

ENGAGING THE GLOBAL WORKFORCE

BRIDGING THE GAP BETWEEN FINANCE AND TALENT MANAGEMENT

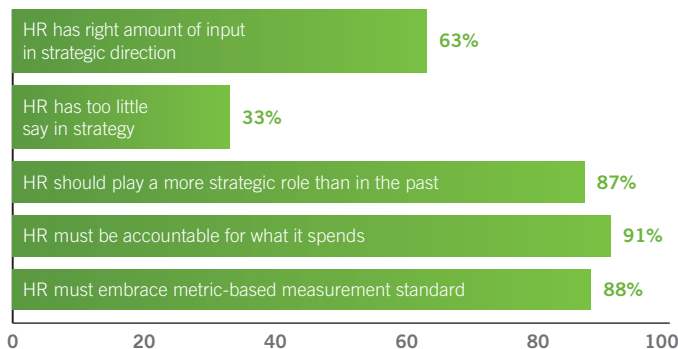
The link between workforce retention and company performance has become more quantifiable, and a new wave of HR executives is moving to the vanguard of corporate governance – the Chief Talent Officer (CTO). Recent increases in investments for succession planning, employee retention and employee engagement are helping to bridge the gap between finance and talent management as the two collaborate to create business cases for new process and programs to track financial outcome as it relates to their biggest investment in human capital. This report assesses the attitudes of business leaders towards the relationship between the CTO and the CFO, and their mutual role in engaging the global workforce to adapt to new global workforce trends.

Key Finding No. 1

Human Resources must take a more strategic role in the business.

HR has come a long way from its days as the Personnel Department. The idea of HR's role as merely a transactional or record-keeping function is outdated.

“HR holds the keys to the engine – the employees. Nothing is more important than what happens on the front line. HR hires, trains, and retains these folks, and it is vital that HR play a role in the strategic planning.”

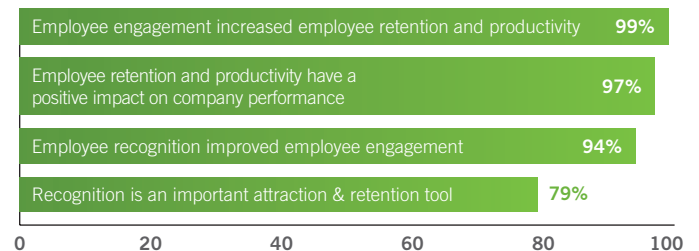


Key Finding No. 2

Employee recognition improves employee engagement, which increases retention and productivity, thereby positively affecting company performance.

HR is frequently asked to provide a measurable benefit to the organization for employee engagement based on performance scores and retention levels.

“Our company understands the benefit of having a performance-based recognition program and how it helps drive employee engagement. Ultimately, it leads to satisfied customers and, if you have satisfied customers, they are more likely to purchase again.”

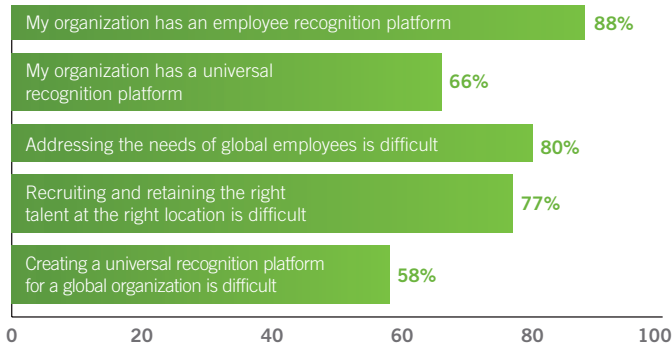


Key Finding No. 3

Business leaders believe creating a universal recognition platform for global companies is difficult.

Motivating and engaging employees is challenging enough when they share a common office, language and culture. As global business operations cross international borders, those challenges increase dramatically.

“Employee recognition programs have been tried in the past and have become popularity contests. Many who work very hard and keep their mouths shut don’t ever get recognized, and those in the limelight get recognized over and over again.”

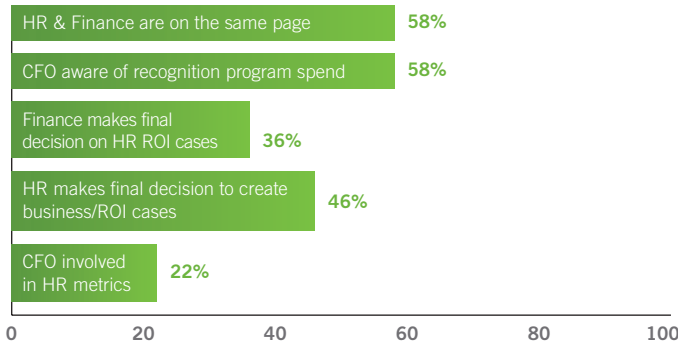


Key Finding No. 4

CFOs are not aware of how much they are currently spending on recognition programs.

Even though nearly everyone agrees HR and Finance need to be on the same page, only slightly more than half of respondents say this is the case in their organization. The same percentage report the CFO is aware of how much the organization spends on recognition.

“HR plays a key role in establishing the business case and instigating the research for new processes or systems. This will lead to a larger scale feasibility study where Finance resources are sued to consider ROI and other key financial requirements. The final proposal will be reviewed by a global steering group for presentation to the CFO.”

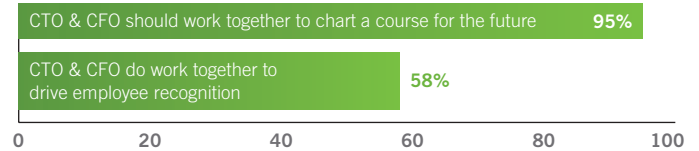


Key Finding No. 5

The CTO and the CFO must work together to chart the course for the future.

Because HR is expected to measure the performance of the human capital investment, it comes as no surprise that the work of the Chief Talent Officer would draw the attention of the CFO.

“Alignment by these two key support executives is critical for charting the right course and staying on course. Human capital is also the largest cost in the organization and the largest competitive advantage and tool to win in the marketplace.”



Business leaders understand HR has the power to transform an organization by taking a strategic view and using technology to implement a measurable employee engagement solution that generates real results. They also understand employee recognition can improve employee engagement and—by extension—their bottom line, shareholder value, customer retention and the ability to retain and recruit new employees. But these leaders have also found implementing a universal recognition platform for global companies to be a serious challenge.

Globoforce suggests these best practices, developed in partnership with some of the world’s largest companies, to overcome these challenges.

- * Establish a clear global strategy for recognition
- * Secure executive sponsorship with defined goals
- * Align recognition with corporate values for global understanding
- * Offer everyone an opportunity to participate
- * Motivate and acknowledge all employees with the power of individual choice

About the Study

HR and Finance professionals from global 2000 companies with more than 10,000 employees were surveyed in the first quarter of 2008. More than 250 responses were received. The majority of respondents were between the ages of 30-49, with 80% having responsibilities within human resources. More than two dozen industries were represented. The full report can be requested by contacting Globoforce at corporate@globoforce.com or +1 888-7-GFORCE.