

LEVERAGING TALENT THROUGH TRAINING

A ManpowerGroup Research Report



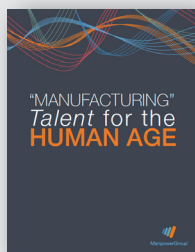
ManpowerGroup™

Introduction

As the global economy continues to improve, the talent shortage will become more pronounced. Organisations that dramatically reduced their workforce during the recession will be competing for talent in a continued challenging environment where the talent supply often does not meet demand. To avoid a global employability crisis, employers must adopt long-term workforce strategies aligned with their business strategy to replace “just in time” hiring as their main focus, as “on-demand” talent will simply no longer be available.

The solution is to think more long term about talent and how to ensure it remains in adequate supply (see ManpowerGroup’s *“Manufacturing” Talent for the Human Age*) by implementing a workforce strategy that effectively forecasts the needs of the business, the talent required to achieve their goals, and where they can find it. Employers must also be more innovative and flexible in terms of developing the talent they need. This approach must include investments in training for specific key job roles.

To investigate the extent to which organisations use formal training and apprenticeship programmes to develop their talent, ManpowerGroup conducted research among nearly 24,000 employers in 41 countries and territories. The research explores three distinct categories of employee: professional roles, skilled manual trades jobs and unskilled positions, and reveals the specific job roles where this kind of employee development is most likely to be targeted. It also gives insight on how organisations are structuring and delivering these programmes, while highlighting the training methods which employers find most effective. Findings also detail local labour market issues which drive the need for customised talent development programmes. Finally, the research asks those organisations that don’t currently offer tailored training to employees to explain why this is the case.



One in three employers worldwide cannot find the business-critical talent they need and the majority of employers cite candidate-specific reasons for being unable to fill positions. Companies must take steps to secure their talent pipeline for the long-term and bridge this talent gap. Read how in *“Manufacturing” Talent for the Human Age*.

Global Research Highlights:

The majority of organisations today are not offering formal training or apprenticeship programmes to develop employees for specific job roles, begging the question “Where will workers with the right skills come from?”

Among the major barriers to offering training programmes: organisations believe they are too small, they lack the HR expertise to create and deliver these programmes, or they believe training is too costly.

For organisations that do offer training for specific job roles, candidates’ lack of relevant “hard skills” coupled with company requirements for specialised training are the two most pressing factors driving employers to create their own formal training programmes today.

Formal training is most widespread among Asia Pacific organisations, as employers here strive to meet the region’s growing demand for professional talent. In contrast, employers in Europe have the “buy-versus-build” mentality when it comes to talent, offering fewer developmental opportunities than their global counterparts.

Training efforts worldwide most often focus on professional talent, with companies saying developing sales skills is a key priority as they look to drive revenue growth. Engineering and skilled trades round out the top three roles employers are targeting with their development initiatives.

The majority of the world’s organisations are rolling up their sleeves and doing it themselves when it comes to training for specific job roles, while others are most frequently partnering with private-sector training providers. U.S. companies most often take the DIY approach.

According to employers, an on-the-job approach to training is the most prevalent and effective method of developing talent for specific roles, followed by in-house classroom training and mentoring. Employers cite online/virtual courses as being least effective.

Effectiveness gap analysis shows organisations should be making more use of formal courses created with external partners. This is an opportunity for employers to boost the effectiveness of their development programmes by utilising these methods more often.

Prevalence of Formal Training and Apprenticeship Programmes

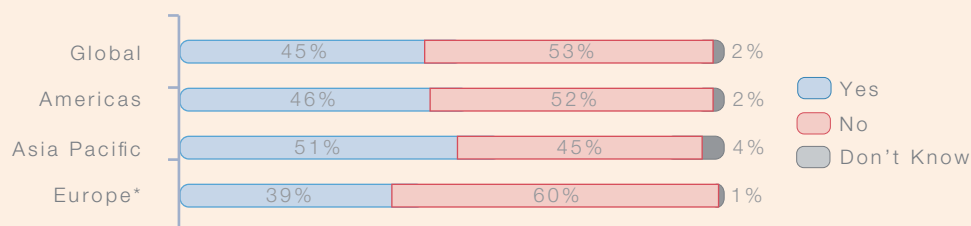
GLOBAL:

The majority of organisations worldwide don't offer formal training; Employees in Europe least likely to be trained.

Worldwide, about four in 10 organisations taking part in the research offer a formal training or apprenticeship programme for specific job roles—the majority do not. On a regional basis, employees in Europe are least likely to be trained by their employers while those in Asia Pacific encounter training opportunities most often. Formal training opportunities aimed at plugging specific skills gaps are most likely to be offered in Taiwan (74%) and India (72%), and use of this kind of programme is well above average in Brazil (65%), Turkey (63%) and Slovakia (63%). Meanwhile, formal training is considerably less common in some of the European countries, with just 3% of Irish employers and 16% of Swedish firms saying they offer formal training to employees.

Employers Offering Formal Training/Apprenticeship Programmes

Q: Does your organisation have a formal training programme or apprenticeship programme for specific job roles?

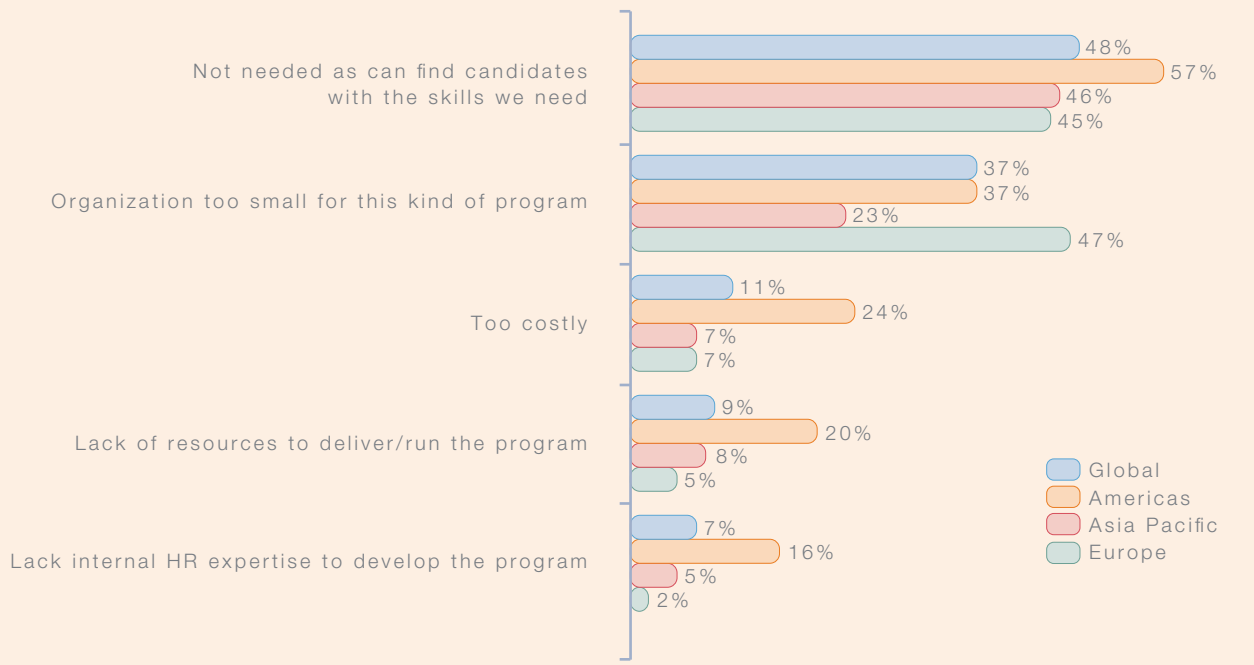


Employers not currently offering formal programmes say the main reason for this is that they can ultimately find the candidates with the skills they need in the labour market (48%). Size of the organisation is also an important factor, with 37% saying a key reason for not offering formal staff development programmes is that their organisation is too small. It should be noted, however, that ManpowerGroup sees many small organisations that implement creative and cost-effective ways to train staff and advises that companies should not allow size to be a barrier when it comes to talent development. Confidence in the organisations' HR resources available for talent development is also an issue for many firms: 9% feel they lack the means to deliver a formal programme and 7% say they lack the internal HR expertise they feel they would need to implement it.

Surprisingly, only around one in 10 (11%) organisations indicates that it would be “too costly” to train individuals with the skills they need. Correlating this finding to those who saying they can ultimately find the talent they need in the marketplace, we uncover the general belief among employers that they can still “buy” the talent they need, when they need it.

Why Organisations Don't Offer Formal Training/Apprenticeship Programmes

Q: What are the primary reasons your organisation does not have this sort of programme?



Americas:

HR expertise and funding to create and deliver programmes a barrier to developing the region's talent.

Across the Americas as a whole, 46% of employers offer formal training to specific categories of staff, while 52% say they don't offer this kind of staff development option. Employees are most likely to benefit from this kind of opportunity in Brazil (65%), Mexico (54%) and Argentina (52%), but the practice is least prevalent in Peru (36%) and Panama (38%). The percentage of organisations providing specific training rises slightly to 41% in the United States.

Nearly six in 10 employers in the Americas not offering formal programmes at this point in time say that a key reason for this is that they are, in fact, able to find candidates with relevant skills in the labour market. Employers here also feel more strongly than their global counterparts that they cannot afford to develop their people. However, a closer look at the data reveals perhaps a more critical underlying issue that may have a long-term impact on the region's ability to compete globally—organisations here believe they have neither the HR expertise nor the resources to create and deliver programmes required to develop the talent they need.

Asia Pacific:

Formal training most widespread as region's employers strive to meet demand for professional talent.

Formal training and apprenticeship programmes are more prevalent in Asia Pacific than the other two regions ManpowerGroup polls, with 51% of organisations indicating that they make these programmes available to staff in specific job roles, particularly those in the professional skills category. This finding intuitively makes sense, as many of these emerging market countries look to boost skills capabilities to capitalise on the increasingly global economy. Employers are most likely to offer role-specific training in Taiwan (74%) and India (72%). Opportunities are considerably less common in some other Asian labour markets; the incidence of formal programmes in Hong Kong is just 32%, while in Singapore the proportion stands at 36%. In China, less than four in 10 employers offer formal training for specific job roles.

Among the 45% of Asia Pacific employers who currently don't offer formal training, just under half say they don't need to do so because appropriately skilled candidates can be sourced. Just less than a quarter of the respondents say their organisations are too small to offer formal training, 8% feel they lack the necessary resources to deliver this training and 7% believe it would be too costly.

Europe:

Employer-based training and apprenticeships lag global counterparts as organisations believe they can continue to “buy” the talent they need.

Fewer than four in 10 (39%) organisations in Europe offer formal training or apprenticeship programmes to develop talent for specific job roles, with a considerable 60% indicating that training of this kind is not available to any employees. This was the lowest occurrence of employer-sponsored training among all the regions. When examining this result alongside responses from employers who do not believe individuals with the right skills are “too costly,” we uncover the belief that the skills can be bought in the marketplace at any

Employers must invest in training their successors in order to be competitive in the future—and today that is not happening.

time. And this mindset is, in part, driving the low occurrence of employer training in the region. This is a real concern as many European countries are set to enter an unprecedented period of demographic shift, with older workers leaving the workforce and taking their skills and knowledge with them. Employers must invest in training their successors in order to be competitive in the future—and today that is not happening.

Turkish and Slovakian employers are most likely to provide formal development opportunities for specific categories of staff, with 63% doing so in each of the two countries. Prevalence of formal training is also above average in the Czech Republic (56%) and France (54%). However,

in Ireland, employers report a considerably different attitude to providing this kind of development support, with just 3% offering formal programmes. This finding is most certainly a direct result of the country's persisting economic challenges as employers continue cost-cutting efforts. Training prevalence is also well below average in Sweden (16%), the Netherlands (23%), Poland (26%) and Spain (27%).

Almost half (47%) the research participants not currently offering formal training say this is because their organisation is too small. The other most common reason given is that they are able to find candidates with the relevant skills (45%). Only a small proportion—7% of European employers—say they don't offer formal training because it is too costly.

Skills Categories and Levels Included in Formal Training Programmes

Global:

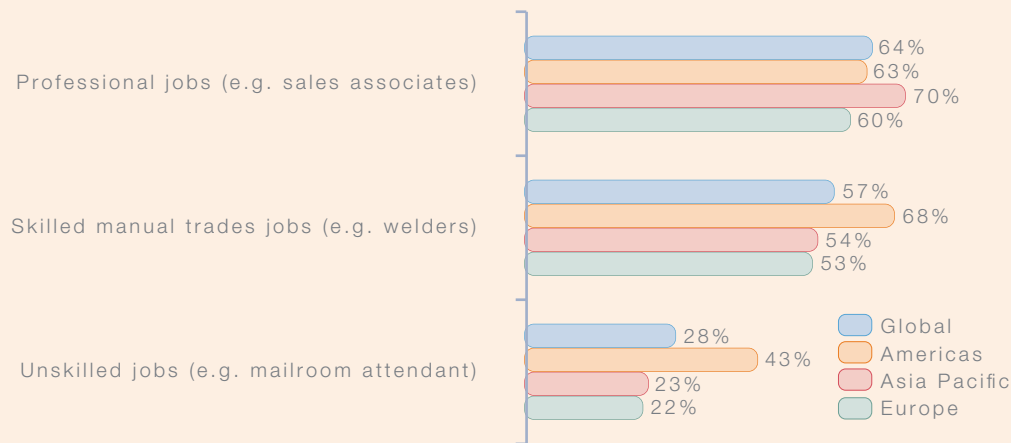
Training efforts worldwide most often focus on professional talent—developing sales skills a key priority.

At a global level, organisations are most likely to use formal training programmes to address talent shortages among the professional skills category. Driving the majority of these programmes is the need to develop their sales people—a key component to driving revenue. Almost two in three take this approach, compared to 57% who offer formal training to skilled manual trades workers and 28% doing so for unskilled staff.

The research findings reveal employers target a wide variety of specific job roles with their training programmes. However, three categories stand out as a consistently high priority across all the regions; sales representatives, engineers and skilled manual trades roles are listed among the top five priorities in all three regions and are the top three target job roles globally for training and apprenticeship programmes. Each job role is cited as a primary training target by more than one in 10 employers worldwide. Other job categories employers prioritise for development include middle management (9%), administrative and office support roles (8%), technicians (7%) and customer service representatives (7%).

Skills Categories Targeted in Formal Programmes

Q: Which of the following job areas does your programme include?



Top Job Roles Employers are Developing: Global

1. Sales Representatives
2. Engineers
3. Skilled Manual Trades
4. Middle Managers
5. Administrative/PAs/
Office Support

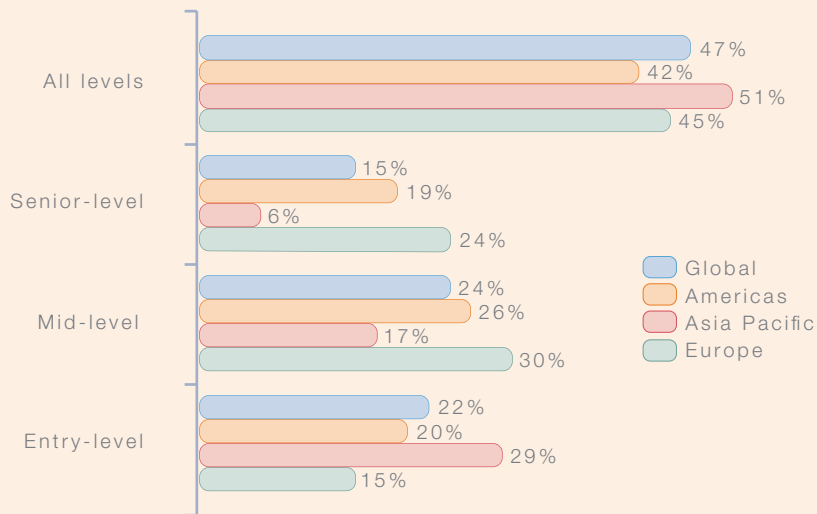
In firms where training is offered to staff in the professional category, availability of programmes is fairly evenly spread, with 71% offering this kind of development at mid-level, 69% doing so at entry-level and 62% providing opportunities for senior-level staff.

Formal training programmes for skilled manual trades workers are more likely to be targeted at mid-level (71%) and entry-level (69%) staff than senior level employees (49%). The focus and need to impart skills to entry-level staff should be no surprise, given the fact that the skilled trades have seen new workforce entrants lose interest in this career path over the over the past several decades and, as a result, vocational school curricula has not kept pace with business needs. Employers themselves are forced to bridge those gaps.

Formal programmes targeting the unskilled job category are most commonly made available at the entry-level (82%), but a majority of organisations offering training in this category also do so at mid-level (60%). Training for more tenured staff for this category is an option in 46% of organisations.

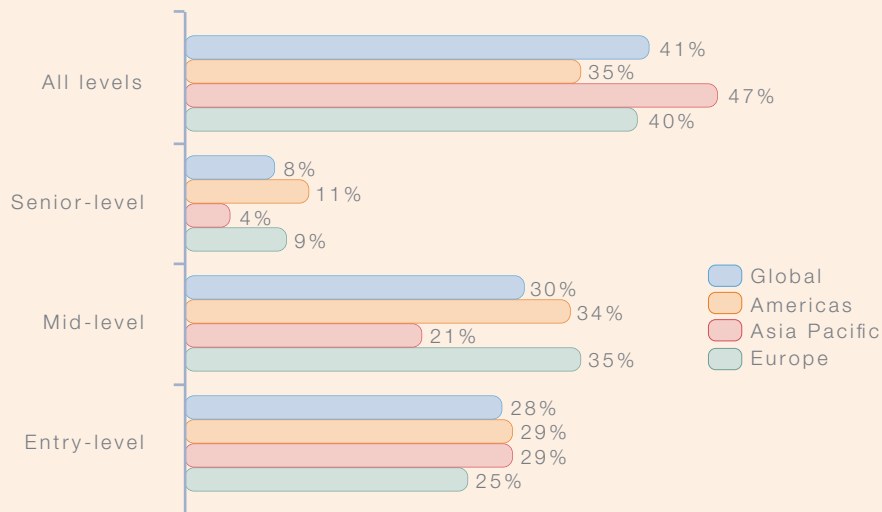
Training Levels for Professional Jobs

Q: And which levels does your programme include?



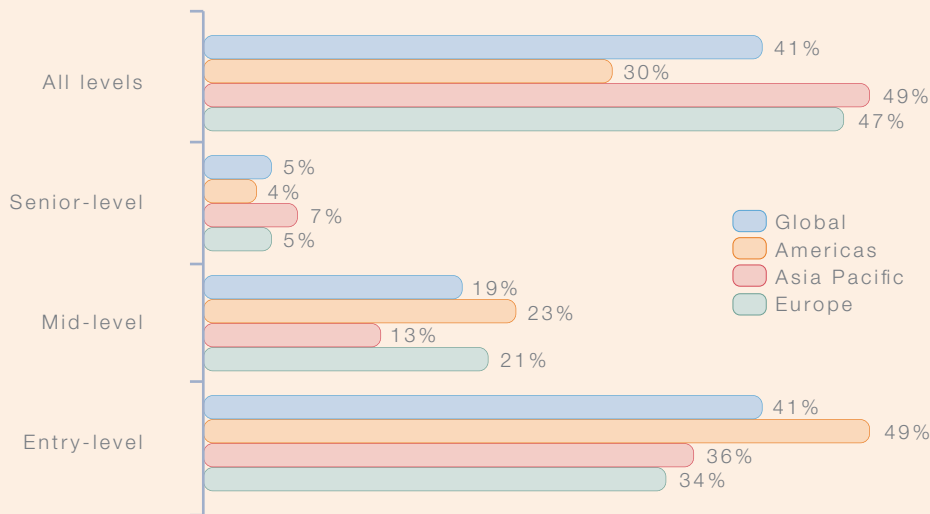
Training Levels for Skilled Manual Trades Jobs

Q: And which levels does your programme include?



Training Levels for Unskilled Jobs

Q: And which levels does your programme include?



Americas:

Employers are most focused on skilled trades development.

Employers in the Americas are more likely to use formal training for the skilled manual trades and unskilled categories than their counterparts in either Europe or Asia Pacific. These organisations are most likely to use formal training initiatives to develop staff for production operator job roles (11%): a considerably higher proportion than in other global regions surveyed. Programmes for production operators, most certainly occurring in some form of apprenticeship, are particularly common in Argentina (22%) and Costa Rica (20%). Workers in three further job categories—administrative and office support, engineering and skilled manual trades—are provided formal training options by one in 10 organisations.

Top Job Roles Employers are Developing: Americas

1. Production Operators
2. Engineers
3. Skilled Manual Trades
4. Administrative/PAs/
Office Support
5. Sales Representatives

Among those who offer formal training, nearly seven in 10 run programmes for skilled manual trades employees and just under half offer programmes for unskilled workers. Programmes for the skilled manual trades are most often directed at mid-level workers (69%) and entry-level staff (64%) than more senior employees (46%).

In addition, 63% of employers with active programmes target the professional skills category. The majority of these programmes for professionals focus on mid-level talent (68%), but more than three in five run entry-level programmes (62%) and offer development for more senior staff (61%).

Almost eight in 10 (79%) organisations in the Americas that offer training for the unskilled job category target entry-level staff. More than half offer this kind of programme to mid-level staff, but only about one in three run programmes for more tenured staff in this category.

Asia Pacific:

Building professional talent the priority for Asia Pacific organisations.

The prevalence of training for the professional skills category is highest in Asia Pacific, where seven in 10 employers offering formal training programmes target this category. Developing successful sales representatives is the top training priority here, with 16% targeting this specific job role in staff training initiatives. The effort to develop this role is most apparent in India and China, where one in four employers run formal sales team training, and in Japan, where the proportion is 20%. Asia Pacific employers also focus on engineers (14%) and middle managers (13%) for in-house development. In addition, 54% provide training programmes for the skilled manual trades category, but only 23% do so for the unskilled roles.

Top Job Roles Employers are Developing: Asia Pacific

1. Sales Representatives
2. Engineers
3. Middle Managers
4. Skilled Manual Trades
5. Customer Service Representatives

Asia Pacific employers tend to target professional training initiatives more at the entry-level category than is the case in other regions, with one in eight providing these opportunities for new recruits. Just over two-thirds target mid-level employees and nearly six in 10 run training designed for senior-level staff. Entry-level skilled manual trades staff are also more likely to have access to training (76%) than those at mid-level (68%) or senior-level (51%).

Meanwhile, more than eight in 10 employers providing training in the unskilled category focus their efforts on entry-level staff (85%). More than half also target mid-level employees (62%) and more tenured workers (56%).

Europe:

Training for professionals may be more common, but employers cite skilled trades roles as top priority.

Surprisingly, data reveals European employers are less likely to offer formal training opportunities in all three skills categories than their counterparts in other regions. As mentioned previously, the belief that talent can be obtained when needed is driving this less proactive training stance within the region. Six in 10 (60%) organisations offer training to professional staff, 53% offer skilled manual trades training programmes and 22% provide initiatives which address the needs of employees in the unskilled category.

Training for specific roles is most likely to be directed at the skilled trades, where the region has seen a shortage of this type of talent for many years (see *ManpowerGroup Talent Shortage Survey, 2012*)—14% of employers indicate that this is a priority. Skilled manual trades training programmes are most likely to focus on mid-level employees (75%), compared to 65% targeting entry-level staff. Senior-level training programmes are available in 49% of organisations. The development of skilled manual trades staff is most common in Ireland (34%), Switzerland (31%) and Poland (25%).

**Top Job Roles
Employers are
Developing: Europe**

1. Skilled Manual Trades
2. Administrative/PAs/
Office Support
3. Sales Representatives
4. Labourers
5. Engineers

However, European employers also prioritise the development of administrative and office support staff (11%) and sales representatives (10%). Among employers whose programmes include professional job categories, three in four conduct training specifically geared to mid-level employees. Almost seven in 10 target senior-level staff, and six in 10 make training opportunities available at entry-level.

On the other hand, training opportunities for the unskilled category most commonly target entry-level staff (81%). However, almost seven in 10 employers (68%) who conduct talent development initiatives run programmes for mid-level staff, and 52% do so for more tenured people.

How Organisations Are Delivering Formal Training Programmes

Global:

The majority of the world's organisations are rolling up their sleeves and doing it themselves when it comes to training for specific job roles.

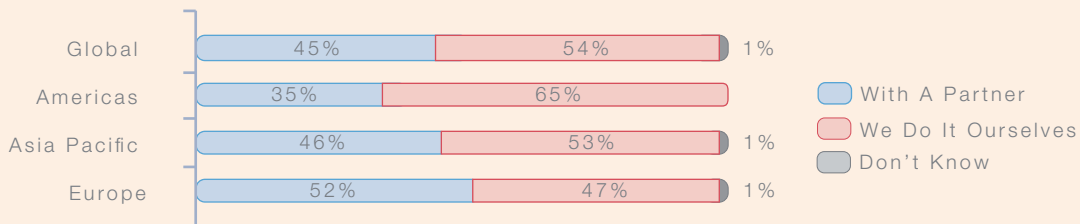
More than half of organisations offering formal training—for any skills level—run their own development programmes in house, but over four in 10 look to an outside organisation to act as partner in the training delivery. The fact that the majority of organisations take training matters into their own hands suggests that proprietary systems and processes related to specific job roles necessitates this “do-it-yourself” approach. However, recent ManpowerGroup research also discovered that it's not only the “hard” or technical skills that employers are looking to develop—new workforce entrants also often lack the “soft” skills they need.

Working with a local partner on the delivery of training initiatives is most common in a number of European countries, most notably the Czech Republic (68%), Hungary (67%), Belgium (67%) and Austria (66%). Outside of Europe, the incidence of working with a partner is highest in Taiwan (63%).

Where companies seek out a partner organisation to help deliver formal training, this is most commonly a private-sector training provider (53%), although a considerable number turn to local educational institutions (35%), government (26%) and professional/trade association bodies (26%) to deliver their programmes.

Training Programme Delivery

Q: Is this programme delivered in conjunction with a local partner or solely by your organisation?



Americas:

Only one-third of organisations partner for upskilling; U.S. companies most often take the DIY approach.

Almost two in three (65%) employers in the Americas deliver their own formal programmes internally, without the need for external partners, the highest percentage of any region surveyed. This suggests that companies in the region may be feeling the pain of the talent mismatch more than their counterparts in other regions and are taking more proactive measures to develop the specific skills they need. Meanwhile, 35% of organisations offering this training say the programmes are delivered in conjunction with a partner. Brazilian employers are most likely to look outside the company for support on training delivery (49%), and the approach is also more common in Guatemala (45%) than other countries in the region. Meanwhile, in the U.S., only 23% deliver training in conjunction with a partner organisation.

Across the region, 52% of those who work with a partner use a private-sector training provider. Working with a local educational institution of some kind is reported by 35% and 30% partner with government. On the other hand, partnerships are least prevalent with professional trade bodies or associations (24%), suggesting that skills development efforts among this group lag behind those of other stakeholders.

Asia Pacific:

Over half of organisations conduct training independently; those that do partner prefer private-sector providers.

Asia Pacific employers are slightly more likely to run their own formal programmes in house (53%) than to work with a partner (46%). Across the region, working with an external partner is most common in Taiwan (63%), Australia (57%) and Singapore (51%), but the practice is considerably less widespread in India (20%) and China (28%).

Those employers who do partner with external organisations are most likely to work with a private-sector training provider (53%) in upskilling their talent. More than a third (37%) deliver training in conjunction with a local educational institution, 31% work with government and 29% have links with professional or trade association bodies.

Europe:

Training partnerships more common in Europe; government cooperative efforts least popular.

Delivery of formal programmes in conjunction with a partner is more common in Europe than in any other region—more than half (52%) work with an external partner to deliver training, while 47% run programmes in house. The use of external providers is particularly common in the Czech Republic (69%), Belgium (67%) and Hungary (67%). The incidence of partnering is also above average among Austrian (66%), Italian (65%) and Slovakian (64%) organisations.

Where employers work with an external partner, it's most likely to be with a private-sector training provider (54%). One in three (34%) works with a local educational institution and 25% with a professional or trade body. The proportion working with government to deliver this kind of programme is smaller (18%) in Europe than in any of the other regions, suggesting that governments here could be doing more to help develop the skills of the national workforce.

Most Common Methods of Employer Training and Their Effectiveness

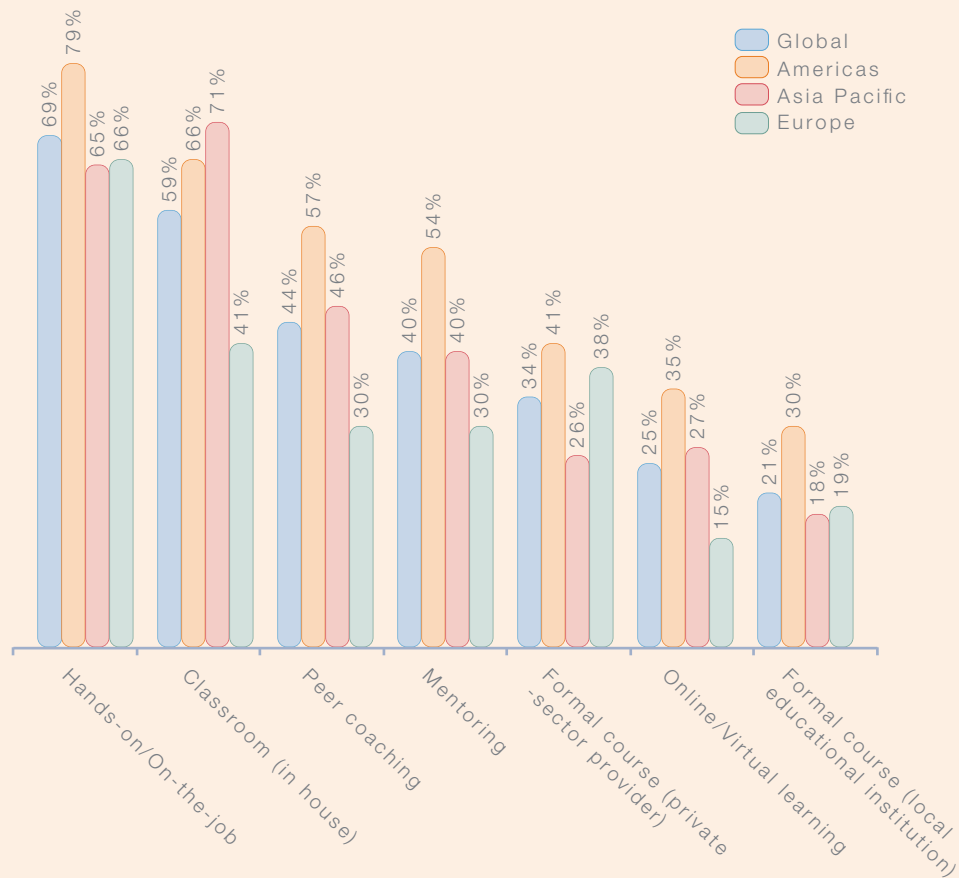
Global:

On-the-job approach to training is viewed as most effective, while online/virtual learning least productive. Effectiveness gap shows organisations should be making more use of formal courses created with external partners.

The data reveals that organisations today are utilising a broad range of methods to deliver formal training programmes in an effort to develop specific skills capabilities in their workforce. The most frequently used approach worldwide is hands-on/on-the-job training, which is part of 69% of existing programmes. In-house classroom sessions are part of the programme for 59% and peer coaching is used in 44% of formal training programmes. Four in 10 employers use mentoring in their programmes. Formal courses provided by private-sector training providers are offered in 34% of organisations, while courses run through local educational institutions are incorporated into the programme by 21%. Just one-quarter use online/virtual learning methods to develop skills for specific job roles.

Training Methods Employers Are Using

Q: What methods of training does your programme include?

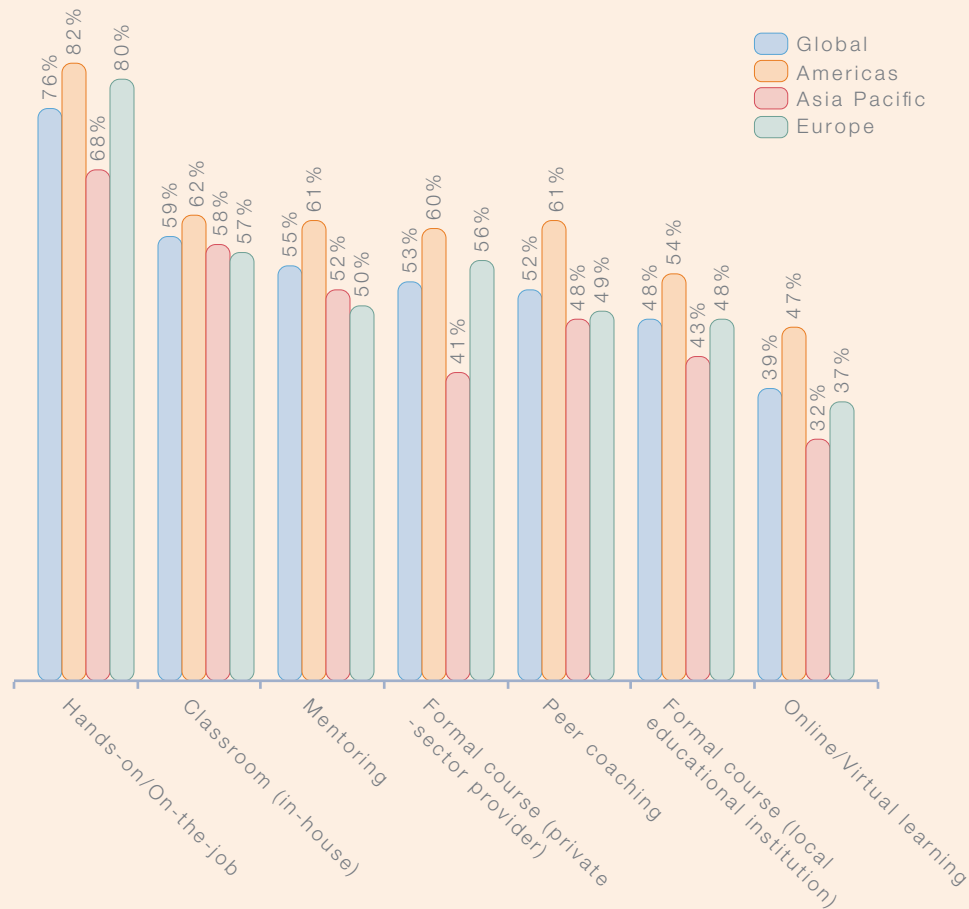


As a general rule, the more frequently a particular training method is used, the more likely organisations are to view it as effective. This correlation should be no surprise. On-the-job training is believed to have been a particularly effective approach by 76% of those who include it in their programme, while 59% say in-house classroom sessions have proved effective where these have been part of the training process. Perhaps most surprising, employers are least likely to choose online methods and formal courses delivered in local education institutions as being among the most effective methods of delivering skills for specific job roles. This finding suggests that company processes, which have become so specialised, are making broader-based training methods less useful to employers. It also confirms the current belief of many employers that education has not kept pace with the needs of business.

In an effort to dive deeper and explore where more opportunity may exist for employers around training for specific job roles, we analyse the data for the gap between a training method's use and its perceived effectiveness. The effectiveness gap analysis reveals that formal courses—both training conducted with local educational partners and private-sector providers—seem to be getting the job done; however, employers are not using them as frequently as other methods with similar effectiveness scores. While we can offer hypotheses to explain this gap: degree of difficulty to deliver, cost, etc. one thing is certain—based on effectiveness, organisations should be making more use of formal courses created with external partners. Similarly, organisations looking to boost the skills of employees in specific roles could be surprised at the results that mentoring can produce.

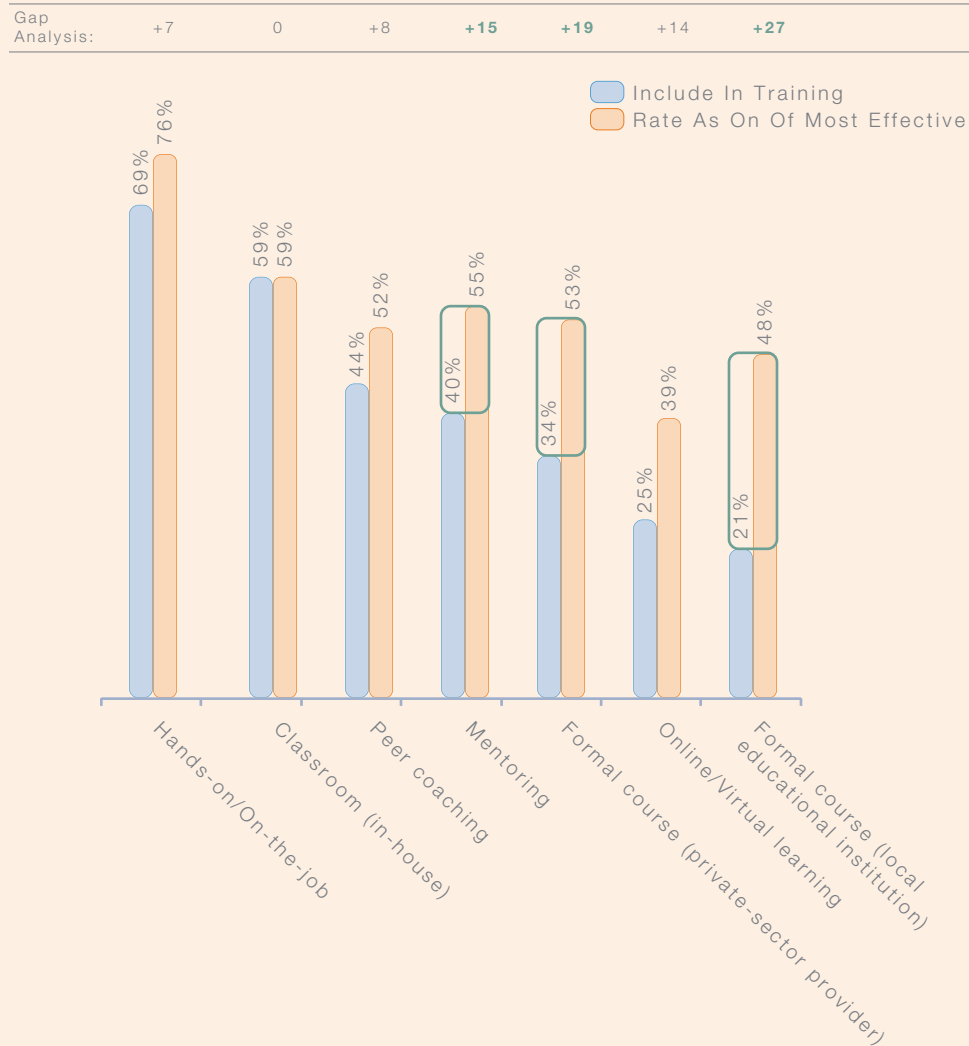
Most Effective Methods of Training - by Region

Q: What methods of training have been most effective?



Global: The Effectiveness Gap - Usage of Methods vs. Perceived Effectiveness

Q: What methods of training does your programme include, and what methods of training have been most effective?



Americas:

Organisations should be making more use of training partnerships with local educational partners and private-sector providers; corporate learning departments have room for improvement.

In the Americas, almost eight in 10 organisations who deliver formal training programs include and on-the-job element to their programmes. In-house classroom sessions are identified by 66%, peer coaching by 57% and mentoring by 54%. Formal courses are offered by 41% through a private-sector training provider, and 30% include formal courses run through a local school, college or university. Online learning is cited in 35% of formal programmes. Employers in this region are more likely to use each of these methods in their

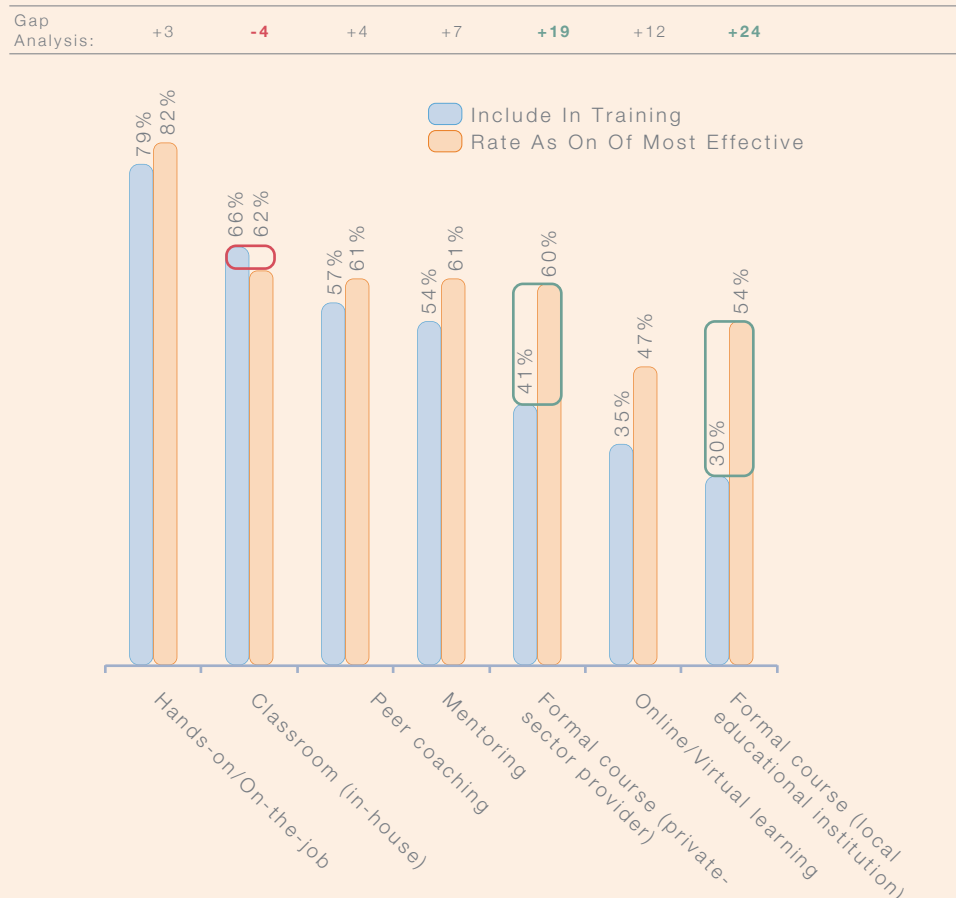
programmes than their counterparts in other regions, with the exception of in-house classroom sessions.

In general, employers in the Americas are more upbeat about the effectiveness of their employee training and apprenticeship programmes when compared to their colleagues in other regions. The most productive training method is on-the-job training, according to Americas employers—82% say this method is one of the most effective, where it is part of the programme. In-house classroom sessions (62%), mentoring (61%) and peer coaching (61%) also rank high in the eyes of the organisations looking to develop their talent. Meanwhile, online learning is least likely to be viewed by users as an effective method (47%).

The effectiveness gap of training methods in the Americas region follows the global trend—organisations here should more often incorporate formal courses created with external partners in their talent development programmes. On the other hand, the gap for in-house classroom sessions suggests that organisations' learning departments have room for improvement.

Americas: The Effectiveness Gap - Usage of Methods vs. Perceived Effectiveness

Q: What methods of training does your programme include, and what methods of training have been most effective?



Asia Pacific:

In-house classroom sessions key part of upskilling employers for 71% of organisations in Asia Pacific, but employers uncertain about their effectiveness.

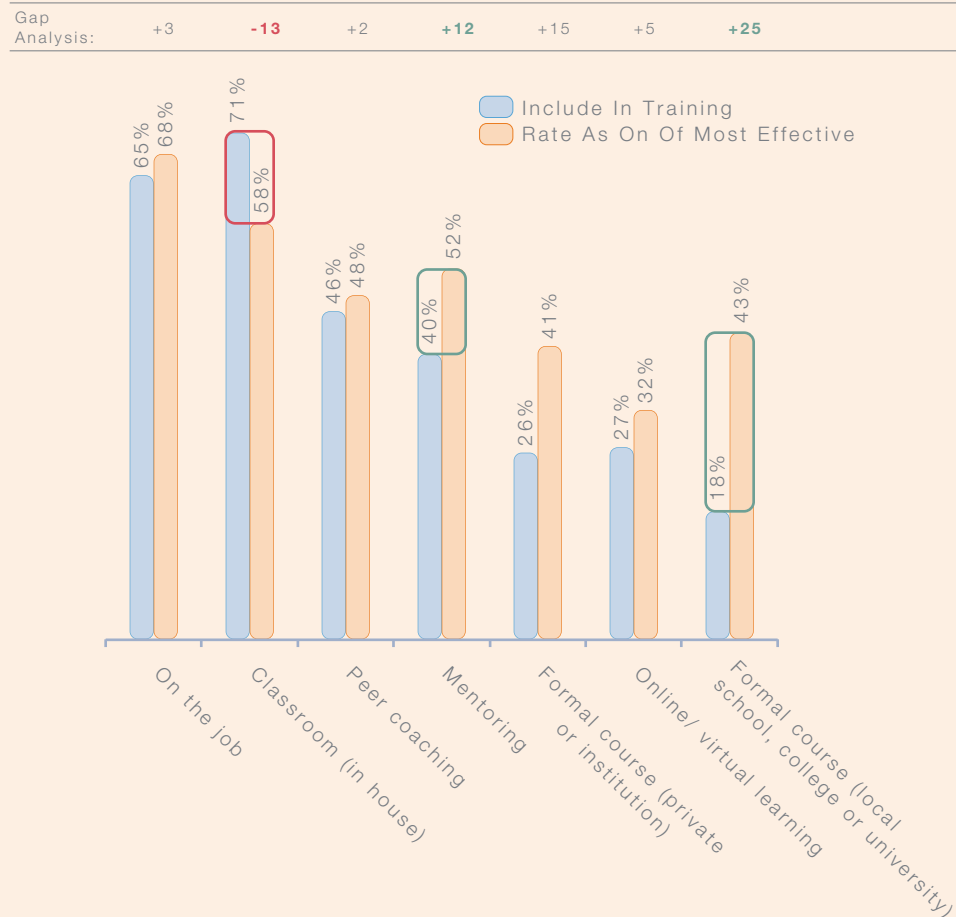
The most widespread training method in Asia Pacific is the in-house classroom session, which is cited in 71% of formal programmes. On-the-job training forms part of the training process in two-thirds of organisations (65%) and peer coaching is used in 46%. Mentoring forms part of the training programme for two in five organisations and 27% incorporate online/virtual learning into their approach. Privately delivered formal courses are utilised by 26% of employers and 18% run formal courses in conjunction with a local school, college or university.

In terms of what's working, Asia Pacific employers who use on-the-job training find it the most effective methodology (68%), followed by in-house classroom training, which 58% find effective. Training methods delivering the least effective results in the eyes of regional employers are online/virtual methods (32%) and formal courses delivered through private-sector providers (41%).

Gap analysis of the Asia Pacific data reveals that while in-house classroom sessions are most widely used by employers for developing specific roles, they are less certain about their effectiveness. As was the case globally, the comparative effectiveness of formal courses with external partners is notably higher than their usage. This is an opportunity for Asia Pacific employers to boost the effectiveness of their talent development programmes by utilising these methods more often. Likewise, organisations in this region should consider including more mentoring into their learning curricula, as its effectiveness ranks among the highest of the methods.

Asia Pacific: The Effectiveness Gap - Usage of Methods vs. Perceived Effectiveness

Q: What methods of training does your program include, and what methods of training have been most effective?



Europe:

On-the-job training and in-house classroom sessions are most effective in helping European organisations develop talent. Peer coaching and mentoring should find their place on the training agenda.

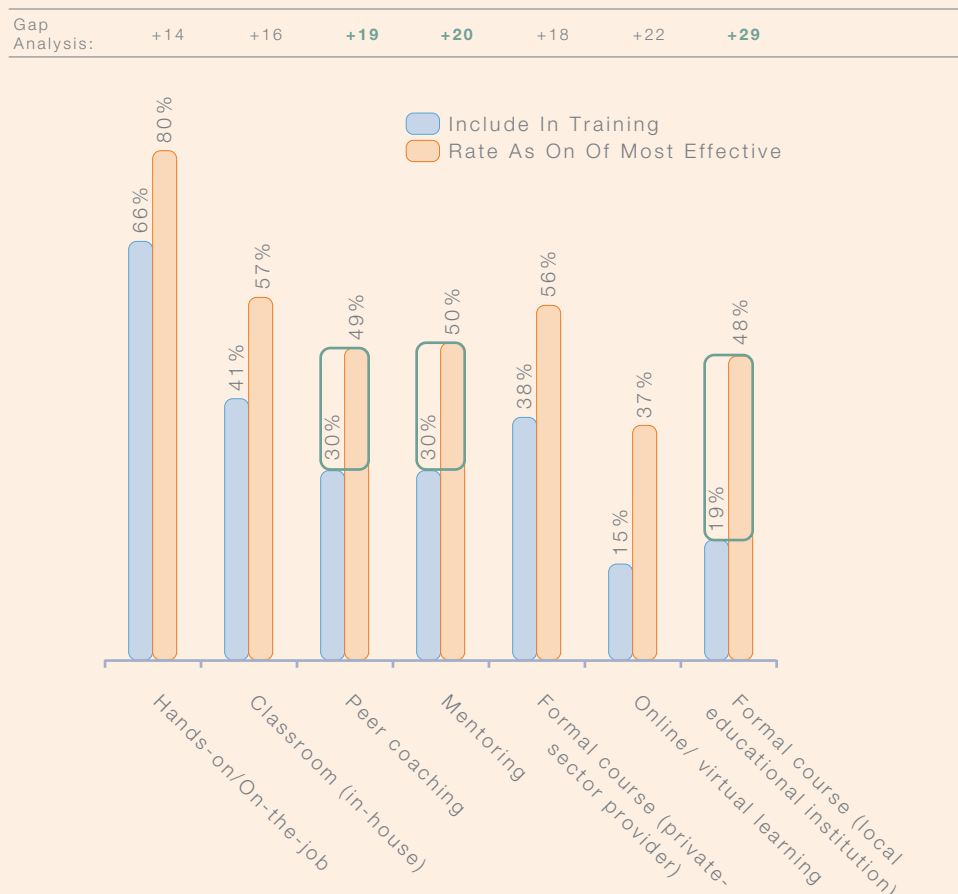
Two in three European employers who run training programmes use on-the-job training as part of their upskilling strategy. The next most widely used approach is the in-house classroom session, which forms part of 41% of programs in the region. Almost as many employers (38%) rely on formal courses delivered through a private-sector provider of some kind, while both peer coaching and mentoring approaches are used by 30%. The least common method among European employers is online/virtual learning, used by just 15%.

On-the-job training is seen as a particularly valuable method by those organisations including it in their programmes, with four in five singling it out as one of the most effective. Employers also cite in-house classroom sessions (57%) and formal courses delivered through private-sector training providers (56%) among the most effective by more than half of those who use them. The method least likely to be highlighted for its effectiveness by employers is online/virtual learning, which is selected by just 37% of those who use it.

In Europe, too, we see the widest effectiveness gap in formal courses from local educational institutions, pointing the way for future improvements to learning programmes. Interestingly, mentoring and peer coaching represent untapped potential for European employers with both methods being less widely used than methods with similar effectiveness. While far fewer employers in Europe are choosing to develop their talent than their global counterparts, if they decide to make the investment peer coaching and mentoring should find their place on the training agenda.

Europe: The Effectiveness Gap - Usage of Methods vs. Perceived Effectiveness

Q: What methods of training does your programme include, and what methods of training have been most effective?



A Look at the Numbers: Successful Programme Completion Rates

Global:

Majority of training and apprenticeship programmes successfully train 20 or fewer people each year, while one in four organisations conducting training see no better than a 50% completion rate.

Worldwide, 48% of organisations taking steps to develop talent for specific job roles successfully train up to 20 staff members each year, and 34% successfully develop more than 20 individuals using this approach. These employees then go on to move into the jobs for which they trained. For nearly one in three organisations (35%) this represents a success rate of more than nine in every 10 employees who participate in the programme. However, one in four employers says their success rate is no more than one in every two participants. Our research reveals that while organisations report reasonable success in training individuals for specific job roles, volume is nowhere near the level required to combat the talent mismatch and drive future business growth.

Americas:

Employers in Argentina and Brazil train the greatest numbers of employees.

Around half (51%) of organisations in the region successfully train up to 20 staff members each year. A further 36% of these employers successfully train more than 20 employees via their own formal training programmes during the average year. More programs in the U.S. (63%) and Canada (48%) successfully train small staff numbers (less than 10), while those in Argentina and Brazil (27% respectively) are training staff in greater numbers (50+).

While 25% report successful completion by more than nine in 10 candidates overall each year, a third (33%) report a success rate of no more than one in two individuals who participate in their program.

Asia Pacific:

Programmes successfully training 1-10 employees are most prevalent in Australia and New Zealand.

The number of employees successfully completing formal training programmes is slightly greater in Asia Pacific than in the other regions. Four in 10 (41%) report that more than 20 employees are developed in this way each year, while 34% report successful programme completion by up to 20 workers. Programmes successfully training 1-10 employees are most prevalent in Australia and New Zealand (49% and 47%, respectively) while those training numbers greater than 50 are most prevalent in Taiwan and Japan (45% and 42%, respectively).

More than nine in every 10 candidates enrolled into these programmes ultimately succeeds in around a quarter (27%) of the organisations researched. Meanwhile, 21% of organisations polled report a success rate of no more than 50%.

Europe:

European employers train fewer employees but have a higher success rate.

When compared with the other regions, European employers conducting formal training typically enroll smaller participants into their programmes. More than six in 10 (62%) report that fewer than 20 staff members take part in this kind of scheme, with just 26% of employers saying they set out to develop more than 20 workers in this way. Training and apprenticeship programs in Italy (81%) are most often training 1-10 employees while those training numbers greater than 50 employees are most prevalent in Slovakia (36%), Ireland and Turkey (both at 34%).

With this smaller number of candidates, however, success rates are higher than elsewhere, with 50% of employers claiming successful programme completion in more than nine in every 10 cases. However, success rates of no more than one in every two candidates are reported in 21% of companies.

Local Market Issues which Increase Reliance on In-House Training

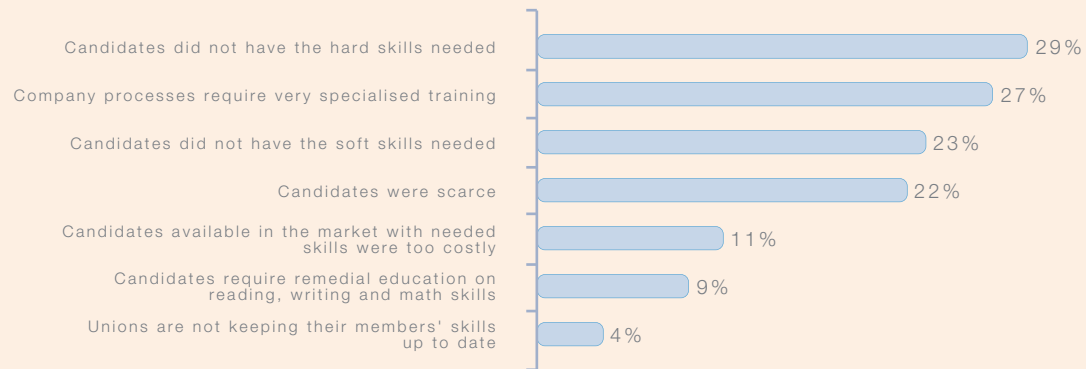
Global:

DIY training approaches driven by specialised company processes and lack of “right” skills in the market.

Of the issues compelling employers to increasingly rely on their own training programs, lack of candidates with the relevant “hard” or “soft” skills is identified by 52% of employers worldwide (29% and 23%, respectively). A similar percentage (27%) report that their customised company processes have very specialised training needs which cannot be met by the existing supply of candidates in the local labour market. More than one in five cite an overall scarcity of candidates as the reason for increased reliance on in-house programmes. However, the costs associated with training candidates with the relevant skills are only a barrier to one in 10 (11%), and just 9% claim remedial skills development is a local labour market issue.

Global: Why Employers Are Increasingly Relying on In-House Training

Q: There are a number of labour market issues which may have increased your reliance on your own formal training programmes. What labour market issues have you encountered in the past year/two years?



Americas:

Specialised company requirements driving need for formal training and apprenticeships.

The dominant labour market issue related to training encountered by employers in the Americas region is the level of specialisation involved in customised company processes. More than half (52%) say this is an issue which has increased reliance on their own formal training programmes. The requirement for specialised training is most prominent in Guatemala (66%) and Argentina (63%), and also has above average importance in Mexico (62%), Panama (62%) and the United States (59%). However, only 15% of Canadian employers report this as an issue.

About two in five (39%) employers in the region have found a lack of “hard” skills among job candidates locally, and one in three report a problem with candidates who lack the necessary “soft” skills. Slightly more than one in five (22%) organisations report an overall scarcity of candidates.

Asia Pacific:

Overall scarcity of candidates the main issue for employers.

According to employers, the most pressing labour market issue impacting training in Asia Pacific is the overall scarcity of candidates. Three in 10 report that this issue has increased reliance on their own formal programmes as they seek to build the capabilities of their workforce. Concern over lack of candidates is most notable in Taiwan (53%) and Japan (37%). Conversely, no employers in India identified a lack of candidates as an issue.

The lack of both “hard” (28%) and “soft” (27%) skills available in the labour market have also been significant concerns in this region, and employers in 18% of organisations report

that their own training needs are very specialised, requiring customised training which is unavailable elsewhere. The cost of candidates is an issue reported by 14%, who agree that those with the relevant skills can be too expensive for their available budget.

Europe:

Lack of “hard” skills plagues employers most.

In Europe, almost one in four (23%) employers claim that the lack of candidates with the relevant “hard” skills is an issue which has increased their reliance on formal training and apprenticeship programmes. Employers in Bulgaria (46%), Switzerland (41%) and Germany (39%) report the highest levels of concern about this issue. Meanwhile, employers in the Czech Republic (10%), Slovakia (10%) and Ireland (11%) are least likely to express this concern.

One in five (19%) European employers feel that the level of specialisation required to work on their company processes demands an in-house training programme, as the relevant skills are unavailable in the labour market. For 13%, there has been a scarcity of candidates overall, and 11% report candidates who lack the required “soft” skills needed for the job.

About the Research

To investigate the extent to which organisations use formal training and apprenticeship programmes to develop employees, ManpowerGroup conducted research among nearly 24,000 employers in 41 countries and territories in October of 2011. Research was conducted via telephone research, except in the United States, where it was conducted online.

Countries Include:

| Americas | 6,043 | Asia Pacific | 8,203 | Europe | 10,301 | | |
|---------------|-------|--------------|-------|----------------|--------|----------------|-------|
| Argentina | 403 | Australia | 2,251 | Austria | 402 | Netherlands | 402 |
| Brazil | 405 | China | 1,510 | Belgium | 402 | Norway | 401 |
| Canada | 1,005 | Hong Kong | 440 | Bulgaria | 400 | Poland | 400 |
| Colombia | 405 | India | 700 | Czech Republic | 402 | Romania | 382 |
| Costa Rica | 402 | Japan | 1,020 | France | 501 | Slovakia | 400 |
| Guatemala | 402 | New Zealand | 653 | Germany | 500 | Slovenia | 400 |
| Mexico | 1,003 | Singapore | 626 | Greece | 401 | South Africa | 400 |
| Panama | 403 | Taiwan | 1,003 | Hungary | 401 | Spain | 501 |
| Peru | 401 | | | Ireland | 400 | Sweden | 400 |
| United States | 1,214 | | | Israel | 400 | Switzerland | 403 |
| | | | | Italy | 501 | Turkey | 500 |
| | | | | | | United Kingdom | 1,002 |

Questions Explored:

- Does your organisation have a formal training programme or apprenticeship programme for specific job roles?
- Which of the following job areas (professional, skilled manual trades, unskilled) does your programme include? And which levels (senior-, mid-, entry-level) does your programme include?
- What are the primary job roles you are looking to develop?
- Is this programme delivered in conjunction with a local partner or solely by your organisation?
- Who do you partner with (private-sector organisation, educational institution, government, professional trade body or association)?
- What methods of training does your programme include, and which methods have been most effective?
- How many individuals successfully complete your programme annually and move into the jobs for which they were trained? And what approximate % does this represent the total participants in your programme annually?
- There are a number of labour market issues which may have increased your reliance on your own formal training programmes. What labour market issues have you encountered in the past year/two years?
- For companies without formal training programmes - What are the primary reasons your organisation does not have this sort of programme?

About ManpowerGroup

ManpowerGroup™ (NYSE: MAN), the world leader in innovative workforce solutions, creates and delivers high-impact solutions that enable our clients to achieve their business goals and enhance their competitiveness. With over 60 years of experience, our \$22 billion company creates unique time to value through a comprehensive suite of innovative solutions that help clients win in the Human Age. These solutions cover an entire range of talent-driven needs from recruitment and assessment, training and development, and career management, to outsourcing and workforce consulting. ManpowerGroup maintains the world's largest and industry-leading network of nearly 3,900 offices in 80 countries and territories, generating a dynamic mix of an unmatched global footprint with valuable insight and local expertise to meet the needs of its 400,000 clients per year, across all industry sectors, small and medium-sized enterprises, local, multinational and global companies. By connecting our deep understanding of human potential to the ambitions of clients, ManpowerGroup helps the organisations and individuals we serve achieve more than they imagined—because their success leads to our success. And by creating these powerful connections, we create power that drives organisations forward, accelerates personal success and builds more sustainable communities. We help power the world of work. The ManpowerGroup suite of solutions is offered through ManpowerGroup™ Solutions, Manpower®, Experis™ and Right Management®. Learn more about how the ManpowerGroup can help you win in the Human Age at www.manpowergroup.com.