON THE PATH TO PARTNERSHIP

Performance and turnover: the main KPIs

Employee performance (72%) and staff turnover (67%) are the dominant HR KPIs in the survey, tracked by more than two-thirds of organizations. If we look at the stand-out findings for the individual countries for employee performance tracking, India comes in at 86%, while there is a significant spectrum for tracking staff turnover, from Italy at 17%, up to UK & Ireland at 92%. In contrast, the more sophisticated KPIs (such as employee competencies) are used by fewer than half in each case.

HR KPIs measured



There was almost no correlation between tracking employee performance and staff turnover and the size of the organization and its HR team: even among small organizations (1-99 employees) with few HR staff (1-9 employees), 66% track employee performance as an HR KPI and 54% track staff turnover.

Systematic review not the norm

HR performance measurement reviewing still seems to be in its infancy. A large proportion (64%) tracks three or fewer HR KPIs.

Evidence from our Global HR Barometer suggests that HR departments worldwide struggle to make their efforts and achievements transparent. In the shift from being a purely administrative function, being equipped with the right metrics would greatly help to legitimise HR's involvement in business strategy execution.

The ability to quantify the status quo and evaluate the impact of policy and practice interventions, such as a change in the performance appraisal system, on work outcomes and related performance indicators is central: HR has to assert itself against functions such as sales and finance, where performance is readily observable and hence the job of communicating created value is easier.

Tracking recruitment efficiency more common in India, China, South East Asia and Turkey

An above-average number of Indian organizations acknowledge talent acquisition/recruitment as a major HR priority. They are also significantly more likely to track recruitment efficiency as an HR KPI – 68% compared to 43% overall – suggesting that recruitment is a wide-spread concern in India. Recruitment efficiency is also tracked by a large number of organizations in China, South East Asia and Turkey.

HR staff availability leads to more advanced KPI tracking

When the size of the total workforce is taken into account, the respective size of the HR team does not seem pivotal in the decision to track more advanced HR KPIs, such as employee engagement. Yet the frequency with which the more advanced KPIs are used is indeed affected by HR department size.

Let's look at some examples:

- **Tracking managerial performance** is done in 32% of organizations of all sizes. However, where there are fewer than 500 employees, the figure falls to around 26%, while it rises to 40% where there are more than 1,000 employees.
- **Tracking employee mobility** takes place in around 16% of organizations overall, but falls to 12% for organizations with fewer than 500 employees and rises to 21% where there are more than 1,000 employees.
- **Tracking employee engagement** stands at 46% overall, but drops to 41% where there are fewer than 500 employees and increases to 53% where there are more than 1,000.

When distinguishing between smaller organizations with fewer than 1,000 employees and larger ones with 1,000 employees or more, the picture becomes more differentiated. The tendency for more HR staff to be associated with a higher likelihood of tracking managerial performance, employee mobility, and employee engagement – in other words, the more sophisticated HR KPIs – is actually restricted to larger organizations, while there is no systematic pattern among smaller organizations.

These findings hint at a resource-based explanation. Among organizations with adequate financial resources for HR performance reviewing, that is, larger organizations with 1,000 or more employees, those with a comparably large number of HR staff seem to invest more effort in reviewing the organization's performance in managing its resources.

The bigger the HR team, the greater the level of HR KPI tracking

There is a correlation between HR team size and propensity to track more than three HR KPIs – 31% of organizations with up to nine HR employees, compared to 52% of organizations with over a hundred HR employees.

Number of HR KPIs per organization size

KPIs	Total	1-9	More than 100
0	3%	4%	**1%**
1	7%	8%	7%
2	17%	**21%**	**11%**
3	37%	37%	**30%**
4	18%	17%	19%
5	11%	**9%**	**17%**
6	5%	**4%**	6%
7	3%	**1%**	**8%**
8	0%	0%	1%

*Figures marked in **orange** or **green** are significantly **below**/**above** the global average.*

Hence, we can speculate that performance reviewing in HR is either regarded as a luxury for those with sufficient financial and personnel resources or as a necessary evil for large (and correspondingly costly) HR departments that are forced to provide evidence on the value they add.

Flexible working practices most popular female-friendly measure

Flexible working practices are the most frequently reported measure specifically implemented for women (39%), followed by horizontal career paths, coaching, networking and mentoring, all of which have approximately equal prevalence, at between 20% and 24%.

It is, however, worth noting that organizations offering flexible working to their entire workforce, regardless of gender, make themselves more attractive to both women and men.

A policy formalised in writing generally tends to carry more weight, but **fewer than one in three organizations has such a written flexible working policy.**

Flexible working practices for the whole workforce, not just female employees, have been adopted by 66% of organizations surveyed, but fewer than half (47%) of these report having a written policy on flexible working practices. The figure is 31% for all organizations.

Nearly three out of four organizations in the UK and Ireland have a written policy on flexible working practices

As the following figures show, some countries significantly deviate from this picture in the numbers affirming that they have a written policy on flexible working:

- UK and Ireland – 73%
- Luxembourg – 54%
- Germany – 51%
- Australia – 47%

The high number of organizations offering flexible working in the UK may be explained by the legislation giving all employees the legal right to request flexible working - not just parents and carers.

In the majority of organizations with flexible working practices, not all employees are covered (57%). However, there are deviations from this overall picture in certain locations, among them, the UK and Ireland, with 60% of organizations reporting full coverage of employees. At the other end of the spectrum, in China only 30% report full coverage.

Widescale flexibility tends to go hand in hand with a written policy

Furthermore, organizations with a written policy on flexible working are significantly more likely to report full coverage of the workforce (57% compared to 31%). Against expectations, those with a priority on work-life balance programmes are not significantly more likely to report full coverage.

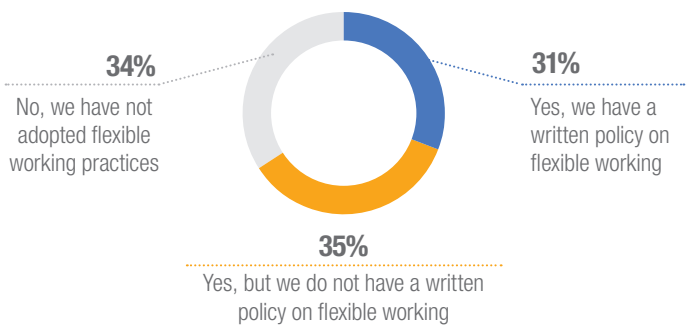
Around 80% of clerical and manual workers are not covered by flexible working practices, irrespective of employment contract type. Permanently employed professionals and managers are more commonly covered than those on fixed-term or temporary contracts.

In larger organizations, HR team size dictates whether flexible working is formalised

Having a larger HR team is associated with a greater likelihood of having a written policy on flexible working, but only among larger organizations with more than 1,000 employees. Among organizations with 1,000 employees or under having administrative capacity in the form of HR staff appears to be irrelevant to whether there is written policy on flexible working practices or not.

Note that the proportion reporting a written policy on flexible working practices is about 30% across the survey, regardless of organization size. Hence, while flexible working practices can be assumed to generate an additional administrative workload, for example to

Flexible working practices adopted



monitor working hours and administer different pay schemes, the scope and scale of flexible working practices might differ to a large extent between smaller and larger organizations.

Does being in the spotlight make a difference?

Due to their greater visibility and corresponding pressure to conform to the expectations of external stakeholders, larger organizations may have to provide a much more comprehensive flexible working package – generating a substantially larger administrative workload – in order to be seen to be doing the right thing.

Organizations giving all employees globally and regionally, the option to work flexibly

Total	43%
Continental Europe	**48%**
UK & Ireland	**60%**
USA & Canada	**21%**
Latin America	37%
Asia Pacific	41%
Africa	20%
Middle East	28%

*Figures marked in **orange** or **green** are significantly **below**/**above** the global average.*

Key findings

- Employee performance is the most widely measured HR KPI (72%); staff turnover is the runner-up (67%)
- HR team size is pivotal to how often advanced KPIs are tracked
- The most popular female-friendly measure is flexible working (39%)

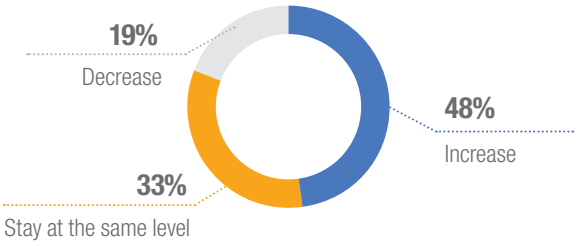
IS HR READY FOR THE NEW WAR FOR TALENT?

Can HR supply the organization's hunger for talent?

Nearly half of organizations in the survey expect to increase their workforce within the next twelve months. This finding suggests that recruitment will become an even more pressing HR concern when the global economy picks up again. India (66%) and UK and Ireland (60%) report particular staffing pressures.

What about the other half, those which do not expect to increase staffing levels? Most (33% of the survey total) expect that the workforce will remain stable, and just 19% expect to see a decrease. We can conclude that the outlook on global employment, based on information gathered from HR leaders around the world, appears to be optimistic.

Changes in staffing level expected over the next 12 months



Expected workforce increase grabs higher share of total HR budget

Considering that almost half of organizations expect to expand their workforce in the near future, it's interesting to ask: how is HR preparing to increase the organization's staffing levels?

Many large organizations already spend a considerable proportion of their HR budget on recruitment. Almost half (46%) of those with 1,000 or more employees expecting to increase their total workforce spend more than 10% of their HR budget on recruitment. In comparison, and interestingly, fewer than 32% of those who expect no change, or even a decrease, spend a similar amount.

In organizations with under 1,000 employees, this difference is similarly pronounced, but the figures are lower: while 24% of organizations expecting their workforce to stay or decrease spend more than 10% of their HR budget on recruitment, the share among organizations expecting their workforce to increase is ten percentage points higher (34%).

In general, larger organizations appear more likely to spend more than 10% of their HR budget on recruitment (36%) compared to smaller organizations (28%) – irrespective of whether they expect to increase, maintain, or decrease their workforce.

Hence, for larger organizations, recruitment expenditure appears to be constantly higher relative to the total HR budget than for smaller organizations. Given that larger organizations typically face lower turnover rates than smaller organizations, this evidence highlights the emphasis put on recruitment within larger organizations.

This finding may be explained by entrenched shortages in skilled labour, which may force these larger organizations to consequently exert more effort in order to fill their vacancies.

Intense recruitment activity among technology companies

Among organizations expecting to increase their total workforce within the next twelve months, technology companies stand out as expecting this increase to be 13% above the figure for the survey as a whole: 39% compared to 26% across all industries.

The fierce demand for labour in technology-related industries raises the share of the HR budget generally spent on recruitment: 44% of organizations in technology report spending over 10% of their HR budget, compared to 31% across all industries.

These findings are clear evidence that recruitment is a particularly pressing HR issue in technology. It is also reflected in the large number of technology companies rating talent acquisition/recruitment among their top three HR priorities.

The exponential growth and evolution in technology, resulting in an extremely competitive environment, means that the industry will be in the frontline of a war that is set to spread to other sectors.

Pronounced recruitment activity in the UK and Ireland

With regard to the large number (60%) of organizations in the UK and Ireland expecting an increase in total workforce, it is indicative that 54%, compared to 31% in the survey overall, report spending more than 10% of their total HR budget on recruitment. This is significantly more than in other countries, except for Luxembourg, with a comparable share at 52%.

This focus on recruitment can potentially be explained by traditionally weaker employer-employee ties and, hence, higher turnover rates. However, this would not completely account for reports of increased recruitment budgets compared to the previous year in the UK and Ireland (42% compared to 27% overall), indicating a recent trend.

The reasons behind this rise in recruitment activity in this region could be due to the economic growth factor and the need to hire for positions left unfilled during the recession. Employee churn is also a factor, as those who managed to hold on to their jobs now test their value in a more buoyant labour market and gain confidence to move on.

HR team size stability for most, as overall workforce expands

In contrast to the expected change in total workforce size, most organizations (70%) do not expect to change HR staffing levels within the next twelve months, while 18% expect an increase and 12% expect a decrease.

These findings raise the question: **is HR prepared to handle a growing workforce with current staffing levels?** Are HR resources waiting in the wings? Can HR increase its efficiency? Or is opposite true: may a decreasing HR/employee ratio endanger the quality and professionalisation of HR services? Can relatively fewer HR people maintain the same service levels? Only time will tell.

Employer branding as a means to facilitate recruitment

Besides allocating an increased share of the total HR budget to recruitment, organizations may also prepare for an expected increase in total staffing levels with employer branding initiatives. These highlight the organization's unique characteristics, differentiating it from competitors on the labour market.

Nearly half of organizations surveyed report that the marketing department is responsible for employer branding, either solely or in conjunction with HR. Yet when it comes to recruitment, HR is the central stakeholder most frequently in charge of employer branding, solely or in conjunction with marketing, at 69%.

Expected increase in staffing levels per region, over the next 12 months

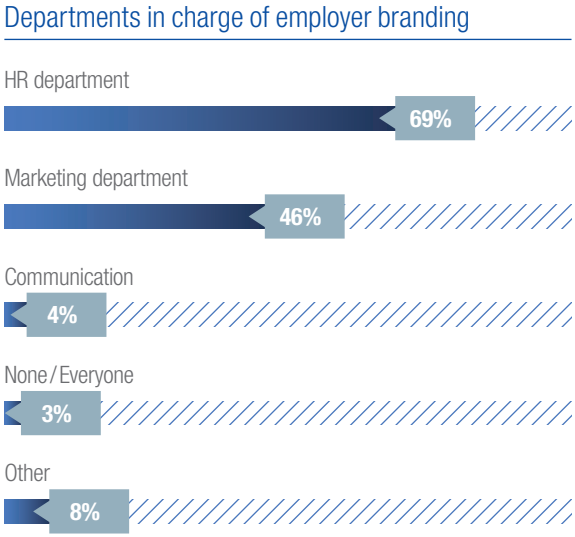
Continental Europe	UK & Ireland	USA & Canada	Latin America	Asia Pacific	Africa	Middle East
47%	**64%**	52%	46%	53%	66%	75%

*Figures marked in **orange** or **green** are significantly **below**/**above** the global average.*

Complementary investment in recruitment and employer branding

In addition, there is evidence of complementary investment in recruitment and employer branding activities. Among organizations having no one responsible for employer branding, the proportion that report spending nothing or less than 5% of their HR budget on recruitment is significantly higher than where there is at least one employee in charge of employer branding.

In general, we observe that 73% of organizations have at least one employee in charge of employer branding, possibly along with other responsibilities. Meanwhile, only 17% reported having nobody at all responsible for employer branding, though a further 10% did not know how many employees are responsible for employer branding. Not surprisingly, we observe a tendency for larger organizations to have more employees responsible for employer branding.



Key findings

- Technology is a battleground for talent, with 39% of companies planning to expand their workforce (26% across all industries)
- The UK and Ireland are hotspots for recruitment: 60% predict workforce expansion
- HR staffing levels are set to remain constant in 70% of organizations; 12% even forecast a decrease

THE NEXT STEP IN THE EVOLUTION OF HR

Rapidly evolving into a strategic partner

Throughout this Global HR Barometer, we have considered the extent to which HR is regarded as a significant business partner, operationally and/or strategically.

From the responses we received from HR leaders across the globe, there are clear signs that HR has evolved hugely from being chiefly an administrative function, handling the hiring and firing, to one that actively and systematically manages the talent on which the success of the organization depends absolutely.

Two standout findings quoted early in this report are worth reiterating as they show that this is not wishful thinking on the part of HR professionals:

- 63% of senior management respondents directly report to the CEO/CFO/chairman or woman/general director/managing director
- 80% of HR senior leaders have strategically significant responsibilities, such as talent management

HR shows particular strengths in crucial issues such as talent recruitment and talent management. However, there still appears to be room for improvement, especially in respect to measuring HR KPIs as a solid foundation for decision-making and in relation to diversity and inclusion.

In addition, there is scope for greater consistency. For example, not all companies signalling their need to recruit more employees have the strategies and practices in place to effectively support recruitment. The survey findings show that the HR function in many organizations is ill-prepared for the next wave of recruitment, lacking the HR resources and the measurement tools to pinpoint needs precisely (for talent, training and development…) and fulfil them.

Adopting a systematic approach to HR challenges is surely an indispensable condition of being regarded as a business partner.

> From this Michael Page study, it is apparent that HR must position itself to fulfil the organization's need for talent and to be a change agent; in other words, to operate as a strategic business partner helping to steer the organization and its people.

Will the next Michael Page HR Global Barometer show that HR has transformed itself into an agile, responsive function, using all the tools at its disposal to identify and quantify talent requirements and accelerate delivery, while creating the right environment for stellar employee performance?

In a world of global competition, shifting demographics and market volatility, the ability to meet these challenges will give HR a permanent place at the decision-making table.

Key findings

- HR has made great strides to becoming a business partner, but…
- The HR function is often ill-equipped for the next battle for talent
- The survey found an inconsistent approach to business needs analysis and KPI tracking

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