WORKFORCE METRICS SOLUTION

EMEA OVERVIEW

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TODAY’S PRESENTERS

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Principal, London

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Questions
To submit a question, use the floating panel on the top of your screen and click the Q&A button:

CLICK HERE TO ASK A QUESTION TO “ALL PANELISTS.”
INTRODUCTION
WHAT ARE METRICS
ADOPTION OF WORKFORCE ANALYTICS
GOOD INTENTIONS...BUT SUCCESS IS ELUSIVE

Mercer/HCI 2015 Global Study findings:

Making it a PRIORITY
- **77%** Plan to increase workforce analytics capabilities in the next two years
- **52%** Intend to use analytics to increase productivity/business success

HOW?
- “Connect workforce data to business KPI’s” – **76%**
- “Improve communication of workforce analytics” – **73%**
- “Get business leaders comfortable using analytics to make decisions” – **71%**

But, Success is LOW
- Only **31%** report moderate to high success
- Only **9%** use predictive analytics

Major ROADBLOCKS Reported:
- **52%** Lack of Analytic Expertise
- **54%** Issues with Data/Technology
WHAT ARE WORKFORCE METRICS?

- Track the workforce
- Strategically aligned to the business
- Business planning and problem identification/solving
- External comparison puts the metric in context
The traditional approach to workforce analytics is to start with data:

- Collect Data
- Choose Metrics
- Report Metrics
- Analyse Findings
- Assess Impact

Our approach starts with assessing desired impact and critical workforce questions:

- Determine Impact
- Choose Metrics
- Collect Data
- Report Impact
- Analyse Findings
# The Landscape of Workforce Analytics & Planning

<table>
<thead>
<tr>
<th>Value delivered by Analytics &amp; Planning</th>
</tr>
</thead>
<tbody>
<tr>
<td>Anecdotes</td>
</tr>
<tr>
<td>According to a few exit interviews, people leave because of pay</td>
</tr>
</tbody>
</table>

According to a few exit interviews, people leave because of pay.

Our turnover is lower than other companies.

We can now understand what causes turnover.
SOLUTION OVERVIEW
Financial Workforce Effectiveness Metrics
- Workforce productivity
- Operating costs per FTE
- Profit per FTE
- Compensation expenses as % of revenue and % of operating expenses

Organisational Workforce Metrics
- Workforce distribution by career level & by function
- Compensation structure by career level & by function
- Span of control

Organisational Workforce Movement Metrics
- Voluntary, involuntary & retiree turnover
- New hires
- Promotions
- Lateral movement of employees

Global Coverage 2015
100 Countries and more than 11,000 organisations
FUNCTIONS AND LEVELS COVERED

FUNCTIONS
- Administrative Support
- Communication
- Customer Service & After Sales Support
- Finance
- Human Resources
- Information Technology
- Legal
- Logistics & Distribution
- Operations
- Product or Service Development
- Quality
- Repair & Maintenance
- Strategic Management
- Sales & Marketing
- Procurement (Purchasing)

LEVELS
- Sr. Executive - CEO & Function Head
- Sub Function Head
- Senior Manager
- Manager
- Supervisor
- Professional
- Entry Level Professional
- Para Professional (Support Staff / Production)
VOLUNTARY TURNOVER
2012 – 2015 TREND

VOLUNTARY TURNOVER DATA ON THREE TYPES OF TURNOVER IS AVAILABLE: VOLUNTARY, INVOLUNTARY AND RETIREMENT.
2015 VOLUNTARY TURNOVER FOR SELECTED FUNCTIONS, THERE IS DATA ON 14 FUNCTIONS AVAILABLE.
## Labor Flows Western Europe

Showcased by Level, Hire Promotion, Lateral and Exit Rates Against Average Headcount in 2015

<table>
<thead>
<tr>
<th>Level</th>
<th>Hires (%)</th>
<th>Headcount Structure</th>
<th>Lateral Moves</th>
<th>Voluntary Exits</th>
<th>Total Exits</th>
</tr>
</thead>
<tbody>
<tr>
<td>Senior Executive - CEO &amp; Function Head</td>
<td>53%</td>
<td>▶️</td>
<td>53%</td>
<td>4%</td>
<td>7%</td>
</tr>
<tr>
<td>Sub-Function Head</td>
<td>49%</td>
<td>▶️</td>
<td>33%</td>
<td>3%</td>
<td>6%</td>
</tr>
<tr>
<td>Senior Manager</td>
<td>42%</td>
<td>▶️</td>
<td>33%</td>
<td>5%</td>
<td>8%</td>
</tr>
<tr>
<td>Manager</td>
<td>33%</td>
<td>▶️</td>
<td>16%</td>
<td>5%</td>
<td>8%</td>
</tr>
<tr>
<td>Supervisor</td>
<td>35%</td>
<td>▶️</td>
<td>15%</td>
<td>4%</td>
<td>5%</td>
</tr>
<tr>
<td>Professional</td>
<td>28%</td>
<td>▶️</td>
<td>9%</td>
<td>6%</td>
<td>10%</td>
</tr>
<tr>
<td>Entry Level Professional</td>
<td>57%</td>
<td>▶️</td>
<td>21%</td>
<td>6%</td>
<td>9%</td>
</tr>
<tr>
<td>Para-Professional (Support Staff / Production)</td>
<td>31%</td>
<td>▶️</td>
<td>8%</td>
<td>5%</td>
<td>9%</td>
</tr>
</tbody>
</table>
# Labor Structure Across Industries

## Showcased by Level in Consumer Goods and Life Sciences 2015

<table>
<thead>
<tr>
<th>Level</th>
<th>Consumer Goods</th>
<th>Life Sciences</th>
</tr>
</thead>
<tbody>
<tr>
<td>Senior Executive - CEO &amp; Function Head</td>
<td>3%</td>
<td>5%</td>
</tr>
<tr>
<td>Sub-Function Head</td>
<td>4%</td>
<td>5%</td>
</tr>
<tr>
<td>Senior Manager</td>
<td>6%</td>
<td>7%</td>
</tr>
<tr>
<td>Manager</td>
<td>13%</td>
<td>13%</td>
</tr>
<tr>
<td>Supervisor</td>
<td>10%</td>
<td>9%</td>
</tr>
<tr>
<td>Professional</td>
<td>37%</td>
<td>51%</td>
</tr>
<tr>
<td>Entry Level Professional</td>
<td>11%</td>
<td>12%</td>
</tr>
<tr>
<td>Para-Professional (Support Staff / Production)</td>
<td>39%</td>
<td>19%</td>
</tr>
</tbody>
</table>
LABOR STRUCTURE COMPARED TO COST

SHOWCASED BY LEVEL, AVERAGE HEADCOUNT AGAINST TOTAL COST AVERAGE HEADCOUNT IN 2015

<table>
<thead>
<tr>
<th>Level</th>
<th>Headcount Structure</th>
<th>Cost Distribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>Senior Executive - CEO &amp; Function Head</td>
<td>3%</td>
<td>14%</td>
</tr>
<tr>
<td>Sub-Function Head</td>
<td>4%</td>
<td>10%</td>
</tr>
<tr>
<td>Senior Manager</td>
<td>6%</td>
<td>11%</td>
</tr>
<tr>
<td>Manager</td>
<td>12%</td>
<td>17%</td>
</tr>
<tr>
<td>Supervisor</td>
<td>9%</td>
<td>10%</td>
</tr>
<tr>
<td>Professional</td>
<td>40%</td>
<td>34%</td>
</tr>
<tr>
<td>Entry Level Professional</td>
<td>11%</td>
<td>7%</td>
</tr>
<tr>
<td>Para-Professional (Support Staff / Production)</td>
<td>37%</td>
<td>23%</td>
</tr>
</tbody>
</table>
# Productivity Across Regions

## 2013 – 2015 Trend

**Average Productivity by Region in All Industries**


**Productivity**: Defined as revenue / FTE

<table>
<thead>
<tr>
<th>Region</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Africa</td>
<td>600</td>
<td>800</td>
<td>1,000</td>
</tr>
<tr>
<td>Eastern Europe</td>
<td>500</td>
<td>700</td>
<td>900</td>
</tr>
<tr>
<td>Middle East</td>
<td>1,200</td>
<td>1,400</td>
<td>1,600</td>
</tr>
<tr>
<td>Southern Europe</td>
<td>800</td>
<td>1,000</td>
<td>1,200</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>1,000</td>
<td>1,200</td>
<td>1,400</td>
</tr>
<tr>
<td>Western Europe</td>
<td>900</td>
<td>1,100</td>
<td>1,300</td>
</tr>
</tbody>
</table>

Productivity is defined as revenue / FTE.
PRODUCTIVITY ACROSS INDUSTRIES
2013 – 2015 TREND

AVERAGE PRODUCTIVITY BY INDUSTRY IN EMEA

Productivity: Defined as revenue / FTE
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RESOURCES AND NEXT STEPS
WORKFORCE METRICS SOLUTION

SLICE AND DICE YOUR WORKFORCE METRICS TO REFLECT YOUR ORGANISATION’S BUSINESS CONTEXT.

OUR NEW DASHBOARD SHOWS METRICS BY CAREER LEVEL OR FUNCTION IN A SUMMARY VIEW AND CAN BE FILTERED BY YEAR, INDUSTRY, HEADCOUNT, OR COUNTRY.

Export all of your workforce metrics data into PDF or Excel

Easy to use and intuitive platform

Detailed information and formula on each metric
NEXT STEPS

BENCHMARKS ARE A GUIDEPOST

DATA FLEXIBILITY ENABLES DEEPER DIVES INTO WHAT YOU NEED TO KNOW

CONTEXT MATTERS

PARTNER WITH THE BUSINESS ON A JOINT REVIEW
QUESTIONS?

Sue Filmer
Principal,
London

David Elkjaer
Senior Associate,
Copenhagen

QUESTIONS
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