

INTERNATIONAL STOCK EXCHANGE EXECUTIVES EMERITI

Miami Conference
March 22-25, 2015

Trends for 2015

Technology's affect on Human Capital

Current global trends on
Compensation/Recruiting/Hiring Talent

A SPEEDY REVIEW

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QUICK RECAP

GLOBAL HUMAN CAPITAL TRENDS

Some highlights noted previously:

- Human Capital Immigration will increase due to population change on a global basis
- Capital flow will change due to population and economic change
- Technology change will have an affect on both Human Capital and Capital flow globally
 - Moore's Law – technology capacity doubles every 18 months and decreases in price
- So we know **change** is a continuing process....the global economy, immigration, population, weather, catastrophic events, etc. will create and/or effect change!



TECHNOLOGY'S AFFECT ON HUMAN CAPITAL

Did You Know?

7 Minute Video



Columbia Consulting Group

INTERNATIONAL STOCK EXCHANGE EXECUTIVES EMERITI



**Along with global technology and capital
market change trends.....**

***Let's review some....Compensation/Hiring/Recruiting
Trends for 2015***



Compensation/Hiring/Recruiting TRENDS IN 2015

Supply & Demand Law of Compensation



Compensation Trends

Global Pay Trends

Base Salary

North America

- Base salaries are expected to increase by 3.0% in 2015

Europe

- Base salaries are expected to increase by 0% to 3% in 2015
- Base salary increases, as in years past, are lower than in other regions of the world

Asia

- Base salary increases in 2015 are expected to be lower than in prior years when increases ranged from 2% to 13%
- On average, executive salaries in Asia have overtaken those of their European and US counterparts

Australia

- Increases for 2015 are likely to be lower than the average 3.5% increase in 2014

Compensation Trends

Global Pay Trends

Short-Term Incentives

North America

- Actual bonus payments have increased slightly when compared to the prior year

Europe

- Actual bonus payments have increased marginally when compared to the prior year

Asia

- Target bonus opportunities (as a percent of base) are generally on the rise
- Hong Kong saw a year over year uptick of nearly 5%

Australia

- Focus by shareholder advisory firms on the use of performance measures (e.g. underlying earnings) that are opaque

Compensation Trends

Global Pay Trends

Long-Term Incentives

North America

- Use of performance share plans are increasing
- Use of stock options is on the decline but still prevalent

Europe

- Majority of companies have an LTI plan
- Continued movement towards simplification with most companies using only one LTI vehicle

Asia

- LTI award levels are low when compared to other markets however, current levels are increasing










Australia

- Focus on methodologies used to allocate LTI awards – there is concern that the current approach used understates award value

Compensation Trends

Global Pay Trends – Long-Term Incentives

Long term incentive plan vehicles

	Europe	United States	Asia Pacific
Share Options			
Restricted Stock (Service Based)			
Performance-Based Awards			

HIRING/RECRUITMENT TRENDS IN 2015

Quality of Hire

Availability of Talent

Focus on passive candidates

***Increase emphasis of social media
mobile recruiting***

Company/Talent Branding

Succession Planning

Reliance on Recruiting Firms

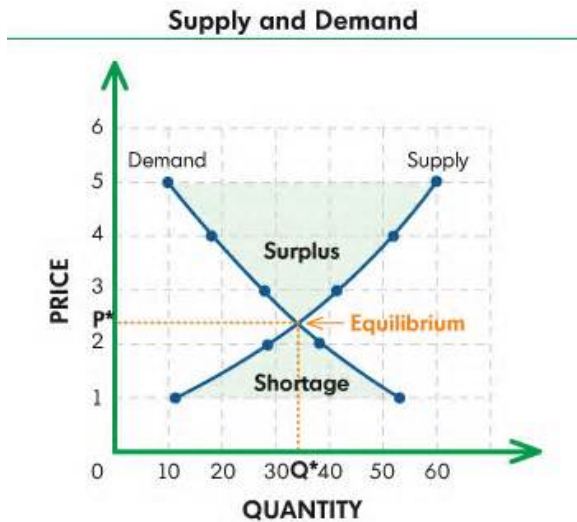


EMPLOYMENT TRENDS IN 2011

Internet Job Boards / Social Media / Mobility



In Summary



- Technology's affect on capital and people will be changing constantly & quickly
- The key Hiring/Recruiting trend will be oriented to hiring quality people based upon the supply and demand in the global economy.....the *compensation* follows!

Technology & Human Capital Trends 2015

*Thanks for your time and enjoy the rest of the
conference and your stay in the Miami area!*

Larry Holmes

