



nordic

talent trends

Data, insights and actions for HR in Denmark, Norway and Sweden

welcome to brighter



Today's speakers:



Chris Labrecque

Mercer Denmark



Juuso Setänen

Mercer Norway

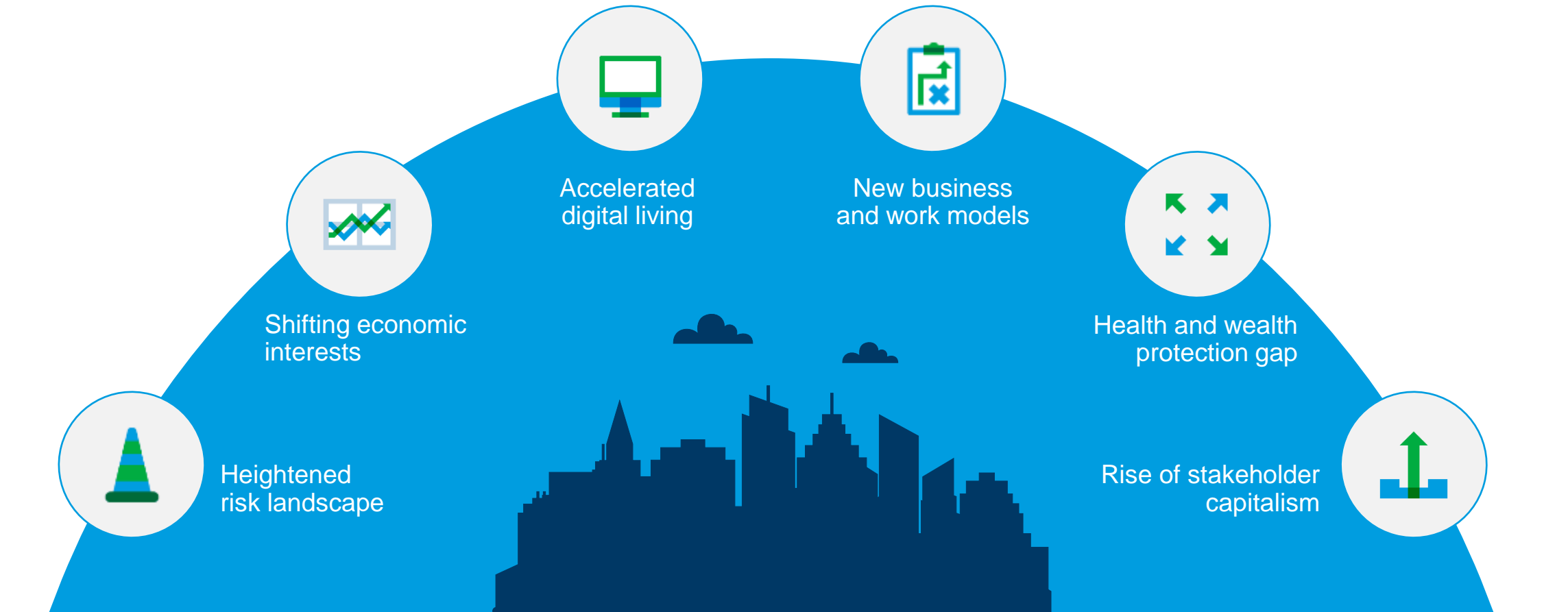


Olof Svensson

Mercer Sweden

**What trends have been accelerated given the events of 2020?
How are companies in the Nordics and globally reinventing in 2021?**

The world we inherited in 2021 is different



New challenges, new momentum



Review

It's a brave new world – the future is filled with both uncertainty and possibilities given the world we inherited in 2021



Reset

We know we have to do it differently for a brighter future for all – collectively taking action to manage our business continuity and change our trajectory



Redirect

As we refresh our purpose and renew our commitments to all stakeholders, how do we transform with empathy and evolve our brand and our business sustainably?

What actions today will ensure our businesses, our societies and our people not only survive but positively thrive under a new economic and social order?

How have Mercer's talent trends accelerated in 2020, and how have companies responded?

Focus on
futures

Work together to ensure people thrive now and in the future

Race to
reskill

Transform the workforce by reskilling for a new world economy

Sense with
science

See ahead by augmenting AI with human intuition

Energize the
experience

Inspire and invigorate people by redesigning their work experience





focus on
futures

Work together to ensure people
thrive now and in the future



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Collective responsibility is needed to deliver brighter futures

Voice of the people

The eyes of future generations are upon you and if you choose to fail us, I say: We will never forgive you.

Greta Thunberg

Pandemics” are at risk of becoming the double lost generation of the 21st century

The Global Risks Report 2021 , World Economic Forum

We now face the real danger that even as vaccines bring hope to some, they become another brick in the wall of inequality between the world’s haves and have-nots

Tedros Adhanom Ghebreyesus,
Director-General, WHO

Voice of the investors

A strong sense of purpose and a commitment to stakeholders helps a company connect more deeply to its customers and adjust to the changing demands of society.

Ultimately, purpose is the engine of long-term profitability.

Larry Fink, CEO, BlackRock in his 2020 letter to CEOs

We need more sustainable capitalism... CEOs who do not take [a multi-stakeholder approach] are at risk and extremely vulnerable, especially during economic times that are particularly turbulent

Mark Benioff, Chair and CEO, Salesforce



Delivering on a multi-stakeholder model

Stakeholder capitalism is now at the heart of the Future of Work agenda and health and wellbeing are as critical as skills and technology



Ex: **Two in five Nordic** companies say managing **inclusively** and with **empathy** has become more critical for future resilience.

Source: World Economic Forum and Mercer, 2020.

CHROs are shouldering the responsibility:

65% have goals around social engagement

44% have goals around the environment

Compared with:

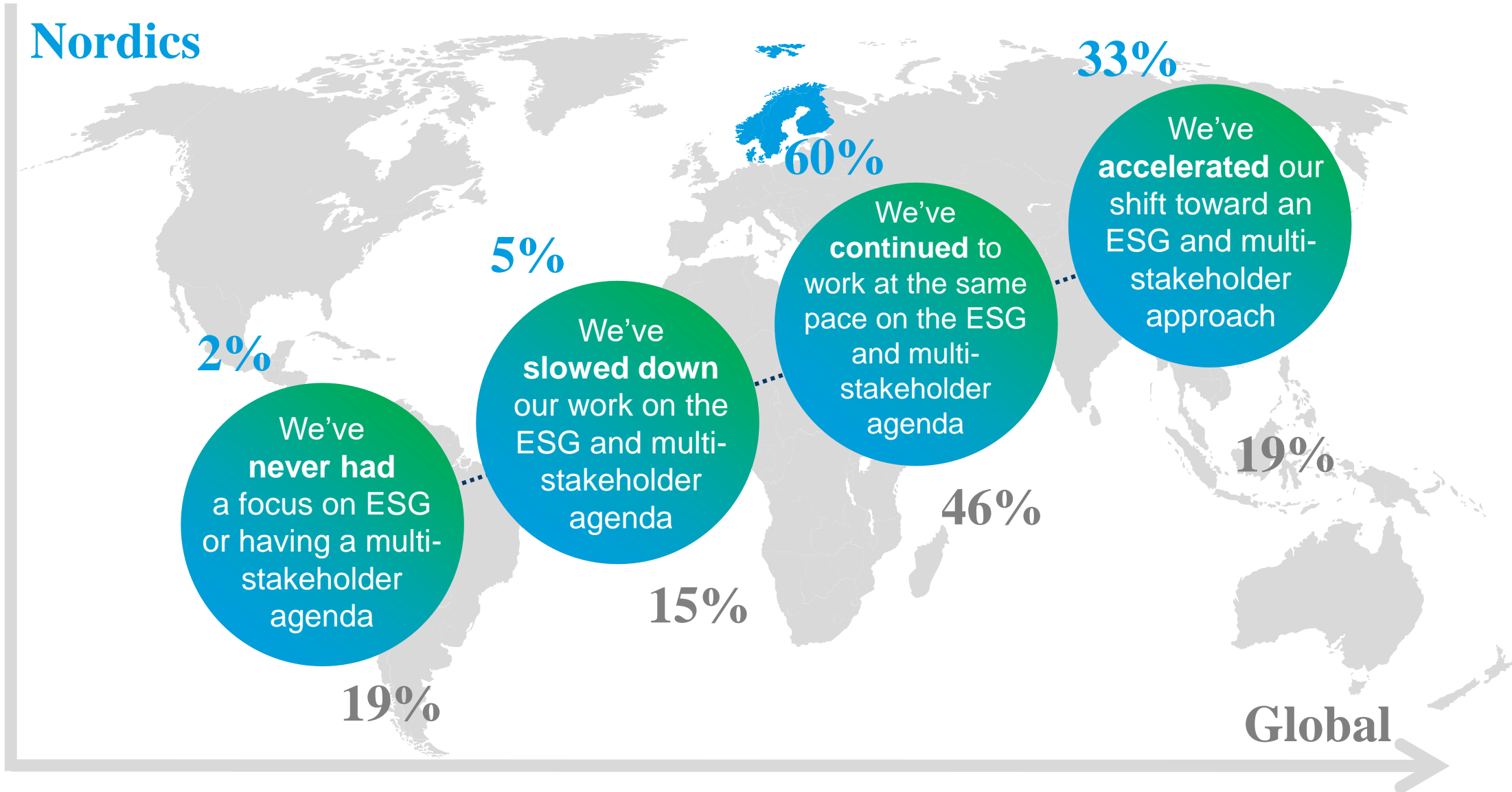
CEOs/COOs , where:

48% have goals around social engagement

23% have goals around the environment

Impact of ESG agenda by the current health and economic crises?

Nordics



What HR sees as being most impactful in 2021?



Focus on...	GLOBAL	Nordics	Nordics vs. Global
Tying ESG goals to our purpose and keeping this purpose visible to employees	62% 	67% 	+5%
Building ESG goals into our wider transformation agenda	45% 	50% 	+5%
Ensuring all executives have shared obligations for ESG metrics	36% 	28%	-8%
Embedding select ESG metrics related to goals into executive scorecards	31%	26%	-5%
Obtaining external recognition for progress on sustainability goals	25%	30% 	+5%
Clarifying the board's ESG roles and responsibilities	23%	15%	-8%
Offering a sustainable investment option in our retirement plans	5%	9%	+4%

Actions to take: focus on futures



Embed
Sustainability in the
corporate purpose
and **culture**



Get into **authentic**
dialog with
the employees



Co-create a
sustainable future



Align business
direction
and metrics
consistently



race to reskill

Transform the workforce by reskilling
for a new world economy

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Race to reskill

As we accelerate to the new shape of work, skills are key

By 2025

85 Million

Jobs to be displaced by a shift in the division of labor between humans and machines

97 Million

New jobs that are more adapted to the new division of labor between humans, machines, and algorithms

50% of all employees

Will need reskilling



Globally in 2020

#1 Challenge to transformation

Lack of workforce capability and skills

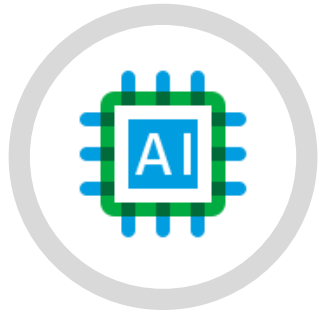
Only 2 in 5

HR professionals know the skills of their organization

Just 9%

Of companies formally monitor market demand and availability of skills

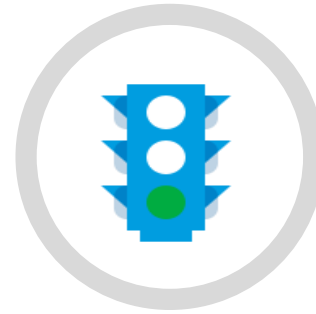
Why all companies need to act NOW



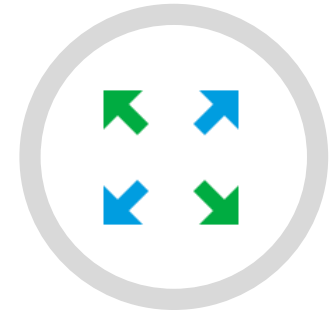
Impact of automation and AI on workforce



Pace of technology rendering skills obsolete faster



Unexpected external forces requiring maximum flexibility



Skills now a critical element of EVP and a significant attraction and retention driver

A new world and social order demands a new set of skills

Immediate priorities	NORDICS
Reinvent flexibility	50%
Expand our talent and learning ecosystem	48%
Target workforce reskilling towards critical talent pools	47%
Maintain reskilling budget at 2020 levels	17%
Decrease spend on reskilling	2%

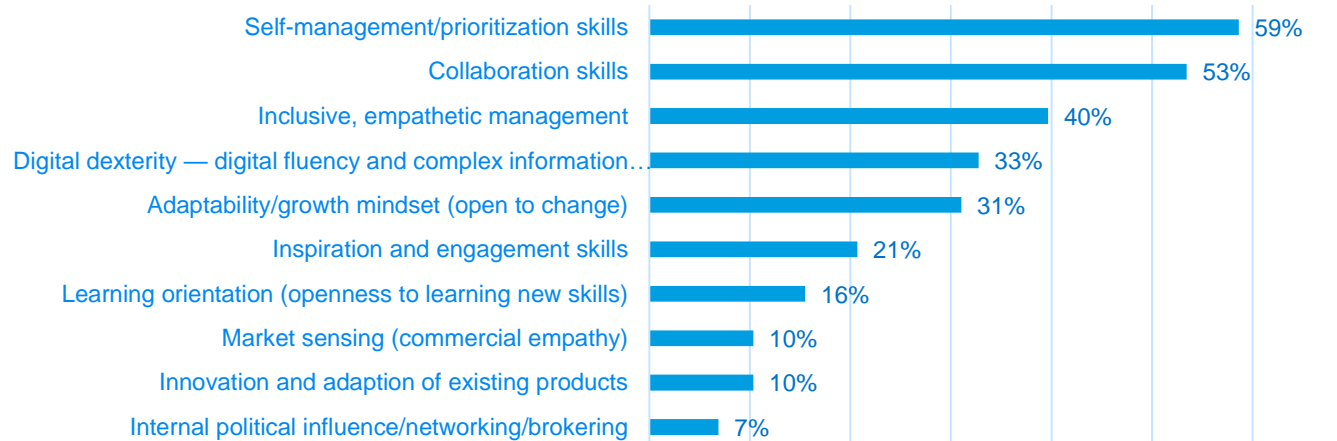
Plans to accelerate	NORDICS
Identifying new skills needed for post-COVID operations	47%
Gathering information on individual's current skills	38%
Exploring ways to effectively move and develop talent based on skills	38%
Moving to "pay for skills" structures	7%

**Only
19%**

of companies plan to decrease or maintain budget on reskilling

Skills are the new currency

As a result of more remote working, what skills have become more critical?



2021's top transformation challenges

- #1** Too many priorities distracting people
- #2** Employee exhaustion given blended work/lives
- #3** Lack of workforce capability and future skills
- #4** Balancing a focus on survival/lack of budgets

Forecasting skills

Then - Sequential process



Now - Interrelated process



Actions to take: race to reskill

1

Fuel workforce planning and human capital analytics with **data on the value of skills** inside and outside the company

2

Leverage AI-driven technology to strengthening the quality of talent matching and automate parts of the profiling process

3

Precisely target reskilling/upskilling and redeployment opportunities to address strategic gaps and specific job families

4

Invest in critical skills through pay for skills initiatives and targeted loan-to-learn investments based on predictive insights

5

Democratize opportunity for skill development through open access platforms and intelligent career pathing technology

6

Create a **culture of lifelong learning** by looking at skills from a culture and system perspective



Sense with **science**

See ahead by augmenting
AI with human intuition

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Why we need to 'lean in'

AI is far from infallible and the use of data is coming under scrutiny

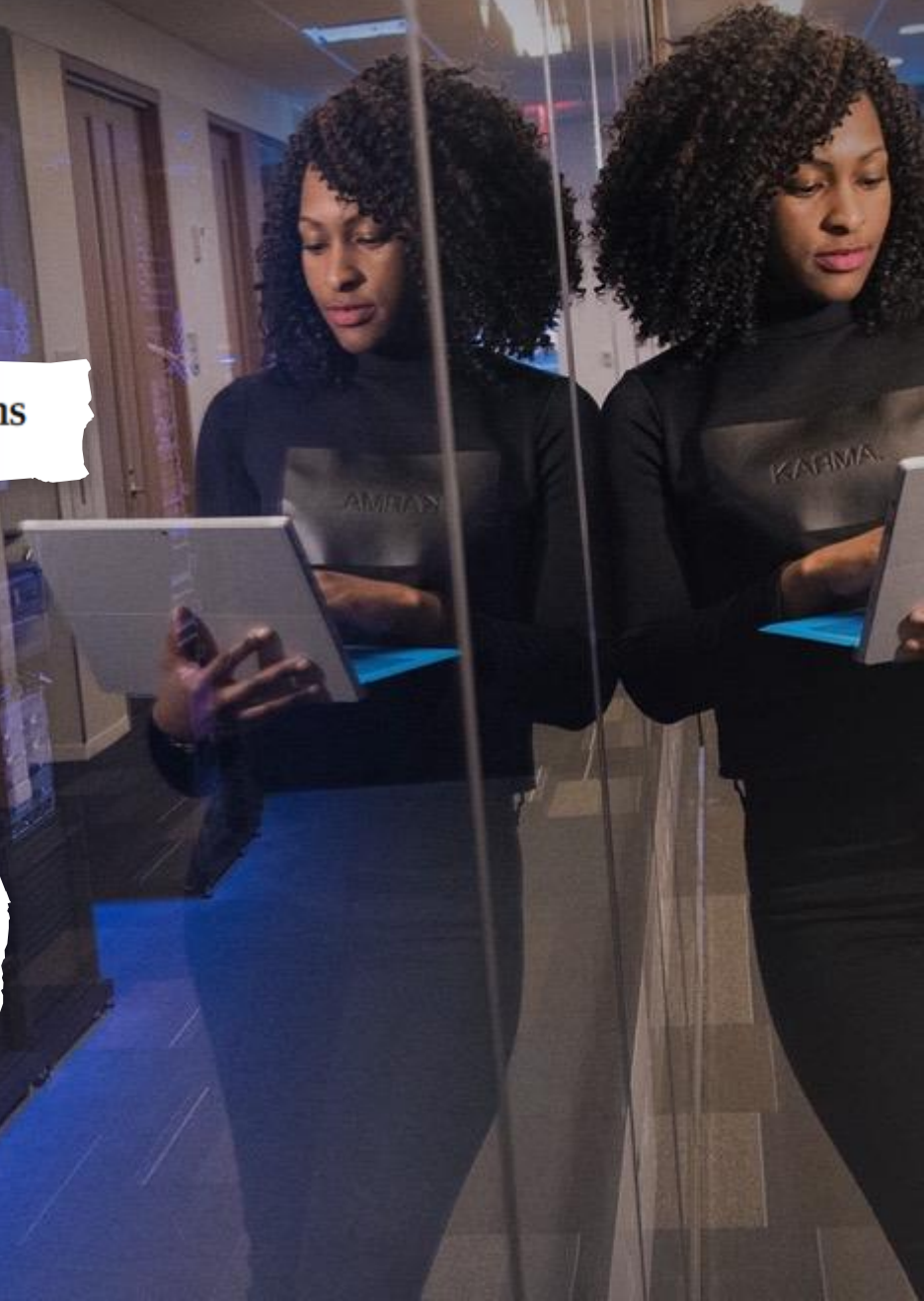
Amazon scraps secret AI recruiting tool that showed bias against women

AI systems claiming to 'read' emotions pose discrimination risks

The boom of employee data in 2021 is posing risks

A treasure trove of personal and corporate data is target for cyber-criminals
- The Economist

Google CEO backs GDPR, says privacy should not be a 'luxury'



Harness talent science

61% of executives globally say using talent analytics to inform decisions is the number one HR trend that has already delivered an impact

69% of Nordic companies are using or plan to use employee health and well-being analytics...

And **50%** need to improve analytics around skills and training efficiency

9% of Nordic companies use analytics to measure the impact of business decisions on employee health and engagement

Workforce insights are based on good questions



1. If we spent 30% more on learning, how much faster could we grow?
2. If we used contingent talent what impact on business results would we see?
3. Will a 10% increase in variable pay mostly impact retention?
4. Do returning expatriate assignees drive more revenue for their teams?
5. If we retained 40% of our experienced workers nearing retirement, how much market share could we capture?



Rise in operational analytics over strategic insights

HR Analytics 2021 focus areas	NORDICS
Learning/skill acquisition analytics	47%
Strategic workforce planning/modelling	40%
Pay equity analytics	38%
People analytics integrated with market analytics	31%
Performance data related to flexible working	26%

Global insight: Employees are waking up to data security concerns

49%

employees trust their employers are taking enough steps to protect their data

After the events of 2020, so is HR

65%

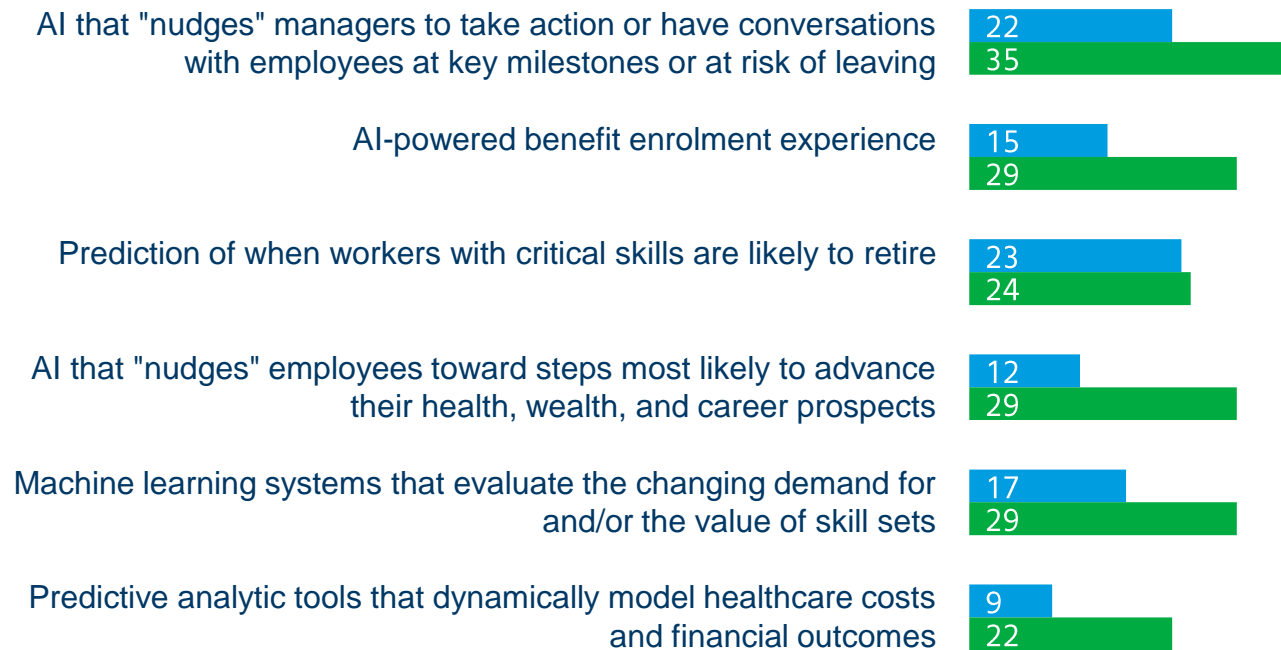
are concerned about collection of Personal Identifiable Information, data security and cyber-risk

29%

revised access to employee data and/or developed ethical practice guidelines

Where are companies embracing AI in HR?

Does your organization use, or plan to use the following AI and machine learning processes:



Nordics Globally

Global employees views on AI

34% of employees believe AI / Automation will replace their job in the next 3 years

44% of employees expect positive changes to their workload due to AI

How are companies globally “sensing with science” in 2021?

Which trends have accelerated?

- Increase in personal data collection
- Digital monitoring
- Use of big data analytics

What are leading companies doing?

- Translating analytics into business problems and dollar impact
- De-risking the potential loss of skills in how they build capabilities (cultivating a lab mindset, building data sensing skills)
- Exploring the use of a Data trust

Actions to take: sense with science

Strategy rooted in data, and analytics

Aligned and committed leaders

Effective policies and practices

Transparency of company goals and results

GAPS

What gaps have we identified through data analytics / employee surveys?

METRICS

What metrics would help close these gaps?

ACCOUNTABILITY

Who should be held accountable / rewarded?

WHERE

Where is it being measured – global / local?



energize the

experience

Inspire and invigorate people by
redesigning their work experience

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Why is everyone talking about the experience?

Empathetic

“Support me with caring for myself and what matters in my life”

7x more likely to work for an organization that they describe as **very empathetic to individuals needs in decision making**

Enriching

“Help me have an impact and fulfill my personal or professional purpose”

3.4x more likely to say that their work **contributes to a worthwhile mission**

Embracing

“Help me feel like I belong and can bring my whole self to work”

4x more likely to say they have effective programs to develop **diverse leaders**

Efficient

“Make it simple and easy to find what I need, when I need it”

3x more likely to have **digital tools to support training and development**

The biggest issue HR foresee in 2021 is employee fatigue

Employee experience is the intersection of an employee's expectations, the environment, and events that shape their journey within the organization



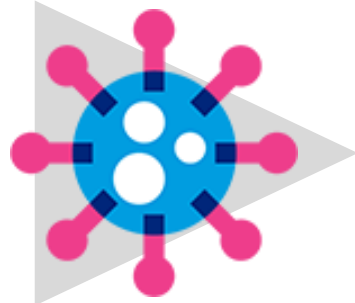
Permanent flexibility

How do we move from pandemic to permanence?

50% of Nordic companies plan to reinvent flexibility in 2021

76% of Nordic companies consider managing the workforce virtually to be the main challenge for 2021

85% of the companies have less than 25% working from home



49% of the companies have more than 75% working from home

Global findings of factors driving sustainable permanent flexibility?

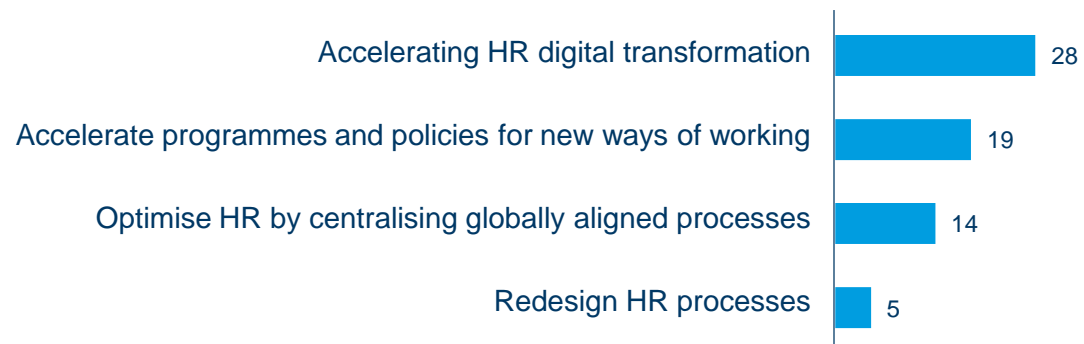
Training for managers in enabling flexible working	46%
Visible instances of career progression for flexible workers	46%
More trust between the organization and its employees	42%
Ability to measure and reward contribution	41%
Better technology to enable flexible working	39%
Training for individuals to make flex work	36%
Job redesign to enable flexible working	28%
Executive-led mandate	13%

What is the picture in the Nordics?

What are the biggest changes organisations faced during the pandemic?



What should HR prioritise to enable a digital employee experience?



In 2021, the most essential priority for the HR function will be:

- 1 Accelerating programs and policies that enable employees to adapt to new ways of working
- 2 Transforming the HR operating model to be more agile
- 3 Accelerating HR digital transformation
- 4 Redesigning HR processes for a remote/blended work experience
- 5 Hard-wiring culture into workforce transformation plans

How are companies “energising the experience” in 2021?

Which trends have accelerated?

- Whole person agenda – understanding people and their realities inside and outside of work
- Exhaustion, grief and change fatigue impacting productivity
- Work flexibility - “work from anywhere”

What are leading companies doing?

- Supporting managers to make health and wellbeing a priority
- Redesigning those experiences that will have the most lasting impact first e.g. new hires, manager training
- Focusing on the purpose of the office and how to celebrate together in a digital-first and/or blended work environment

Actions to take: energize the experience



Gain **insight** on the multiple realities of the workforce



Use **data and technology** to reinvent the employee experience



Use a **Target Interaction Model** to redesign HR

Main Nordic findings

Focus on futures

Companies are focused on driving the ESG agenda

- outpacing the global findings

Race to reskill

Companies recognize of the need to re-/upskill and providing an organizational framework enabling the process

- following the global findings

Sense with science

Companies are less eager to use or planning to use AI to support their people management processes

- trailing the global findings

Energize the experience

Companies seeking to enhance employee wellbeing are primarily focusing on virtual/flexible working set-ups

- following the global findings

Live poll

Which are the top 3 trends that you will focus on this year?

1. ESG/sustainability goals
2. Health and wellbeing reset
3. Flexible working practices
4. Moving to skills-based talent practices
5. Transformation / restructuring
6. Redesigning work
7. Ethical use of talent analytics
8. Reimagining the talent experience
9. Redesigning the HR function

Got a

Question?

Use the Q&A button
to connect with the speakers





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