





#### Entrepreneurs continue to flex their hire power

The global economic recovery carries on – sometimes feeling like a full recovery, sometimes not, depending on where you are in the world. But one big source of encouragement for me – in the past three years, it has yet to let me down – is the rate of job creation among our EY Entrepreneur Of The Year™ winners. This creative, hard-working and often unconventional community of high achievers – vetted by an independent panel of their peers – is once again doing its share to help raise the standard of living in the countries where they operate.

The world's economic lifeblood remains in good hands.

For the third straight year, the world's most dynamic entrepreneurs tell us they expect their employee rolls to increase in 2014 — this time by nearly 19%, an increase from the 16% reported in 2012 and 2013. Of our respondents, 76% expect to add to their global workforce this year. And in a world characterized by fluctuating economic forecasts, 61% reveal they are confident, very confident or extremely confident in the economic direction of the market they know best — their home country. Notably, only 47% express the same level of optimism in the world economy as a whole. Nonetheless, this does not hold them back from entering new markets. More than half of our respondents say they expect to look overseas to grow their products and services.

#### Tapping into technology

This time around we also asked about the role technology plays in job creation. More than half of all respondents agree or strongly agree that investments made in technology led to a workforce change — and of those respondents, 81% said that it increased their workforce, by an average of 13%. Other positives cited from applications of technology: higher productivity and efficiency, improvement in quality, overcoming geographic barriers, and attracting talent.

As for the impact on entrepreneurs' existing workforce, we learned technology largely improved our respondents' overall cost competitiveness and made their employees more mobile. Our women respondents, in particular, cited the more mobile workforce (64% versus 41% of their male counterparts) as an asset enabled by technology – perhaps because of their increased awareness of work-life balance and job flexibility issues.

Keep going. Keep growing. Keep building that better working world! To my friends, colleagues and fellow job creators: take a bow.

Sincerely,

Maria Pinelli EY Global Vice Chair – Strategic Growth Markets



**Executive summary** 

## Entrepreneurs create jobs

Our third annual survey from the EY Global Center for Entrepreneurship and Innovation surveyed 243 of the world's leading entrepreneurs in April 2014. This is a snapshot of what these CEOs provided regarding their plans for job creation.

**Global job creation continues.** Job creation – the world's economic lifeblood – is once again in good hands with entrepreneurs. For the third straight year, our global survey of EY Entrepreneur Of The Year winners revealed that they expect their employee rolls to increase by 19% for 2014. This is up from 16% in 2012 and 2013.

Confidence runs high – and close to home. Of our respondents, 61% tell us they are confident, very confident or extremely confident in the economic direction of the market they know best – their home country. However, only 47% express the same level of optimism in the world economy as a whole. Still, fear of the unknown does not seem to hold them back. They tell us they are moving forward in their global talent search, as more than half of our respondents look overseas to new markets. Growth in products and services is the strong lure (78%)!

**Growth spurt.** The Europe, Middle East, India and Africa (EMEIA) region shows the most confidence in the global economy – 45% are confident and 63% are at least confident (confident, very confident or extremely confident) – and expects to do more in terms of securing overseas talent (65%) than the Americas (53%) and Asia-Pacific (33%). In general, 2014 is likely to see more entrepreneurs looking to hire outside their home country – 52% in 2014 versus 44% in both 2012 and 2013. The most important reasons? To build for growth in products and services – especially for Asia-Pacific (88%, while the Americas comes in at a close second at 82%) – and to enter new markets, with Asia-Pacific at 58%, EMEIA at 54% and the Americas at 46%. The top target markets for new business ring in with North America at 62%, Europe at 54% and East Asia at 27%.

**Technology drives job creation.** More than half of all respondents agree or strongly agree that investments made

in technology led to a workforce change. Of those respondents, 81% found that the investment increased their workforce, by an average of 13%. Could it be that technology actually fosters job expansion instead of displacing it, as the conventional economic wisdom would suggest?

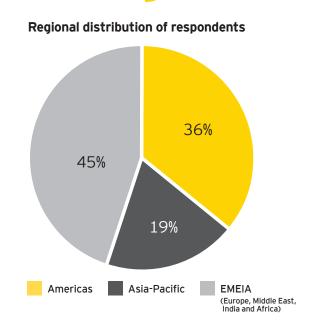
**Technology loves talent.** Technology plays an overwhelming role in a company's expansion, with 85% of all respondents who invested in technology telling us that it drives their plans for future growth. We learned that technology accelerates higher productivity and efficiency (70%), improves quality (58%), provides quicker access to data and information (54%) as well as drives admittance to new markets (50%). In a global world, it is also cited as a way to overcome geographic barriers (34%) and attract more talent (31%). Last but not least – technology signals a greater need for capital investment (18%), which is key for companies with big ambitions to expand to new markets.

**What's tech done for us lately?** Mostly, it has improved cost competitiveness for those entrepreneurs surveyed (by 53%) and made their existing workforce more mobile (by 44%). It has also driven the need for a more specialized workforce (26%), particularly in areas with skills shortages (24%).

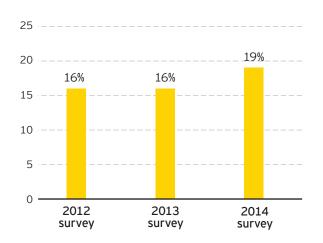
Who got the job? When looking at those who were hired in 2013, we learned that experienced non-management came in first (44%) and entry-level university graduates in second place (at 40%). This grouping of experience and education has remained notably consistent over the past three years across the three regions. The third choice for onboarding was for experienced management, which rated higher among the survey's male respondents (37%) than the women respondents (27%). It suggests, overall, that when entrepreneurs hire, they look for knowledge and skills first and foremost. They look to line up the talent viewed as most capable of boosting production.

# Hire power: entrepreneurs from across the globe help build a better working world

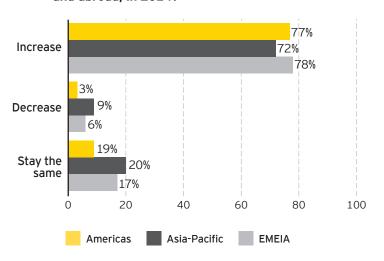
Our third annual survey from the EY Center for Entrepreneurship and Innovation shows the world's most dynamic entrepreneurs contributing to sustainable growth. How? They are consistently – over the past three years tracked by this survey – generating the employment that comes from turning ideas and innovation into reality. They afford opportunities that come from commerce, wealth creation and the rise of the new global middle class. Job growth is fairly evenly distributed across the regions, encompassing the Americas, Asia-Pacific and EMEIA.



How do you expect your total workforce operations to change across all company operations over the coming year?



How do you expect your total workforce to change across all company operations, in your home country and abroad, in 2014?





#### What's technology done for you lately?

Since the 19th century, when the Luddite movement drew inspiration from the legendary account of Ned Ludd destroying two industrial knitting frames, labor and technology have shared a wary coexistence. Who would win out? Man or machine? And must one's existence be at the mercy of the other?

The debate rages on two centuries later. But one thing is certain: the world's best entrepreneurs tell us that within their organizations, technology is a job creator, not destroyer. Of those respondents who agree or strongly agree that their workforce was affected by new technology investment, a whopping 81% believe their workforce increased – by an average of 13%. Overall, respondents who invested in technology last year tell us their investment improved cost competitiveness (53%) and made their existing workforce more mobile (44%).

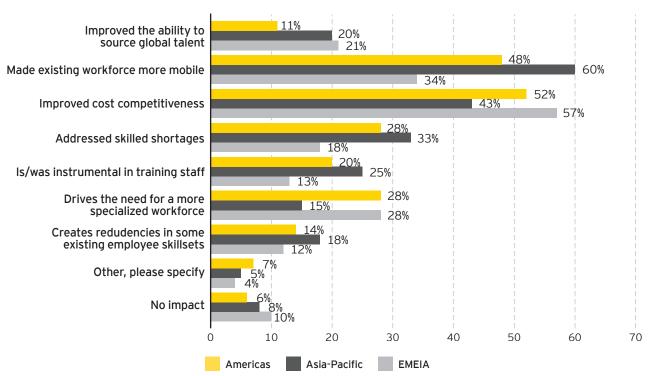
#### Technology breaks labor's chains

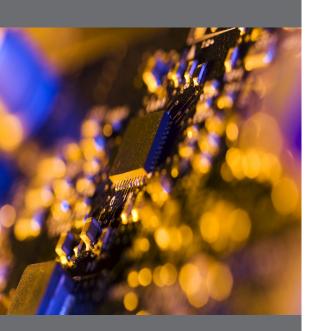
Far from being just a labor-replacing machine, there is every indication that technology may be a friend to the working man and woman.

Managers can hire from a wider pool. Employees have a world of options in their work location as technology offers them the ability to do their jobs from anywhere, within or without the organization.

Management and mobility, then, may actually be enabled and complemented by computers, not at odds. Real estate constraints and long-distance barriers between businesses, clients or customers are diminished. Asia-Pacific comes in as particularly well-positioned to benefit from a mobile workforce (60%, compared to 48% for the Americas and 34% for EMEIA). Women leading entrepreneurial businesses are notably more likely to believe that technology has a positive impact in promoting a mobile workforce – 64%, compared to the 41% registered by their male counterparts.

#### What impact has your technology investment had on your workforce?





# Tech sector accelerates job growth

A sampling of EY Entrepreneur Of The Year 2013 country participants provides additional insight into the role technology companies are playing in job creation. In the US and Canada, we found that Entrepreneur Of The Year technology sector participants created jobs in 2013 at a higher median pace, compared to job growth among all entries in all sectors. In Canada, for example, tech companies achieved a 36% job growth rate, while sectors overall clocked in at 25%. In the US, tech participants created jobs at a 42% clip, compared to 24% for all US-based participants.

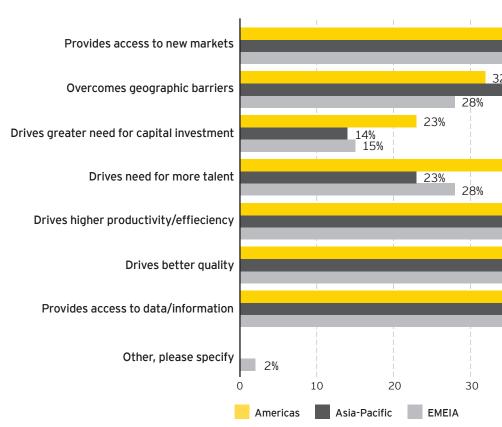
Even in rapid-growth markets like India and China, which have lesser representation in the Entrepreneur Of The Year Program from tech companies, we find greater headcount. China tech companies added jobs at a median growth rate of 25% in 2012, much higher than the overall sector growth rate of 13%. Similarly, Indian tech companies added jobs at an 18% rate, slightly higher than the overall Entrepreneur Of The Year participant job growth rate of 16%.



#### Thinking big

Technology plays an important role in our respondents' plans to expand their business, most notably in EMEIA, which came in at 91%. Asia-Pacific is next at 83%, and the Americas are third at 79%. In the breakdown below, we see the factors that come into play in this expansion.

#### How does technology play a role in your company's expansion plans?

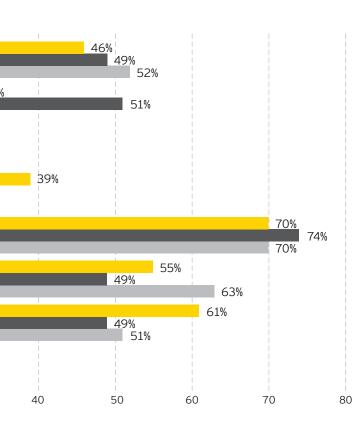




### Conclusion

The world's most dynamic community of highachievers – EY Entrepreneur Of The Year Award winners from around the globe – expect their global workforce to increase in 2014. For the third year in a row, we learn that they keep going forward, growing in the face of sharply variable business conditions throughout the world's major markets.

It's interesting to note the findings of another EY report, the Capital Confidence Barometer, which tracks job creation from high-level executives from large companies in 54 countries. The April 2014 edition found that only 31% of respondents said they will add jobs, and 52% intend to keep their workforce at its current size. In comparison, 76% of our entrepreneurs expect to add to their workforce this year. And more than half (52%) expect to hire outside their home country – to grow their products and services (78%), enter new markets (53%) and tap new reservoirs of talent. Given that our top three respondent classes of entrepreneurs come from the key global growth industries of manufacturing, technology and professional services, this better-paying salary base bodes well for continued improvement in the standard of living.



For more insights on entrepreneurs and the issues that matter to them, please visit the EY Global Center for Entrepreneurship and Innovation at ey.com/entrepreneurship. Follow us on Twitter: @trepcenter

#### EY | Assurance | Tax | Transactions | Advisory

#### **About EY**

EY is a global leader in assurance, tax, transaction and advisory services. The insights and quality services we deliver help build trust and confidence in the capital markets and in economies the world over. We develop outstanding leaders who team to deliver on our promises to all of our stakeholders. In so doing, we play a critical role in building a better working world for our people, for our clients and for our communities.

EY refers to the global organization, and may refer to one or more, of the member firms of Ernst & Young Global Limited, each of which is a separate legal entity. Ernst & Young Global Limited, a UK company limited by guarantee, does not provide services to clients. For more information about our organization, please visit ey.com.

#### About EY's Strategic Growth Markets Network

EY's worldwide Strategic Growth Markets Network is dedicated to serving the changing needs of rapid-growth companies. For more than 30 years, we've helped many of the world's most dynamic and ambitious companies grow into market leaders. Whether working with international mid-cap companies or early stage venture-backed businesses, our professionals draw upon their extensive experience, insight and global resources to help your business succeed. www.ey.com/sgm

© 2014 EYGM Limited. All Rights Reserved.

EYG no. BE0264

**ED None** 



In line with EY's commitment to minimize its impact on the environment, this document has been printed on paper with a high recycled content.

This material has been prepared for general informational purposes only and is not intended to be relied upon as accounting, tax, or other professional advice. Please refer to your advisors for specific advice.

ev.com

#### Contact

#### Global

Maria Pinelli

EY Global Vice Chair – Strategic Growth Markets maria.pinelli@ey.com

Follow Maria on Twitter: @MTPinelli