# 2012 Human Resources Planning

## Wisconsin Survey Results

***Sponsored and Administered by***
**QTI Consulting, Inc.**

3rd Quarter 2011
Submission Period: August 31, 2011 – September 19, 2011
Published: October 2011

WE'VE GOT A TALENT FOR BUSINESS.®

# Table of Contents

# About The QTI Group

**The QTI Group has been an active member of the business community since 1957. Our key service areas of staffing, recruiting, HR consulting, HR outsourcing, and payroll help businesses compete, gain ground, lead, and succeed.**


## Staffing

– Staffing services focus on industrial and administrative needs, from temporary help to contract-to-hire employees.

## Recruiting

– Our professional and executive recruitment practices focus on biotechnology, accounting/finance, healthcare, sales/marketing, engineering, information technology, and human resources talent from temporary to direct hire.

– We also provide professional recruiting services for C-suite employees and professionals.

## Human Resources Consulting

– Our consultants work with you to deliver sound advice on compensation practices from base pay to incentive pay.

– We advise on transition and succession plans, sales effectiveness, and talent management.

– We also specialize in employee engagement surveys.

## Human Resources Outsourcing

– Our Professional Employer Organization (PEO) bundles human resources, payroll, and benefits administration into one valuable package.

– Excellent solution for small- to mid-sized organizations (up to 200 employees).

## Payroll

– QTI Payroll *Powered by TruPay* is QTI's newest HR solution that offers organizations the opportunity to outsource their payroll function.

– This premier payroll processing product features easy-to-use, customizable software and offers one-point-of-contact.

# About the Survey

Methodology

- 132 organizations located primarily in the Madison, Milwaukee, and Fox Valley regions completed the online survey from August 31, 2011 to September 19, 2011, with 348 visits to the survey site yielding a 38% participation rate.
- Survey participants submitted data via an internet survey tool.
- All responses were reviewed for completeness and reasonableness of the data prior to data analysis.
- Data analysis was done with a combination of computer applications and careful review by senior staff.
- QTI aggregated the responses and reported the summary data in the following pages.
- For the purposes of the survey, the data is reported in quarters of the respective year with Q1 representing January through March, Q2 representing April through June, Q3 representing July through September, and Q4 indicating October through December.

Confidentiality Agreement

- QTI ensures that all organization-specific data collected from survey participants remains strictly confidential.

# Executive Summary

Survey Overview

- In November 2008, QTI produced a survey for Wisconsin business leaders focusing on HR planning in the current economy. Given the dynamic nature of the financial situation, QTI designed a follow-up survey in February, May, and September 2009 asking questions around pay, performance, and talent trends. In 2010 and 2011, QTI continued to survey business leaders to examine the ways in which the economic downturn and organizational initiatives and activities are affecting pay, performance, and talent trends as the economy begins to recover. In comparing the data across the surveys and asking participants to compare their actions to 12 months ago, QTI is able to better understand the trends and document the changes.
- The Human Resources Planning Survey includes data from 132 Wisconsin organizations employing more than 90,000 employees from more than 10 distinct industries.
- Survey participants reported data from August 31, 2011 to September 19, 2011.

Results Overview

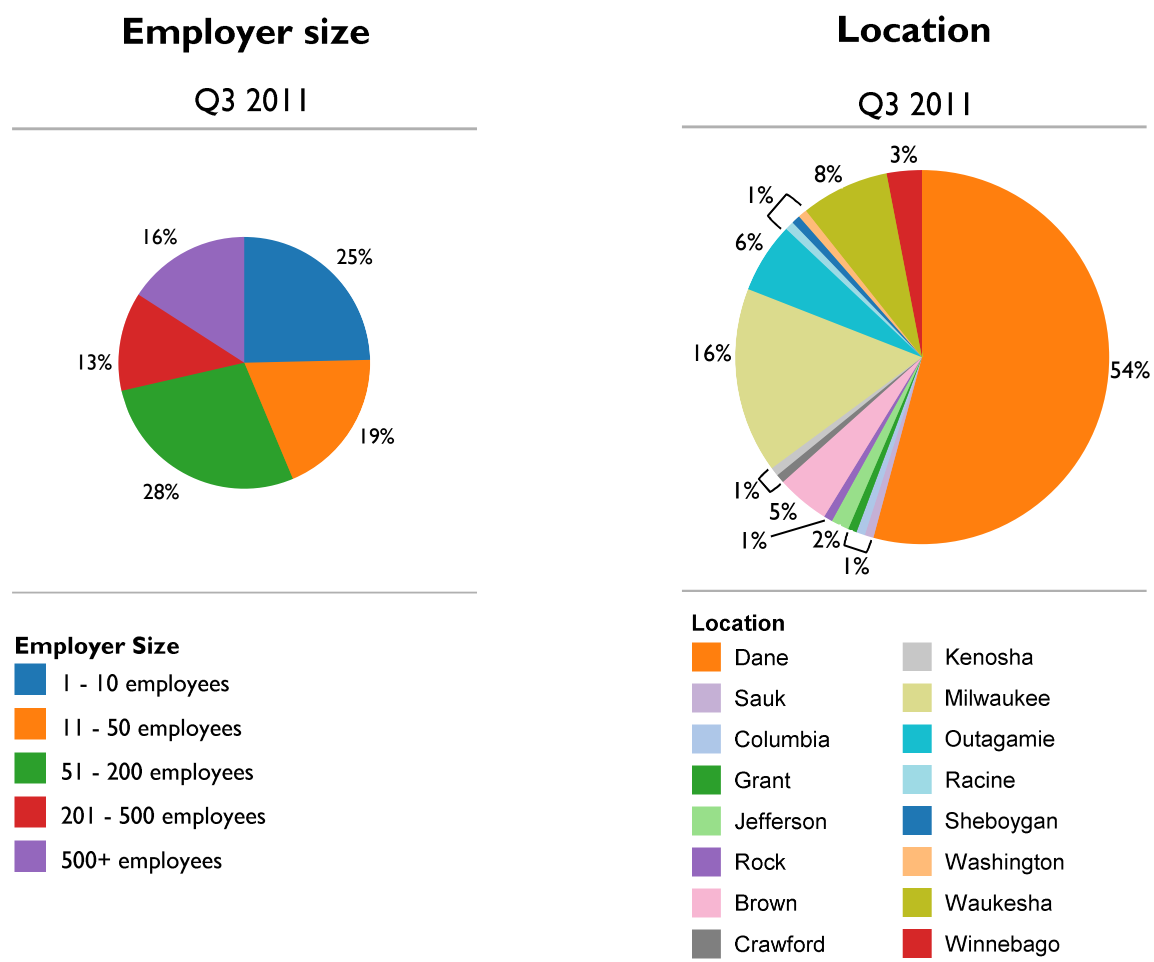
- Organizations continue to indicate a more positive feeling about future economic conditions. A majority of respondents feel that their organization's productivity and financial performance in 2011 was better than 2010 and an even greater percentage of organizations feel their productivity and financial performance will improve in 2012.
- Organizational growth and contraction varied in 2011. While 20% reported freezing or downsizing the regular full-time employee group in the third quarter of 2011, 37% reported expanding this group in the same period. Next year, 2012, looks positive with nearly 40% of organizations projecting expanding the regular full-time employee group. However, historically, projections have been more optimistic than actual growth.
- As with the regular full-time employee group, a greater percentage of organizations reported freezing or downsizing the temporary/contracted employee group in the third quarter of 2011 than was projected in 2010. Additionally, while 37% of organizations project expanding the regular full-time employee group in 2012, only 19% of organizations are projecting expanding the temporary/contracted employee group. However, growth in the temporary/contracted employee group has far outpaced projections the past several years and may do so again next year.

# Executive Summary

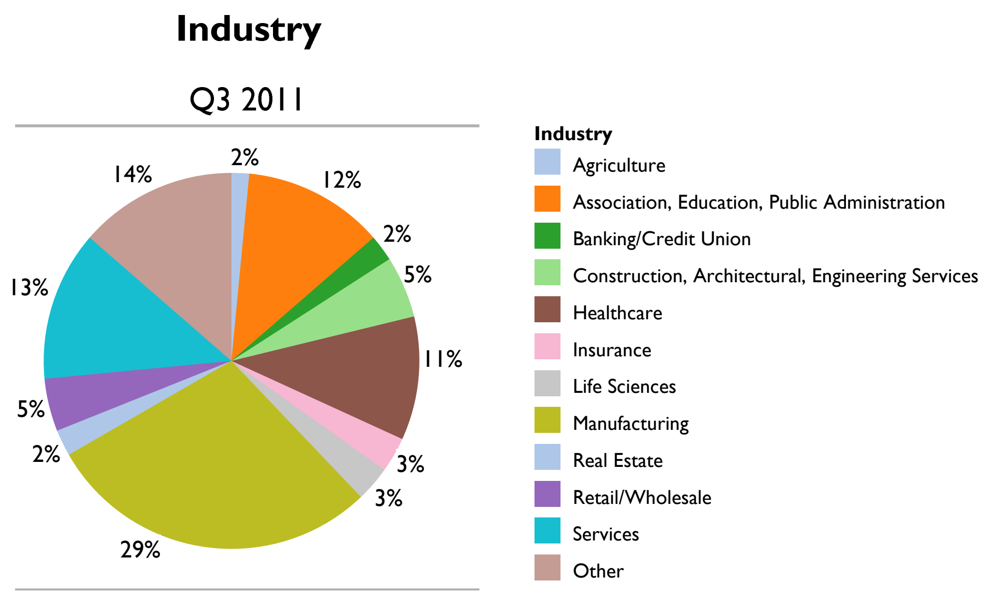
Results Overview (continued)

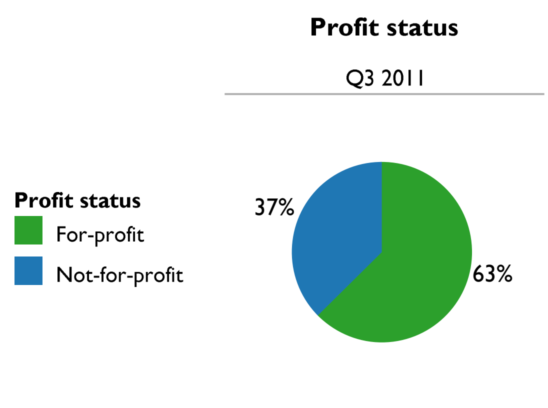
- QTI's survey results, generally consistent with national findings, reflect 2.7% increases in 2011 and project 2.9% increases in 2012 for salary budgets. With increases stabilizing around 3.0%, it appears 3.0% may be the new "normal," compared to the 4.0% increases which were standard prior to the economic recession.
- QTI's survey results reflect 1.7% increases in 2011 and project 1.6% increases for 2012 for organizational salary structures. This is somewhat below the national figures that are trending around 2.0%.
- While the majority of organizations reported that they will continue to spend their talent development budget in the same way as they did in 2011, 15% or more reported that they will cut spending for tradeshow/conference attendance, travel, and tuition reimbursement benefits. However, nearly 25% of organizations will increase the budget for internal training and development.
- Two-thirds of employees are estimated to be actively engaged, leaving one-third either ambivalent or disengaged. Additionally, nearly 30% of organizations report 2011 voluntary turnover was lower than in previous years, and most organizations project turnover rates in 2012 will be unchanged from 2011. However, nearly 20% of organizations expect to see increased turnover over the next year.
- The majority of organizations reported that management at least partially possesses each leadership skill surveyed. However, fewer than 25% believe management fully possesses skills in the areas of creating and maintaining collaborative and productive teams, celebrating the advantage of diversity, and understanding global issues.
- More organizations are anticipating difficulty recruiting over the next 12 months as compared to last year. The greatest increase in anticipated difficulty is among exempt managerial and professional employees, although more than 15% of organizations also anticipate difficulty recruiting non-exempt office, clerical, and technical employees and skilled production/maintenance employees.
- 45% of organizations never conduct a learning/skills needs analysis, while more than 30% of organizations undergo this analysis at least annually. More than 35% of organizations will spend the majority of the learning budget on exempt professional employees this year. Managerial employees also were frequently reported as receiving the majority of the learning budget. Fewer than 5% of organizations will spend the majority of the learning budget on unskilled production employees.

# Participant Profile



# Participant Profile

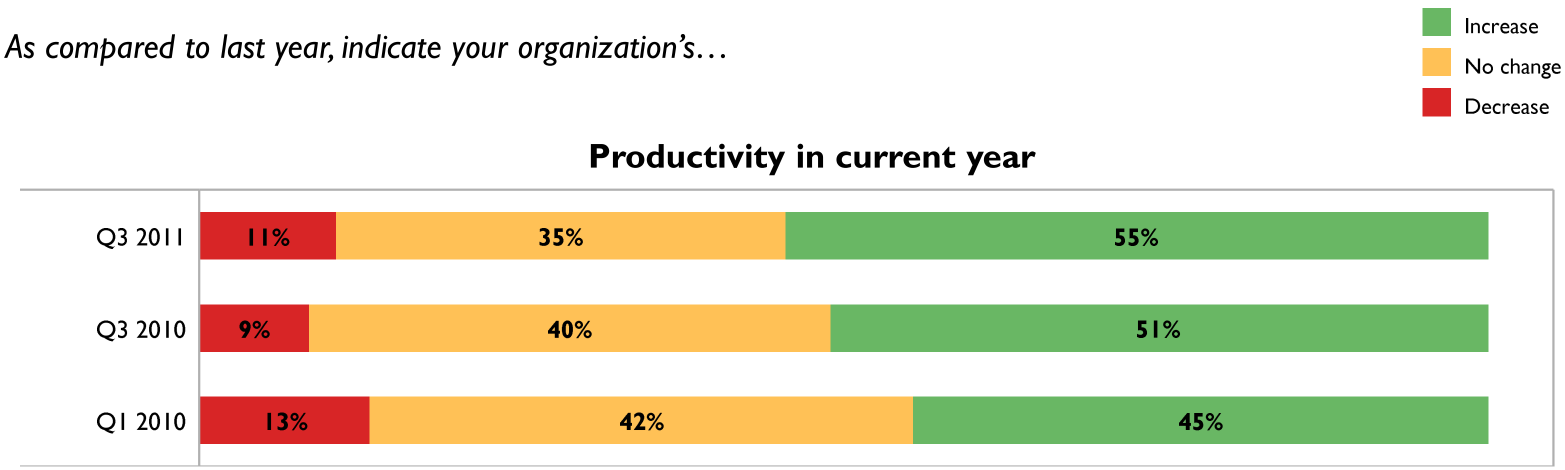


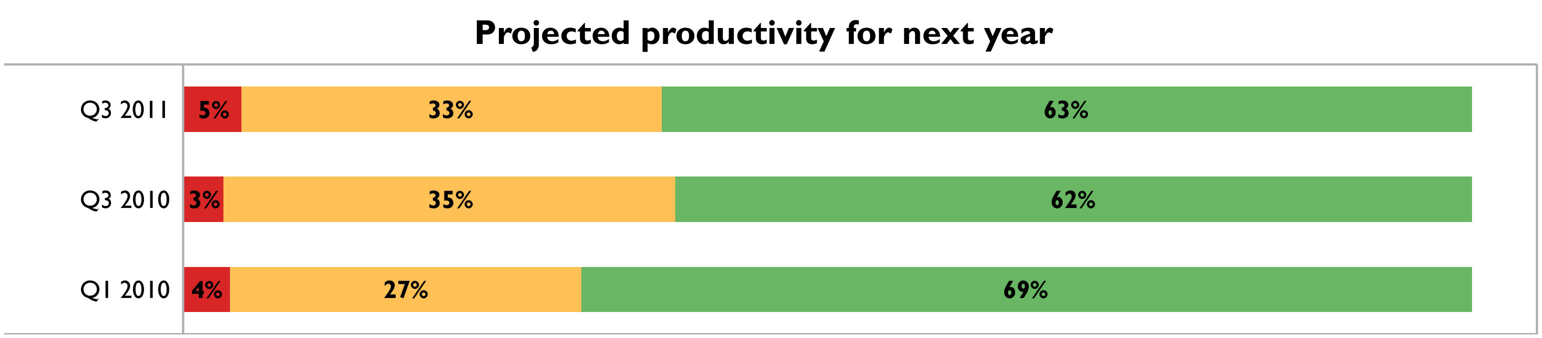
# Productivity and Financial Performance

Organizations continue to indicate a more positive feeling about future economic conditions. A majority of respondents feel that their organization's productivity and financial performance in 2011 was better than 2010 and an even greater percentage of organizations feel their productivity and financial performance will improve in 2012.

*As compared to last year, indicate your organization's…*

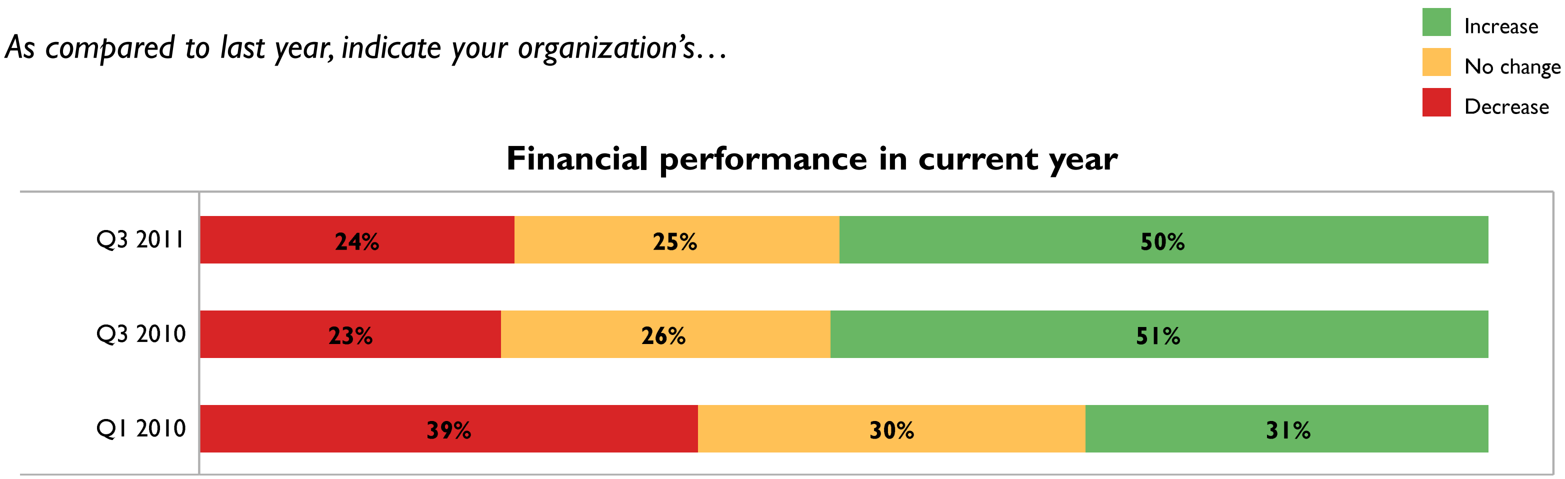



*As compared to the current year, indicate your organization's…*

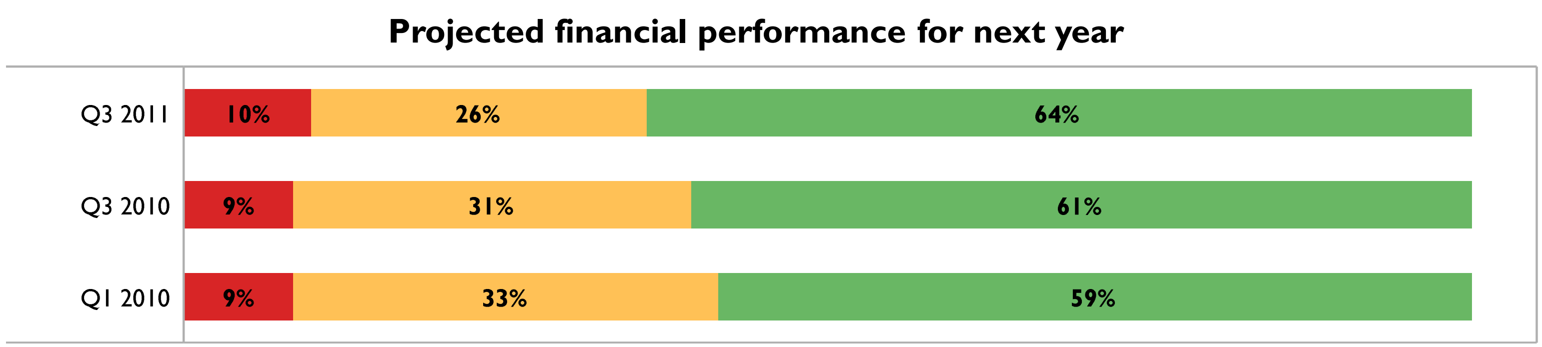


# Productivity and Financial Performance

*As compared to last year, indicate your organization's…*




*As compared to the current year, indicate your organization's…*



# Planned HR Changes:  Full-time Talent

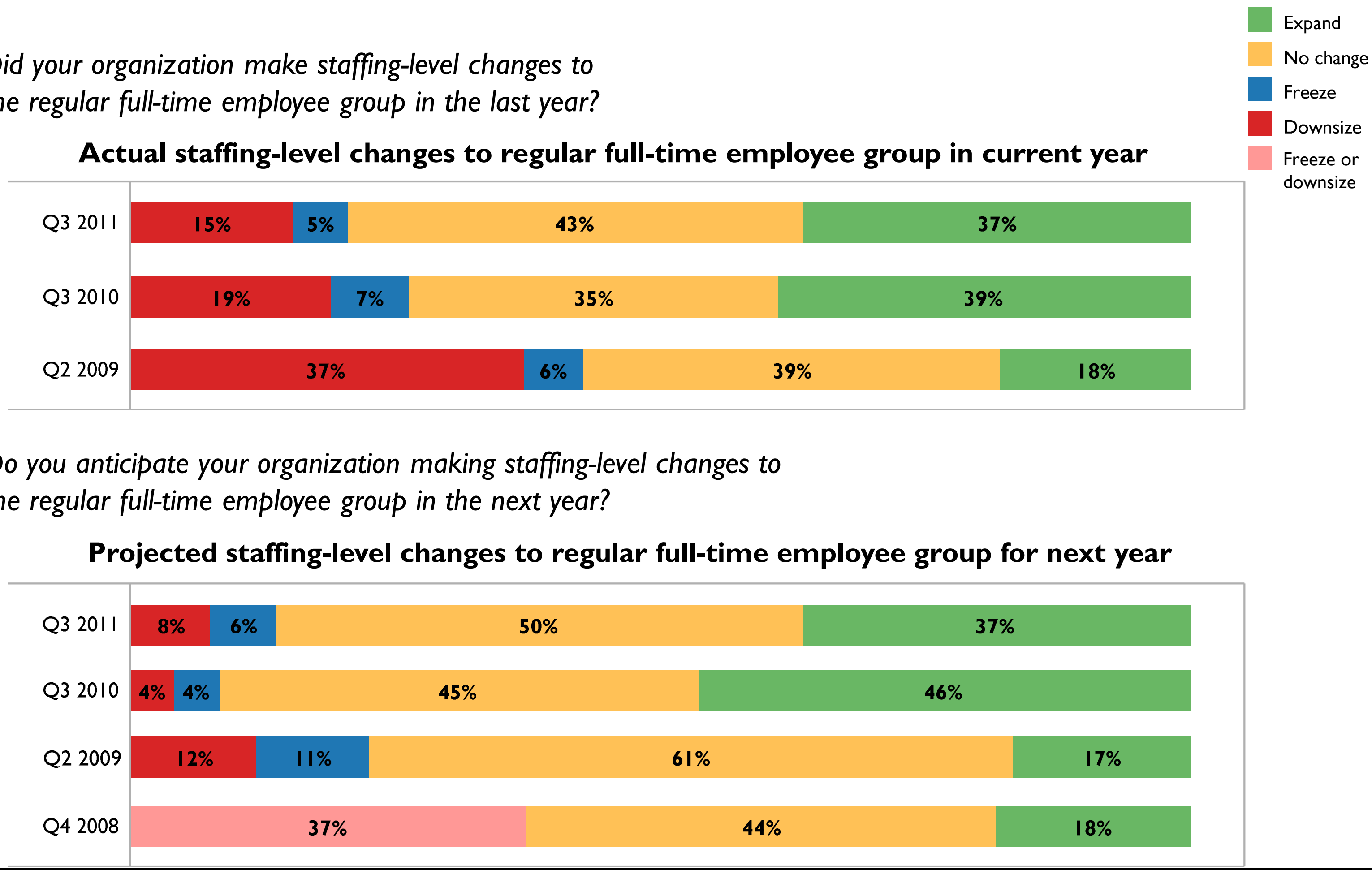
Organizational growth and contraction varied in 2011.  While 20% reported freezing or downsizing the regular full-time employee group in the third quarter of 2011,  37% reported expanding this group in the same period.  Next year, 2012, looks positive with nearly 40% of organizations projecting expanding the regular full-time employee group.  However, historically, projections have been more optimistic than actual growth.

*Did your organization make staffing-level changes to the regular full-time employee group in the last year?*

**Actual staffing-level changes to regular full-time employee group in current year**

*Do you anticipate your organization making staffing-level changes to the regular full-time employee group in the next year?*

**Projected staffing-level changes to regular full-time employee group for next year**

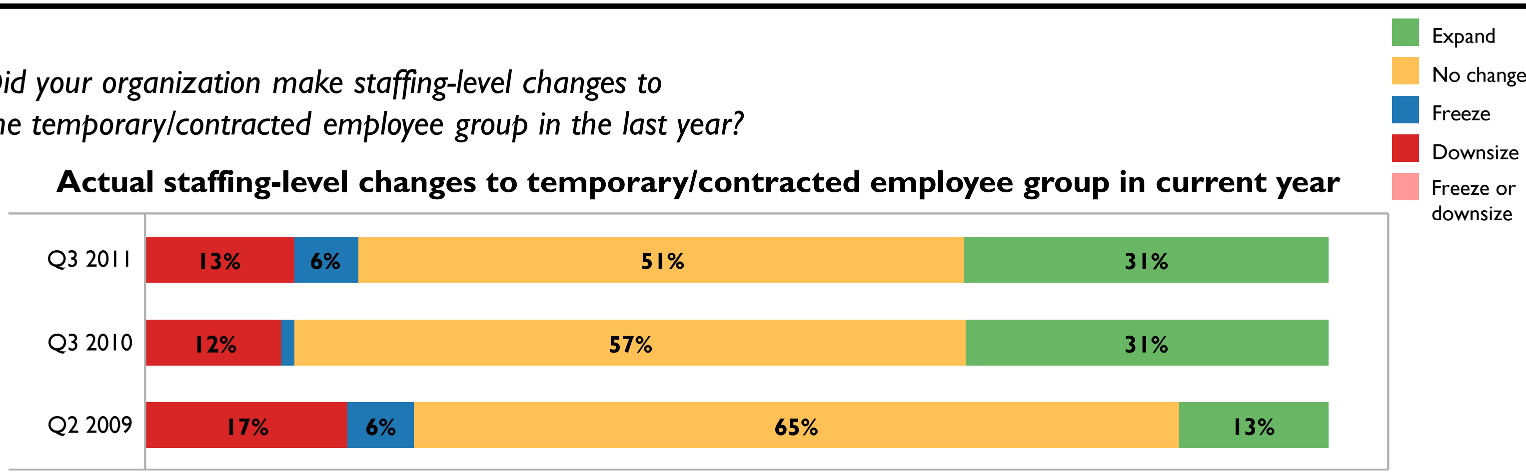


# Planned HR Changes:  Temporary/Contracted Talent

As with the regular full-time employee group, a greater percentage of organizations reported freezing or downsizing the temporary/contracted employee group in the third quarter of 2011 than was projected in 2010.  Additionally, while 37% of organizations project expanding the regular full-time employee group in 2012, only 19% of organizations are projecting expanding the temporary/contracted employee group.  However, growth in the temporary/contracted employee group has far outpaced projections the past several years and may do so again next year.

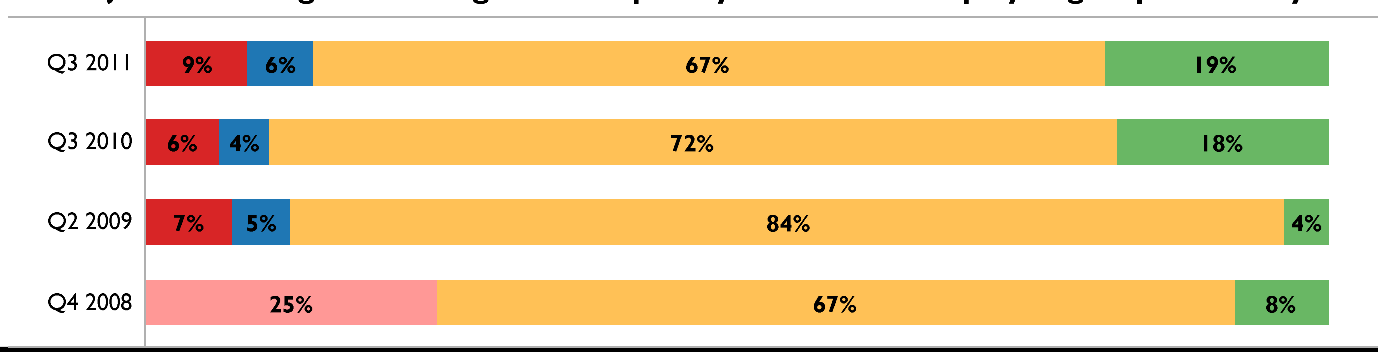
*Did your organization make staffing-level changes to the temporary/contracted employee group in the last year?*

**Actual staffing-level changes to temporary/contracted employee group in current year**




*Do you anticipate your organization making staffing-level changes to the temporary/contracted employee group in the next year?*

**Projected staffing-level changes to temporary/contracted employee group for next year**

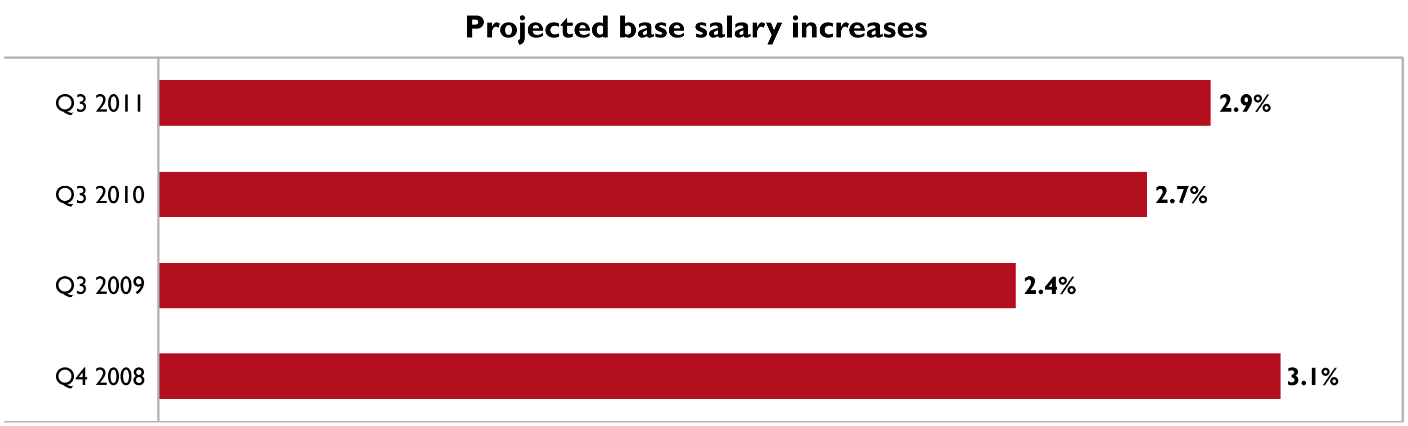


# Planned HR Changes: Rewards

QTI's survey results, generally consistent with national findings, reflect 2.7% increases in 2011 and project 2.9% increases in 2012 for salary budgets. With increases stabilizing around 3.0%, it appears 3.0% may be the new "normal," compared to the 4.0% increases which were standard prior to the economic recession.

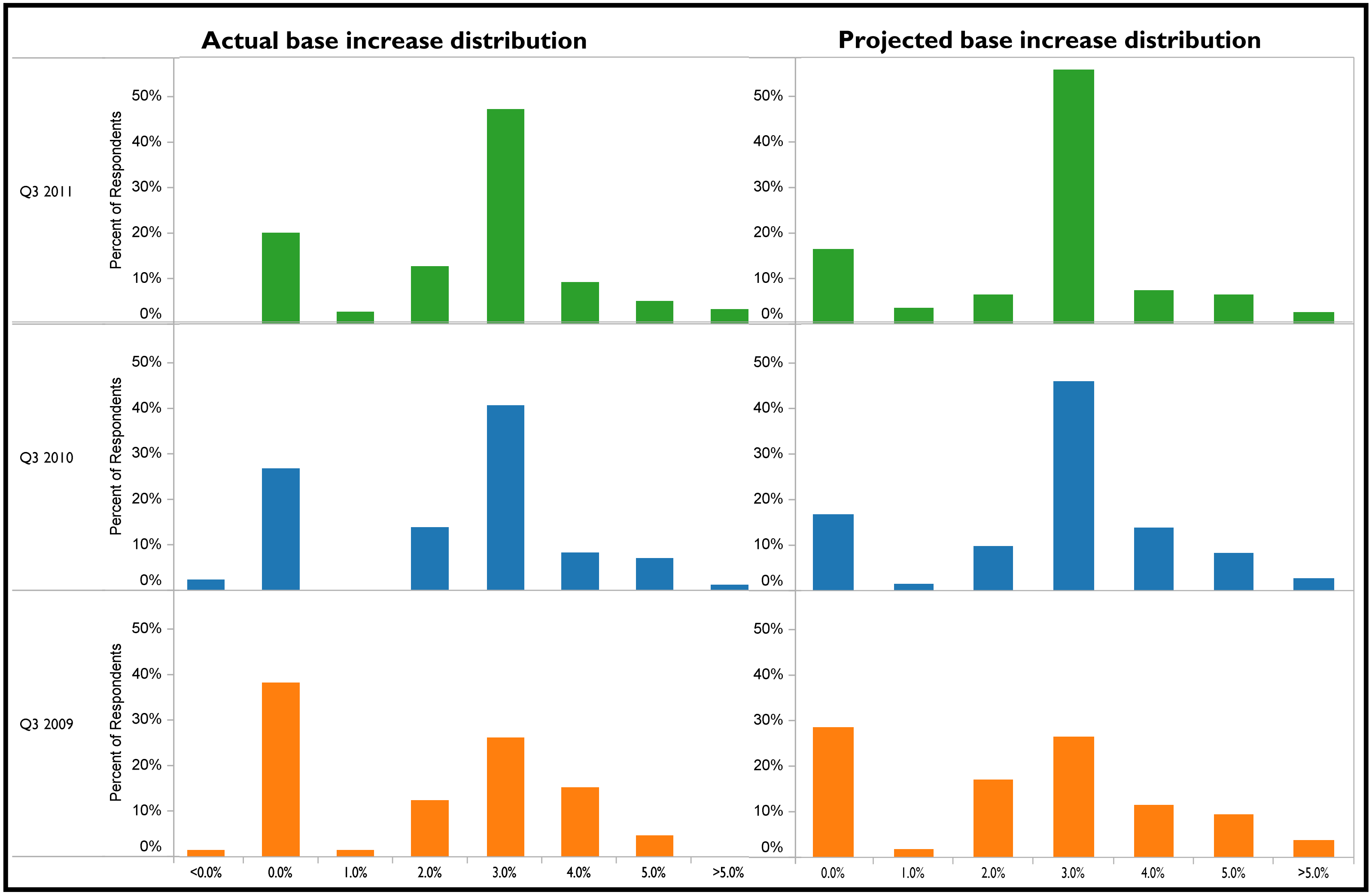
*What was your organization's average base salary increase budget last year?*


*What is your organization's planned base salary increase budget for next year?*



# Planned HR Changes: Rewards

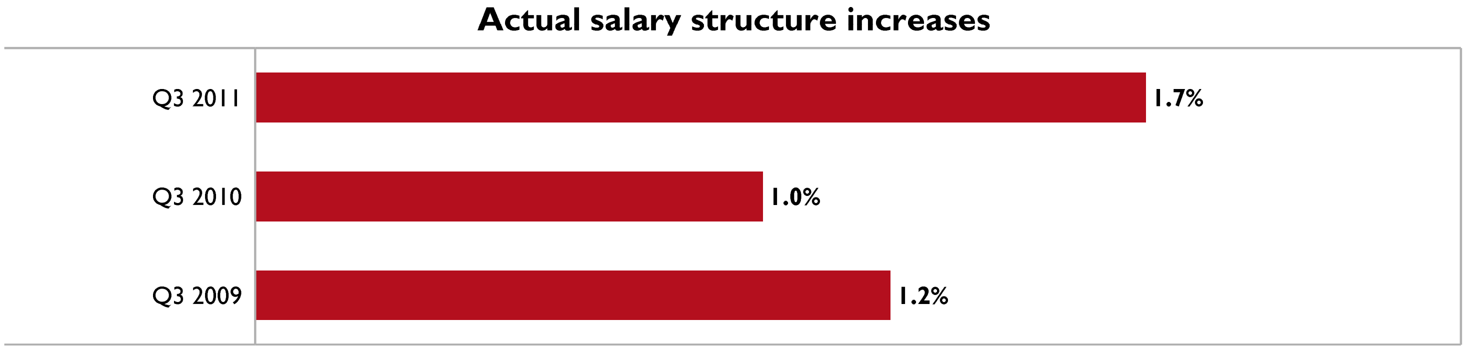
In 2011, nearly 20% of organizations froze pay levels. More than 50% of organizations, however, increased pay levels by 3.0% or more. While nearly 20% of organizations plan to continue with frozen pay levels in 2012, approximately 70% plan to budget for an increase of 3.0% or more. The variability in pay increases largely depends on organizational performance, industry sector, and previous actions taken to control pay increases.



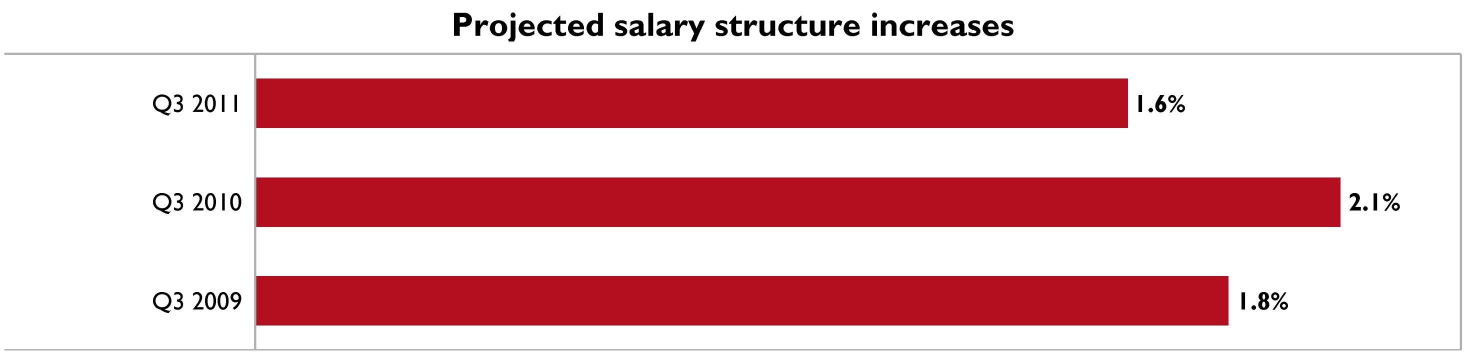
# Planned HR Changes:  Rewards

QTI's survey results reflect 1.7% increases in 2011 and project 1.6% increases for 2012 for organizational salary structures.  This is somewhat below the national figures that are trending around 2.0%.

*If your organization has a formal salary structure, what was the average salary structure increase last year?*

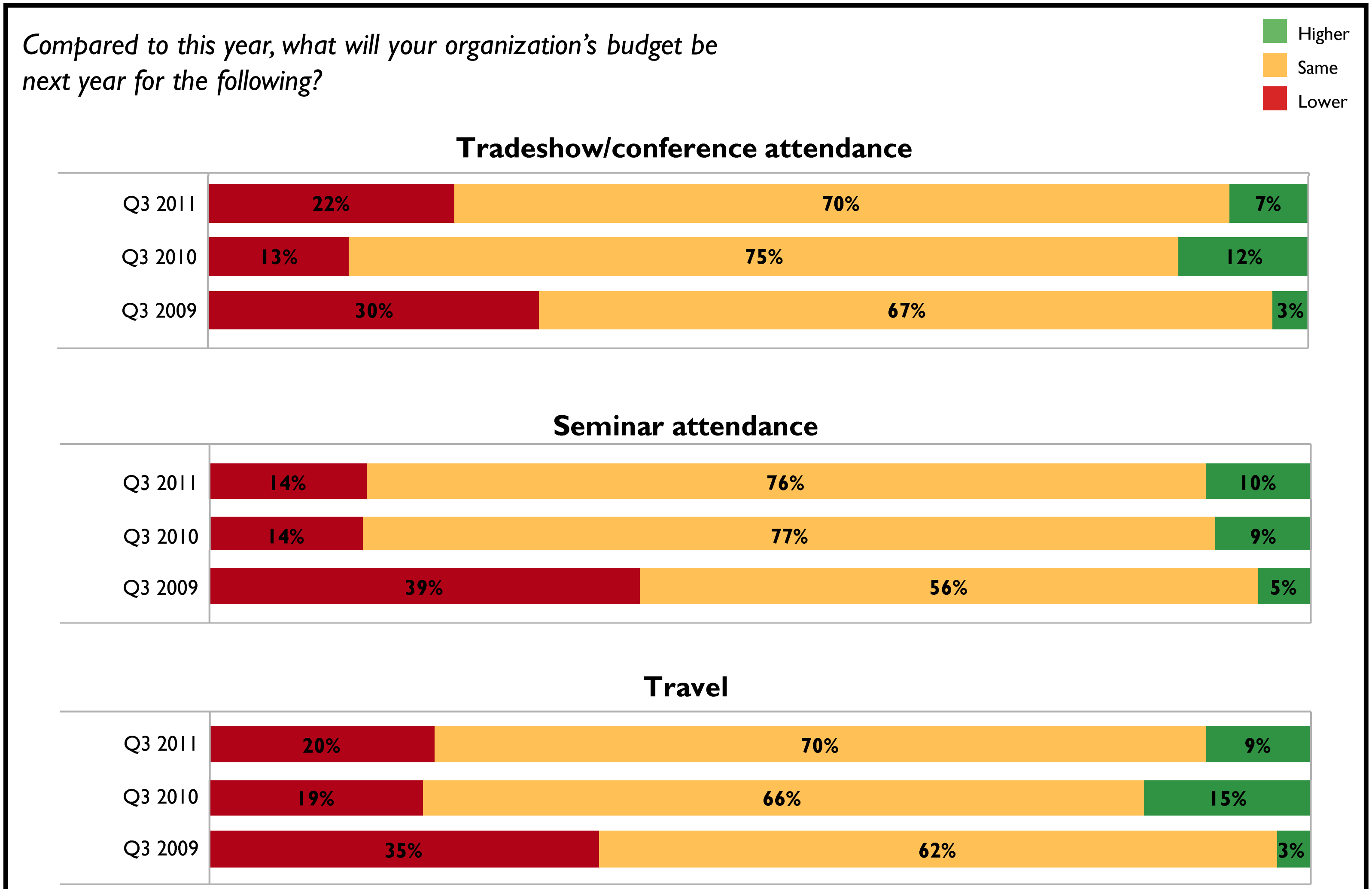



*If your organization has a formal salary structure, what is the planned salary structure increase for next year?*

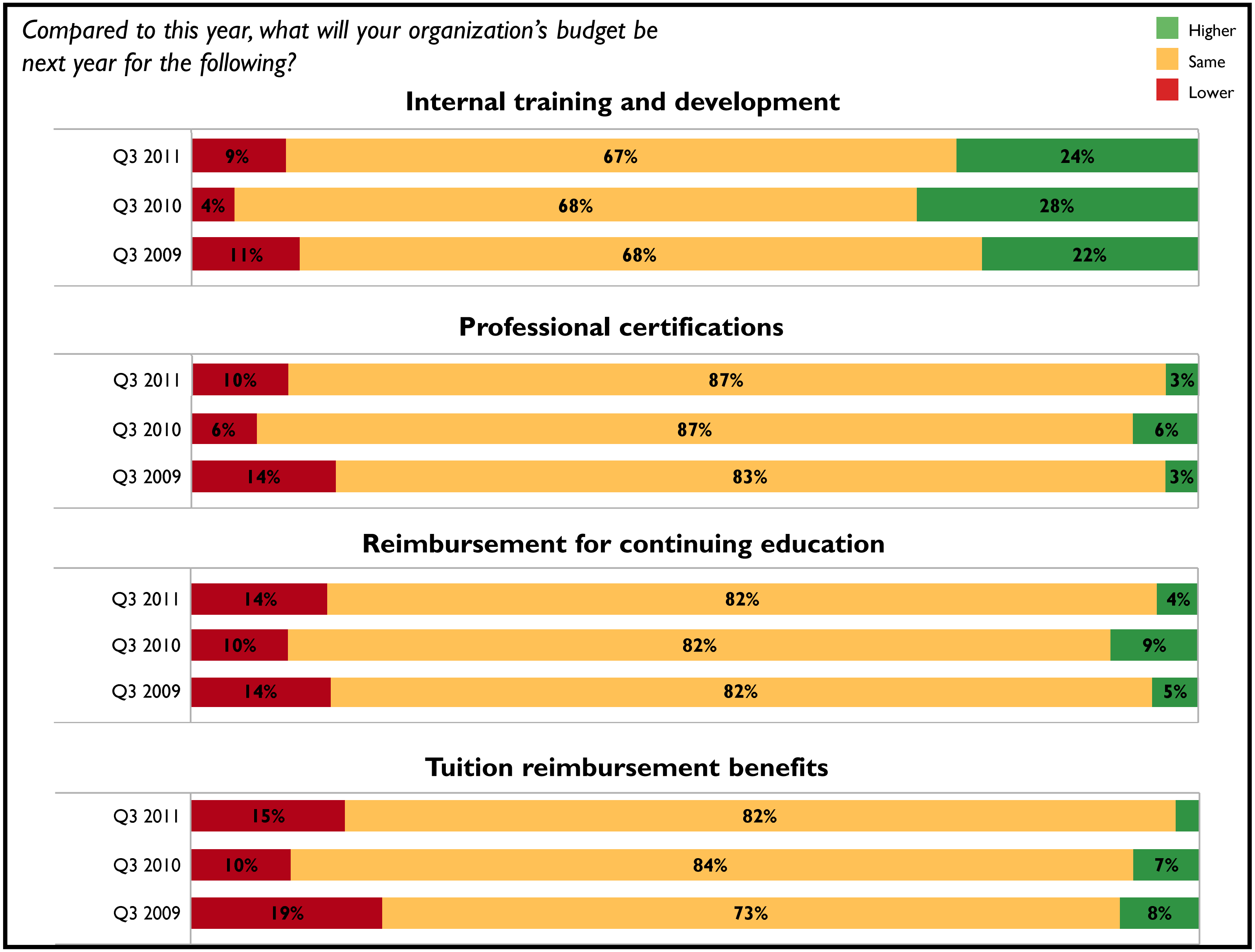


# Planned HR Changes:  Talent

While the majority of organizations reported that they will continue to spend their talent development budget in the same way as they did in 2011, 15% or more reported that they will cut spending for tradeshow/conference attendance, travel, and tuition reimbursement benefits.  However, nearly 25% of organizations will increase the budget for internal training and development.



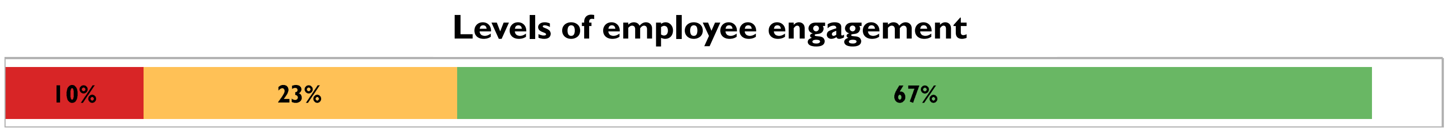
# Planned HR Changes:  Talent



# Disengagement & Turnover

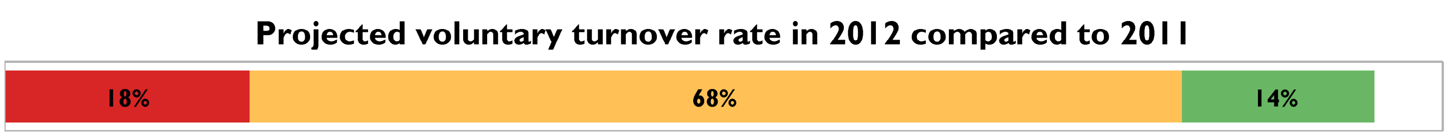
Two-thirds of employees are estimated to be actively engaged, leaving one-third either ambivalent or disengaged. Additionally, nearly 30% of organizations report 2011 voluntary turnover was lower than in previous years, and most organizations project turnover rates in 2012 will be unchanged from 2011. However, nearly 20% of organizations expect to see increased turnover over the next year.

*What percentage of employees at your organization do you estimate are…*




*Compared to previous years, was your voluntary turnover rate in 2011…*

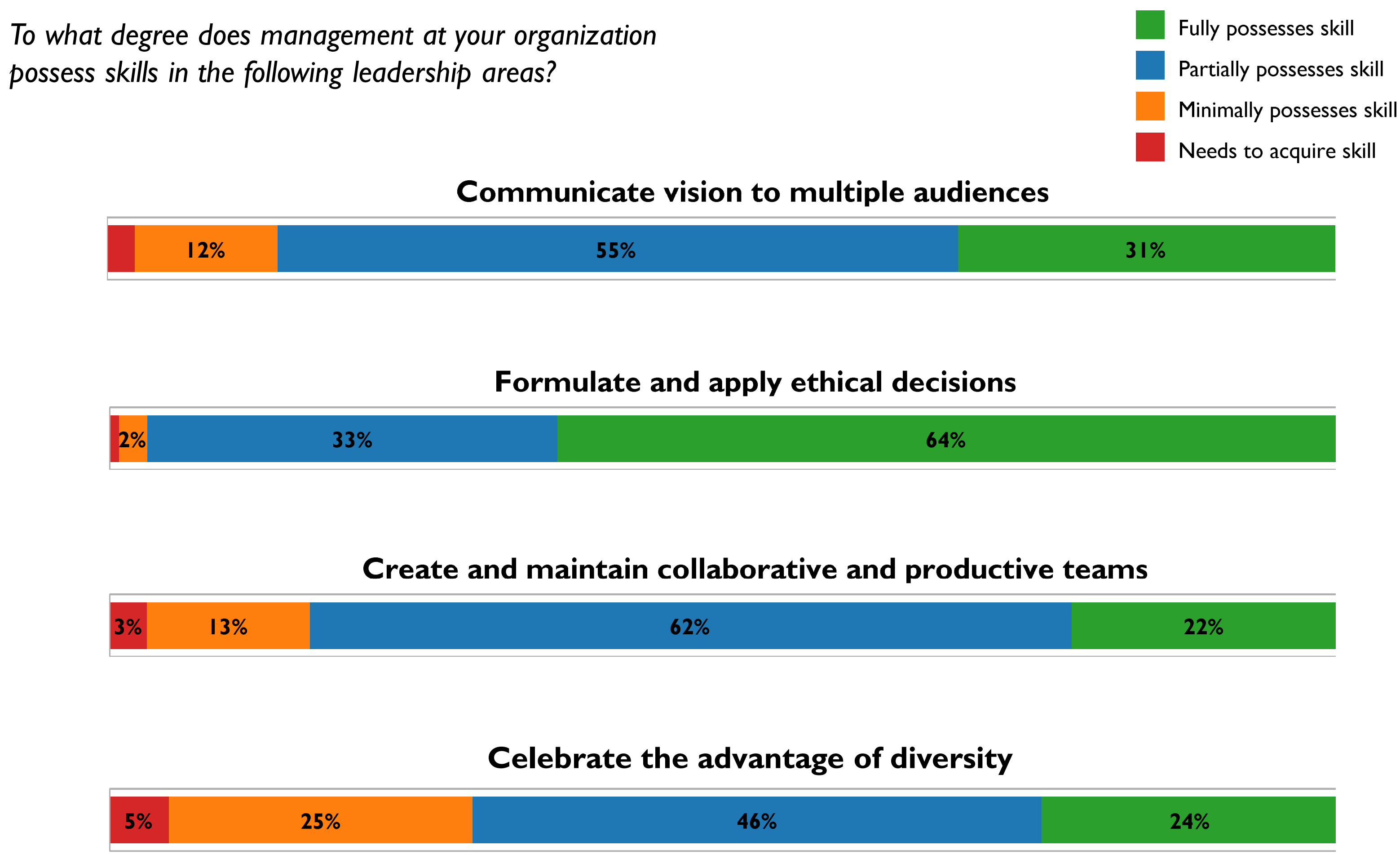

*Compared to 2011, do you estimate your organization's voluntary turnover rate in 2012 will be…*



# Management Skills in Leadership

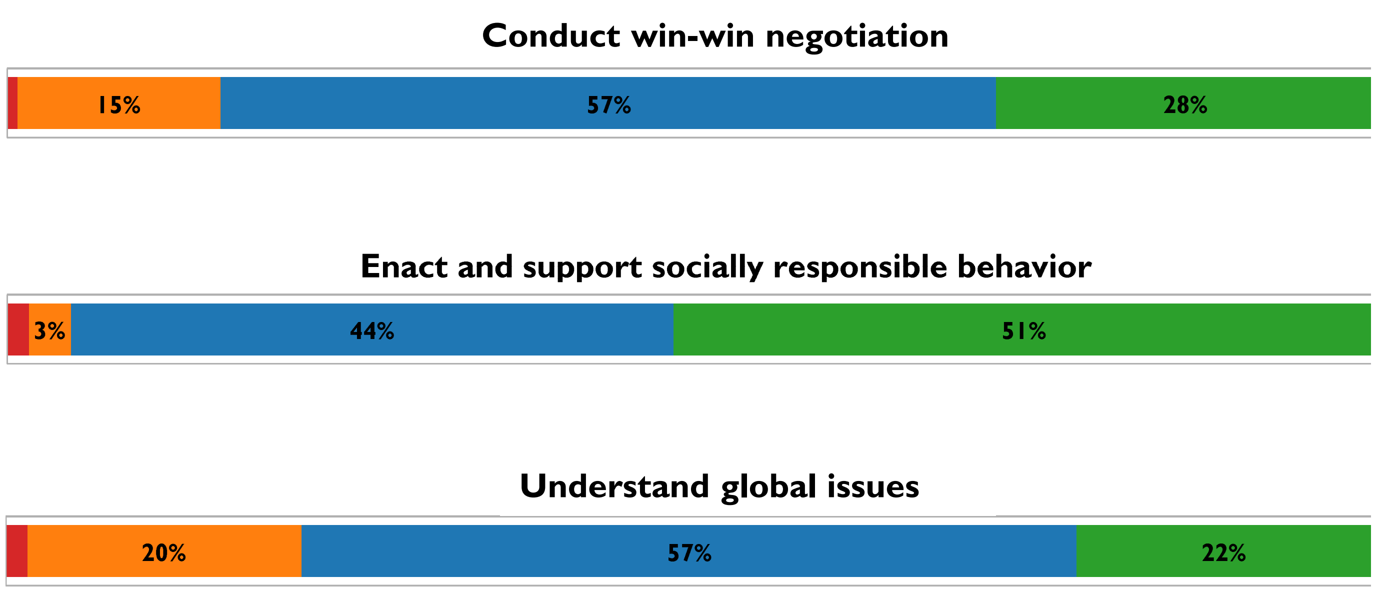
The majority of organizations reported that management at least partially possesses each leadership skill surveyed. However, fewer than 25% believe management fully possesses skills in the areas of creating and maintaining collaborative and productive teams, celebrating the advantage of diversity, and understanding global issues.

*To what degree does management at your organization possess skills in the following leadership areas?*



# Management Skills in Leadership

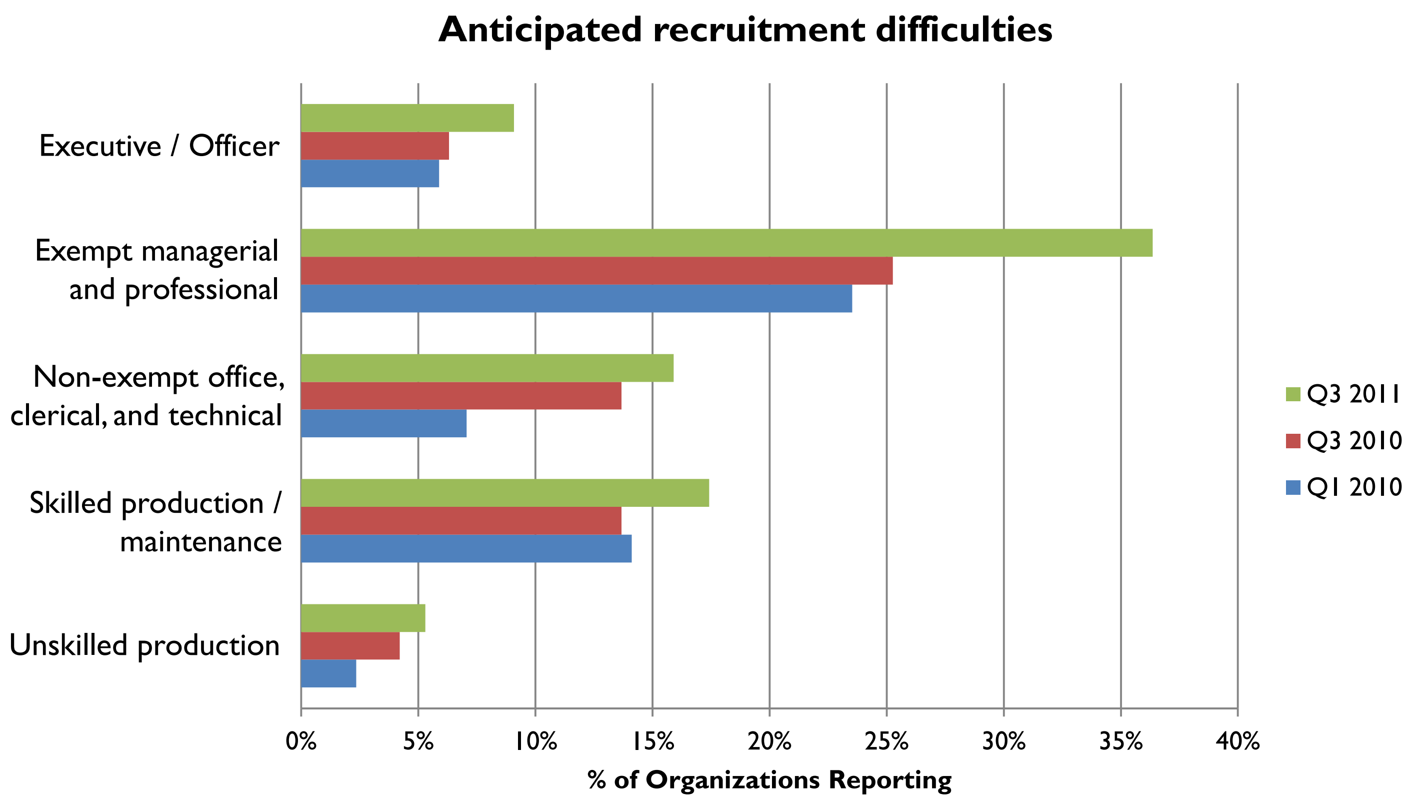
*To what degree does management at your organization possess skills in the following leadership areas?*



# Recruitment Difficulties

More organizations are anticipating difficulty recruiting over the next 12 months as compared to last year. The greatest increase in anticipated difficulty is among exempt managerial and professional employees, although more than 15% of organizations also anticipate difficulty recruiting non-exempt office, clerical, and technical employees and skilled production/maintenance employees.

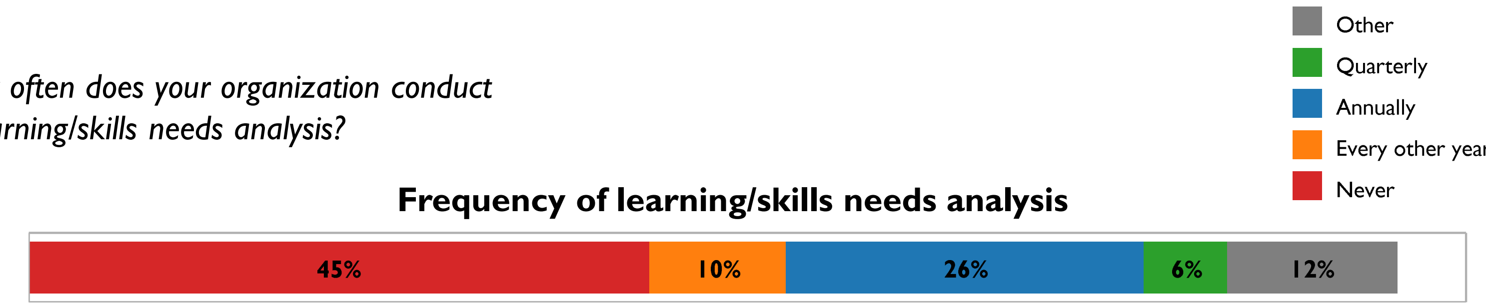
*Over the next 12 months, do you anticipate difficulty in recruiting employees in any of the following groups? (check all that apply)*



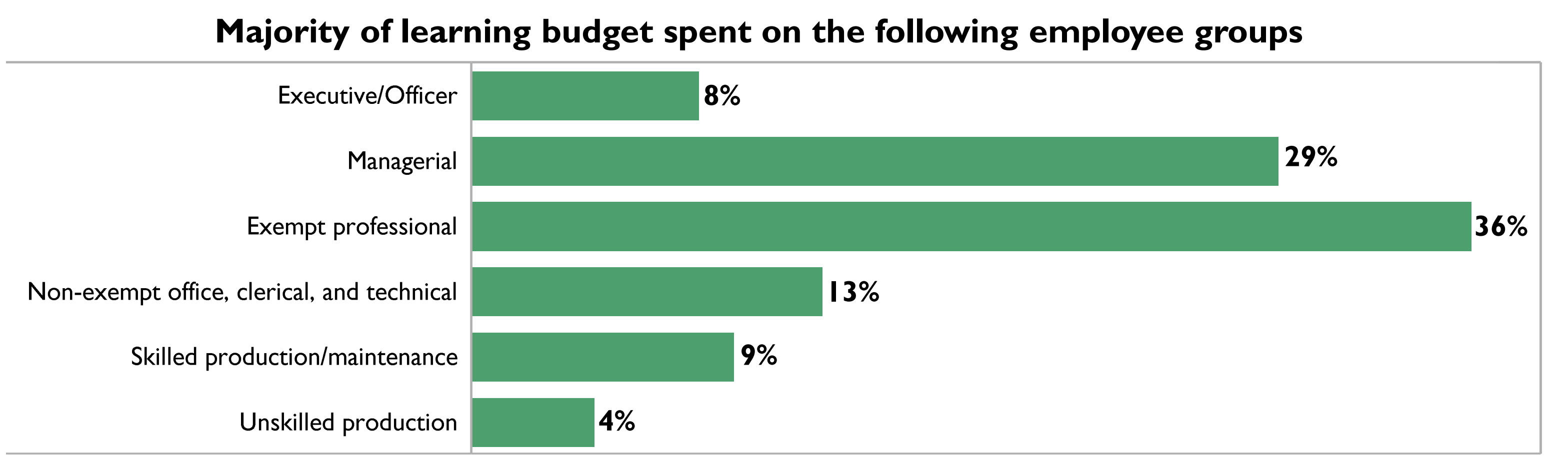
# Organizational Learning

45% of organizations never conduct a learning/skills needs analysis, while more than 30% of organizations undergo this analysis at least annually.  More than 35% of organizations will spend the majority of the learning budget on exempt professional employees this year.  Managerial employees also were frequently reported as receiving the majority of the learning budget.  Fewer than 5% of organizations will spend the majority of the learning budget on unskilled production employees.

*How often does your organization conduct a learning/skills needs analysis?*



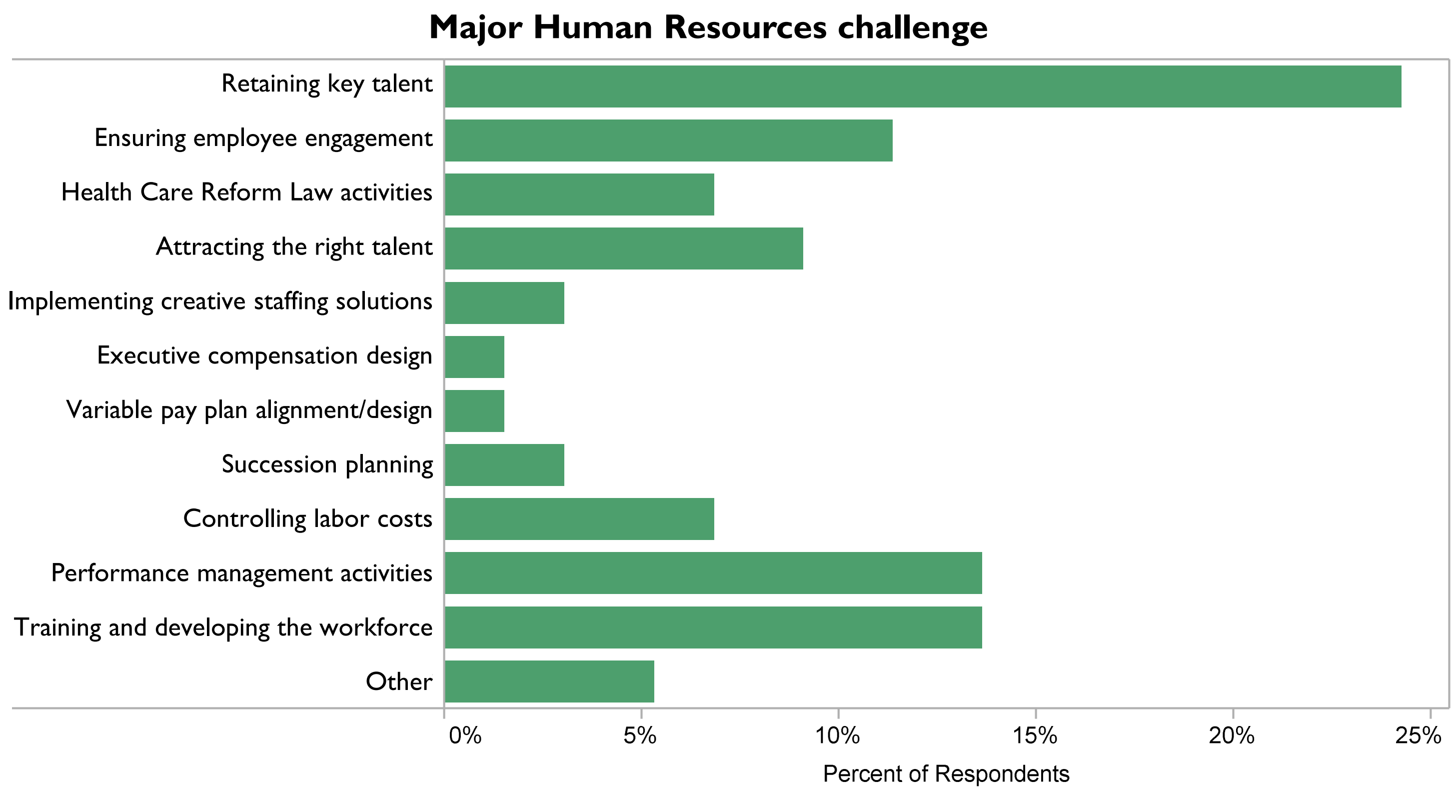

*On which of the following employee groups will you spend the majority of your learning budget this year?*



# Major Human Resources Challenge

The most common Human Resources challenge reported was retaining key talent. More than 10% of organizations also reported ensuring employee engagement, performance management activities, and training and developing the workforce as major Human Resources challenges for 2012.

*What do you see as your organization's major Human Resources challenge in 2012?*



# Conclusion

Although Wisconsin businesses have not entirely emerged from the shadows cast by the Great Recession, QTI's survey documents significant business improvements.  Productivity, financials, pay, and staffing projections all are on the uptick.  Although projections vary, many organizations plan to expand their workforce and selective – yet significant – talent scarcity exists.

Despite employee retention and engagement concerns, organizations seem confident that the economy is slowly recovering and that 2012 will be better than 2011.

THE QTI GROUP

The QTI Group is the **talent** expert

who **understands**, **advises** and **connects**,

so that its customers

can **adapt**, **grow** and **succeed**.

If you have any questions regarding the
Human Resources Planning in the Current Economy Survey
or are interested in more specific data,
please contact:

Stephanie Frye, Consultant
**QTI Consulting, Inc.**
PO Box 552
Madison, WI 53701-0552
Phone: 608-663-4801