



# Global job creation

A survey of the world's most  
dynamic entrepreneurs

June 2013





## Entrepreneurs continue to be one of the world's greatest sources of sustainable growth

"I have a job." This deceptively simple statement resonates everywhere, with major consequences for the individual – and the world at large. It can be debated whether human talent is more important than financial capital to the health of the global economy, but it is hard to overestimate a job's importance to individual self-esteem and social well-being. Job creation just may be the world's lifeblood. And once again I am proud to report that entrepreneurs are doing their share to make sure that employment keeps pace with the opportunities that derive from commerce, wealth creation and the rise of the new global middle class.

Our annual survey of the Ernst & Young Entrepreneur Of The Year® winners – the world's most dynamic community of high-achievers – once again attests to their ability to seize the day, no matter what the local economic forecast. We find that these entrepreneurs continue to be some of the greatest global sources of sustainable growth. This time around, we learn that they are still job creators: 70% of 2013 respondents plan to hire at home this year, continuing the uptick from 68% of 2012 respondents, while 47% of 2013 respondents plan to hire abroad, up from 44% in 2012. They continue to raise the standard of living in the countries where they operate by creating jobs – good jobs – that for the most part require experience (81%).

## The productivity dividend

Most interestingly, this could be the year that we see our entrepreneurs making sustainable investments in productivity. Though entrepreneurs say they continue, first and foremost, to hire abroad to enter new markets (74% in 2012; 63% in 2013), 2013 marks a big shift in that more entrepreneurs will be adding staff to boost production (28% in 2012; 45% in 2013), with Asia-Pacific taking the lion's share at 64%, versus 51% for Europe, the Middle East, India and Africa (EMEIA), followed by the Americas, at 29%. The message is: keep going, keep growing!

Our survey shows steady job growth in a difficult global economy – and I am glad to see the Fortune 500 is signaling planned growth as well. Another Ernst & Young report, the *Global Capital Confidence Barometer*, tracks the Fortune 500 and found that in April, while the majority of the Fortune 500 intend to keep their current workforce size, 42% expect to hire – a strong improvement from 28% in October 2012.

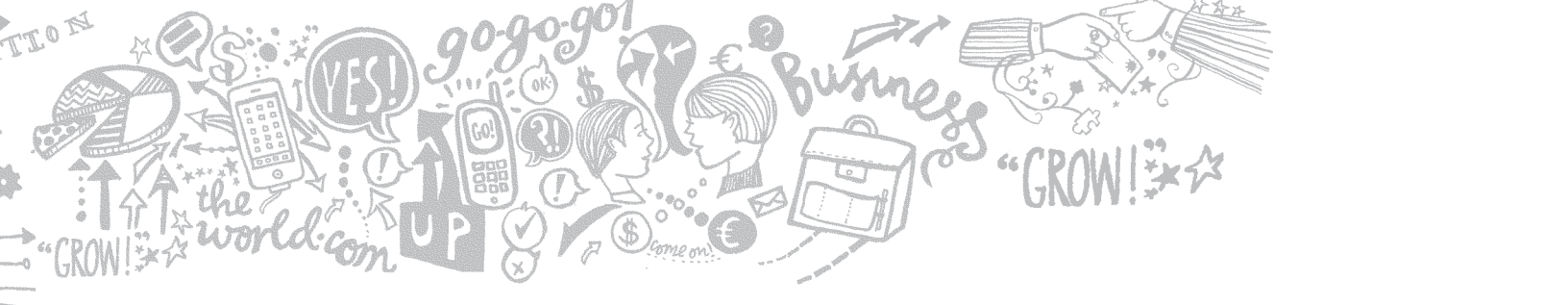
## Women's work

A global, interconnected world provides increased opportunities for entrepreneurs – and this means the world's women as well. Women own about a third of all businesses in the world, nearly half of which are in the developing markets. Of our June survey respondents, 17% are women Entrepreneur Of The Year winners. The distinct female perspective is enriching our knowledge base on this diverse and creative community of high achievers. We find that women globally are more optimistic than their male counterparts: 73% plan a workforce increase in their home markets in 2013 (the men clock in at 69%). Both men and women told us that the positive factor in affecting their hiring plans in their home countries is growth in their product/service markets (at 78%). Now that's what we call building a better working world!

I believe our global entrepreneurial snapshot is worth citing for its optimism about what comes when you give good ideas, and the space to grow them, a chance. Thank you, all my entrepreneurial friends, for keeping the world in unbounded good spirits – the future is yours.

Maria Pinelli  
Global Vice Chair, Strategic Growth Markets





## Executive summary

# Steady as they grow: entrepreneurs' hire power

Our annual survey from the Ernst & Young Global Center for Entrepreneurship and Innovation received 200 responses from our Entrepreneur Of The Year winners from 35 countries. This is the snapshot these CEOs provided regarding their plans for job creation.

Here is what we learned:

- ▶ **Entrepreneurs are solid job creators.** Seventy percent of 2013 respondents overall plan to hire at home this year, up from 68% at this time last year. Forty-seven percent intend to hire abroad in 2013, up from 44% in 2012. Either way, the job growth record is consistent, with 78% of our entrepreneurs telling us they intend to increase their workforce at home or abroad in 2013.
- ▶ **Global growth is on the rise! Global growth is notably evenly distributed.** All regions are showing enthusiasm in terms of increasing their domestic workforces in 2013. Asia-Pacific and the Americas are planning to increase headcount by 76%; EMEA plans to increase headcount by 64%.
- ▶ **The top three positive factors affecting 2013 hiring plans at home showed remarkable similarity across the three regions.** "Growth in products and services" came in first; followed by technology improvements put into place at the companies. But the third was "confidence in the domestic economy" for both the Americas and Asia-Pacific; while EMEA cited "access to global markets."
- ▶ **2013 might be The Year of Productivity.** When it comes to looking for overseas talent, we note that 2013 marks an upward shift in hiring to boost production of products and services (28% in 2012; 45% in 2013). Entrepreneurs are still hiring abroad to enter new markets, albeit at a lower rate than in 2012, suggesting a downward change.
- ▶ **Entering new markets remains important.** Entrepreneurs in the Americas and EMEA are hiring abroad primarily to enter new markets (68% and 62%, respectively), while their Asia-Pacific counterparts are hiring abroad primarily to increase production (64%).
- ▶ **Confidence runs high among women.** Our female entrepreneurs tell us they are confident or somewhat confident in the economic direction of their country – 88%, versus 71% for their male counterparts. They also intend to out-hire the men, 73% to 69%, as they plan to increase their total workforce in their headquarters countries. Outside their headquarters, however, they lag the men at 31% to 50% when it comes to staffing abroad in 2013.

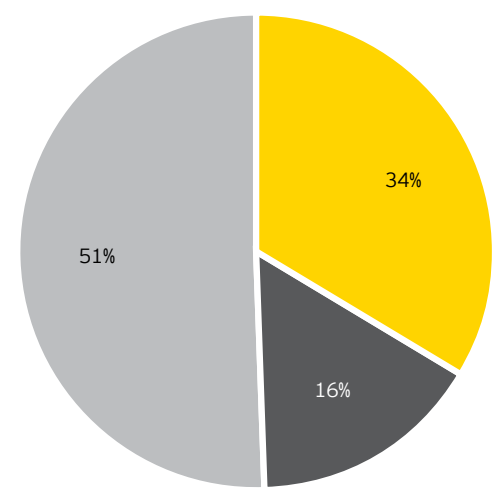




# Who's getting hired?

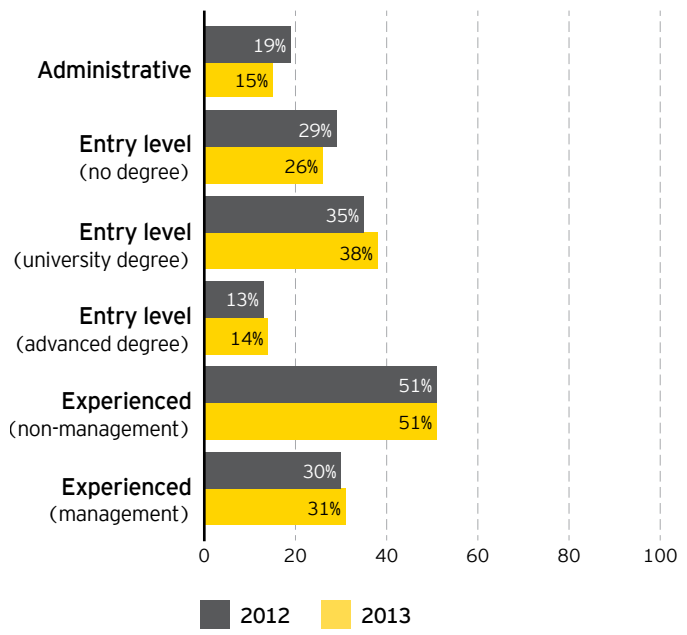
Experience mattered when entrepreneurs hired in 2012. Our respondents told us overall they looked for those seasoned in the non-management area (51%) with specific skills or industry/product knowledge. (Those with management experience in their backgrounds came in at 31%.) This could be seen as an indication that they are lining up the talent viewed as most capable of boosting production. Entry level with university degrees also did well, arriving in at 38% and bearing out the common perception that the well-educated may have more of an advantage in today's employment market than those without a degree.

Regional distribution of respondents

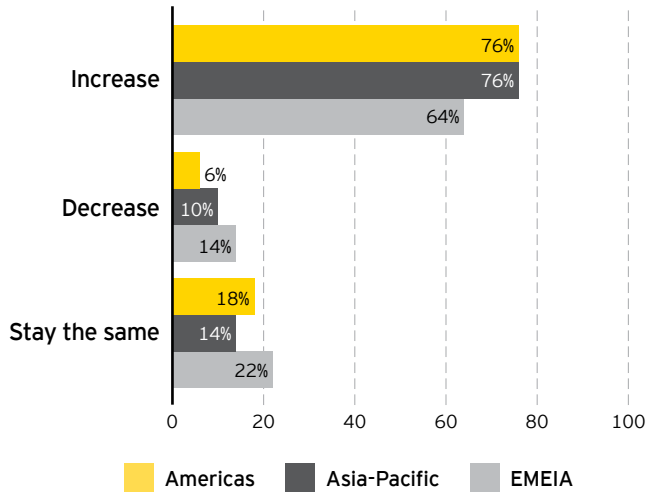


■ Americas 
 ■ Asia-Pacific 
 ■ EMEIA (Europe, Middle East, India and Africa)

Thinking about the employees your company hired in 2012 and 2013, please indicate the two responses below that best describe these new employees:



How do you expect your total workforce to change across all company operations in your headquarters country in 2013?



■ Americas 
 ■ Asia-Pacific 
 ■ EMEIA

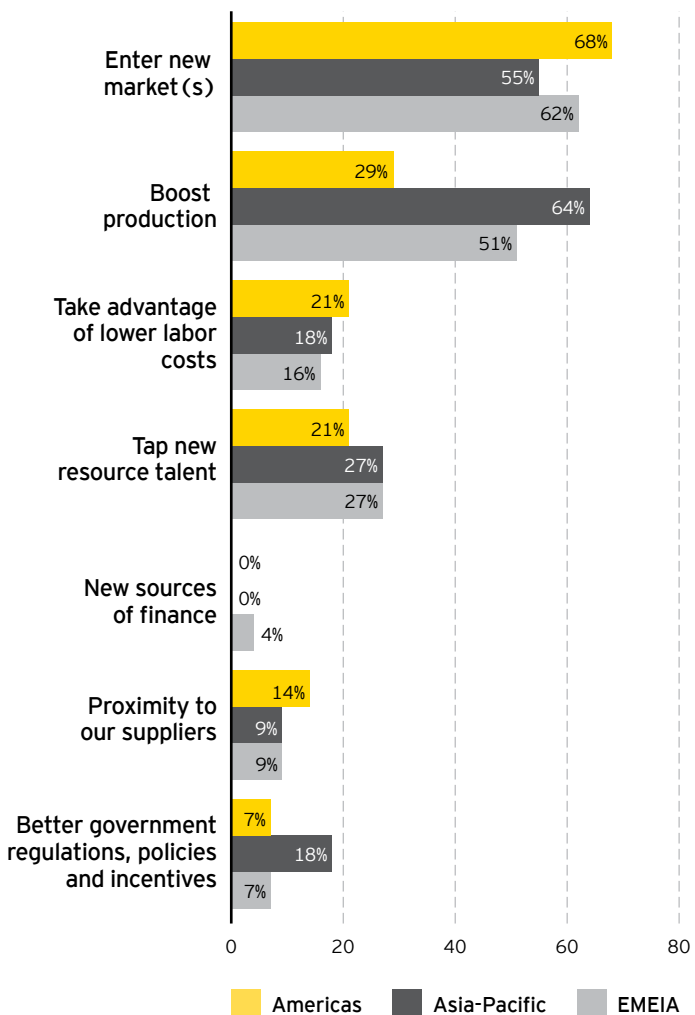


# The year of productivity

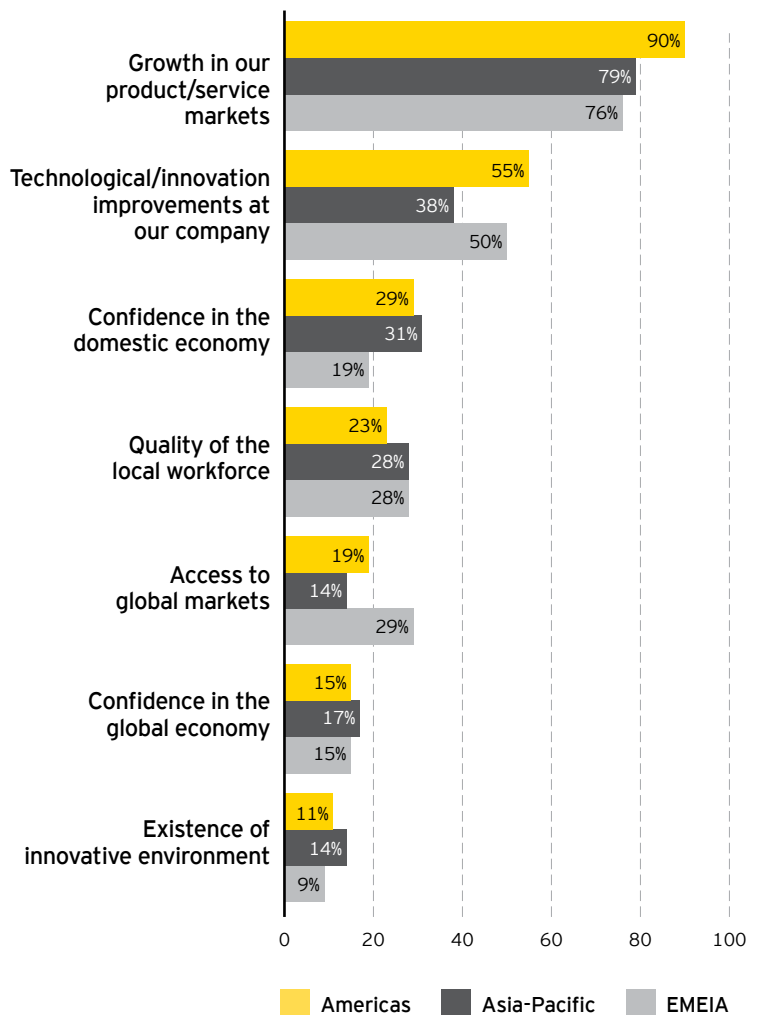
The three regions report remarkably similar factors that affect their hiring plans both domestically and abroad. Entrepreneurs continue to hire to enter new markets outside their home countries (74% in 2012; 63% in 2013), 2013

marks an upward shift in hiring to boost production (28% in 2012; 45% in 2013). Asia-Pacific led the charge at 64%, followed by EMEIA at 51% and the Americas trailing at 29%.

## What are the two most important reasons for hiring outside your home country in 2013?



## What are the top three positive factors affecting your 2013 hiring plans in your home country?





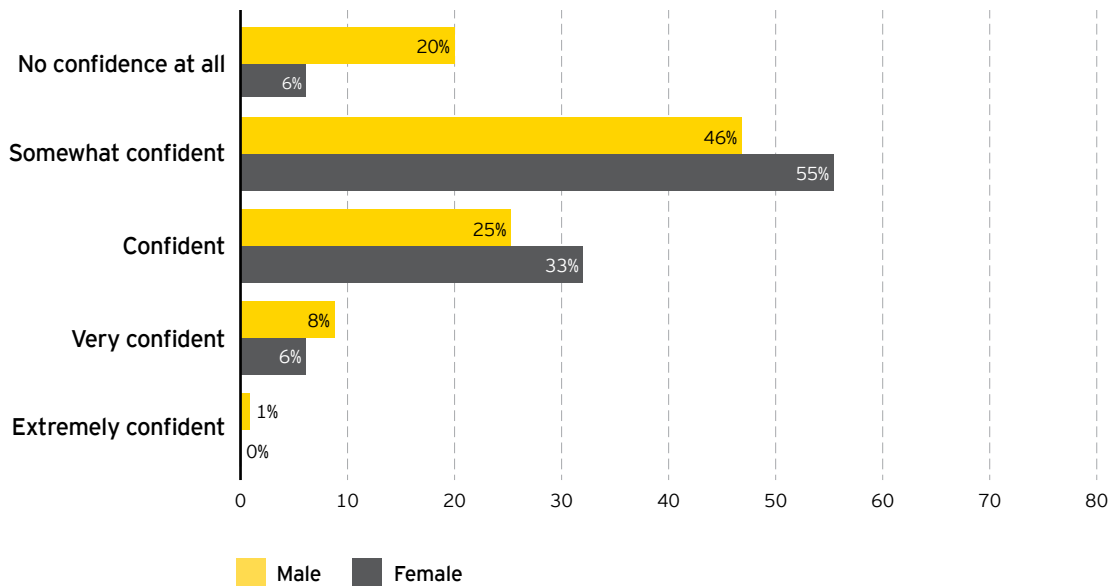
# Women speak out

If China and India each represent roughly 1 billion emerging participants in the global marketplace, the Third Billion are the women who are entering the mainstream economy for the first time. An Ernst & Young report, *High Achievers: Recognizing the power of women to spur business and economic growth*, notes that governments and businesses stand to benefit from this vital resource that can help promote growth and innovation. We are pleased that 17% of our respondents are women Entrepreneur Of The Year winners, chosen through a highly competitive and rigorous process.

Women expressed more confidence than their male counterparts in the direction of their headquarter country's economy (88% vs. 71%). Both men and women told us that

the top positive factor in affecting their 2013 hiring plans in their home countries is growth in their product/service markets (at 78%). We learned that women differ from men in their reasons for hiring outside their home markets in 2013. For men, the biggest reason is to enter new markets (44%), while for women, it's to boost production (50%). Scaling up and entering new markets is an issue women entrepreneurs grapple with, resulting in female-owned entrepreneurial businesses typically being smaller than those of their male counterparts. While women showed more intention in 2013 to hire at home than did the men (73% to 69%); we noticed a slight reticence for women to hire abroad (31% to 50% for the male counterparts).

## What is your level of confidence in the economic direction of your headquarter country?







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