

Adapting to the new world of work



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A business of Marsh McLennan

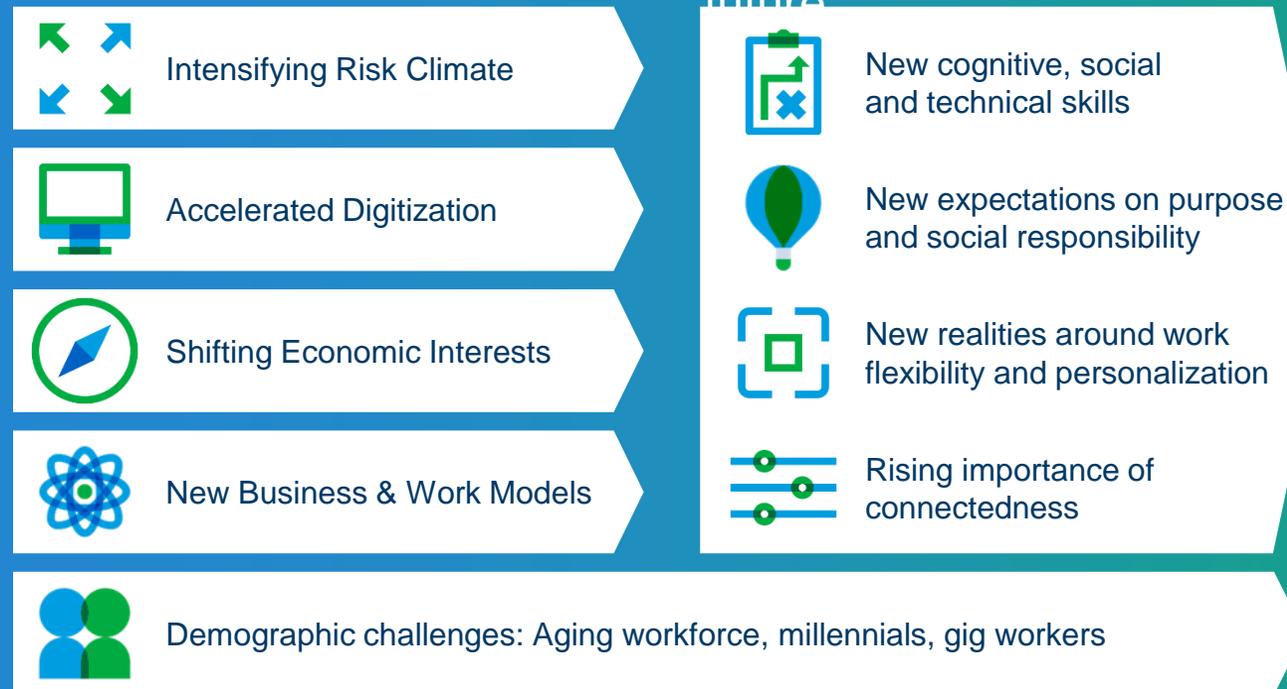
What did the Covid-19 pandemic teach us?

- 1 Agility is more than just a buzz word
- 2 Rapid and strategic cost containment is critical to weathering future shocks
- 3 Current workforce management processes are long past their sell by date



A new world demands new ways of working and presents workforce challenges

Trends that influence the future of work...



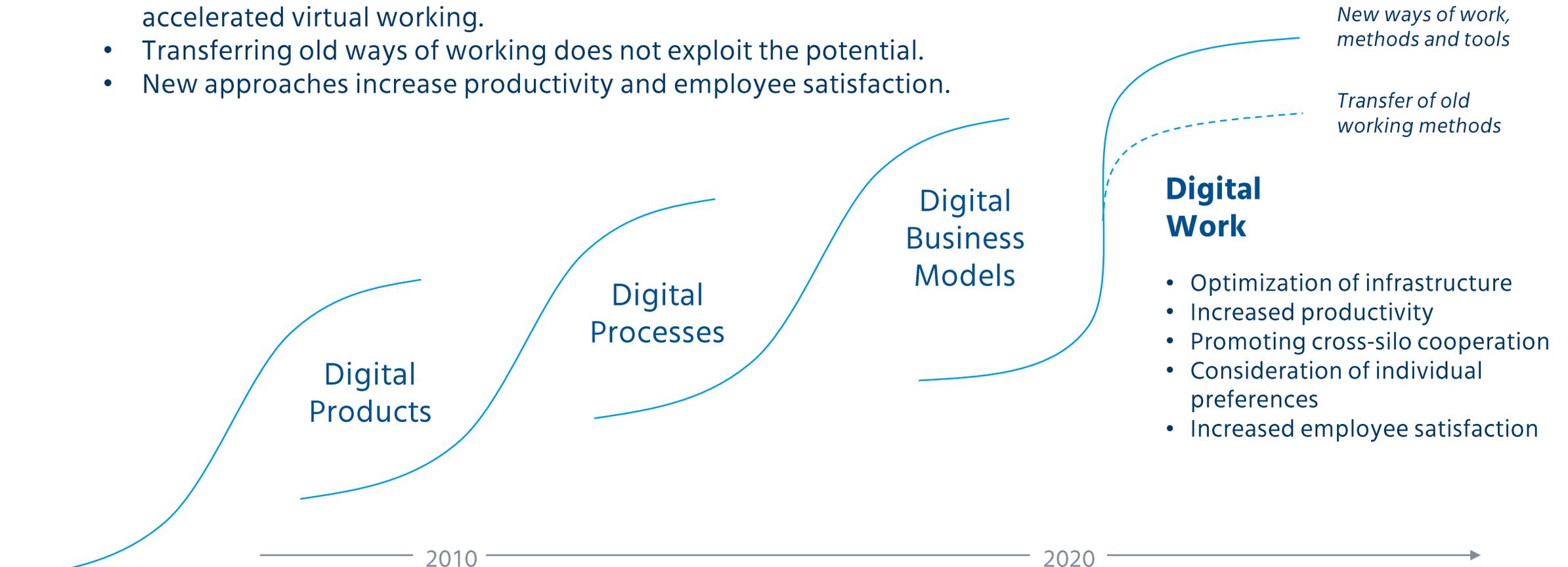
...this is blueprinting a New Shape of Work

Emerging challenges to address

- ? How can I reshape our workforce model to allow changes in capacity?
- ? How can I develop the skills I need for the future, while delivering today?
- ? How can I know the skills we have today and leverage them?
- ? How do I prioritize my L&D spend?
- ? How can we adapt, speed up, and deliver our HR processes for a more flexible world?

COVID-19 as accelerator of digitalization

- After three waves of digitalization, the Covid-19 crisis has massively accelerated virtual working.
- Transferring old ways of working does not exploit the potential.
- New approaches increase productivity and employee satisfaction.



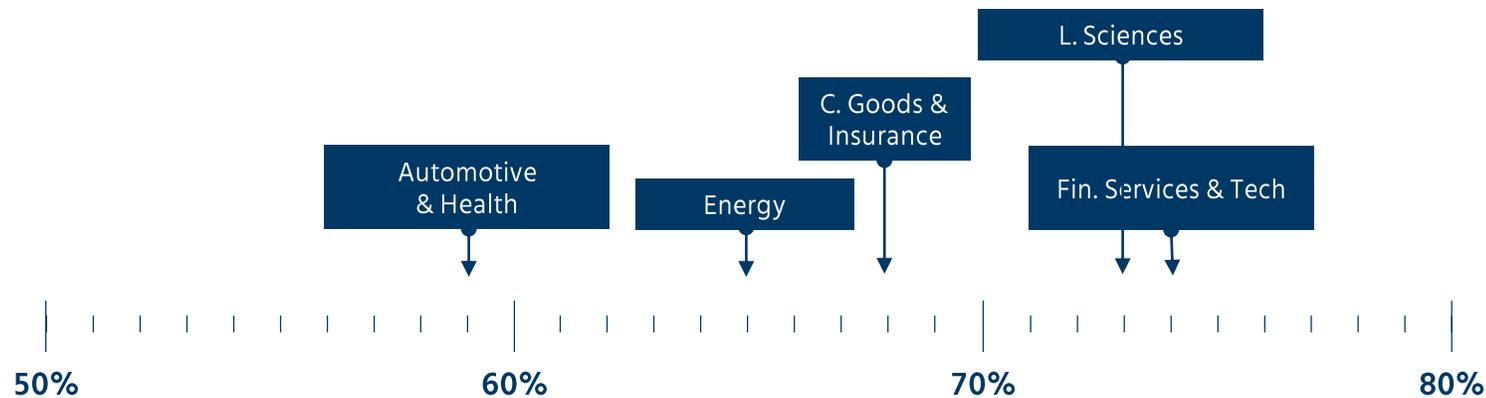
Permanent flexibility

Pre-COVID, who was ready?

87% of companies say flexible working is a focus for them in 2020

32% say “we have a flexibility policy but it is not widely promoted

65% - “I feel trusted to work flexibly”



Only **15%** of all companies consider themselves industry leaders in flexible working

Mercer 2020 Global Talent Trends



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So what would make the most difference?

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%

COVID-19 has challenged employer norms around flexible work in many ways



Flexibility **FROM WORK**

Emergency leave, sick time, caregiving time, vacation time, parental leave, sabbaticals

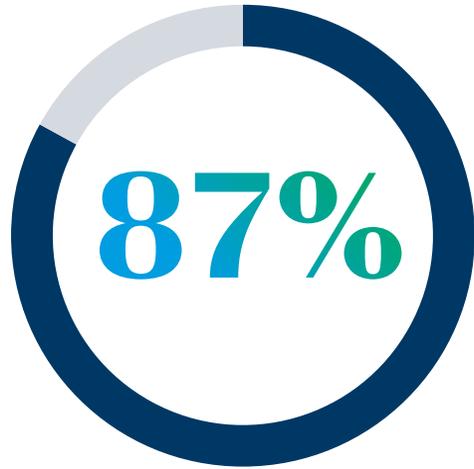


Flexibility **AT WORK**

When, where, what, how and by whom work gets done



The new shape of work is flexible

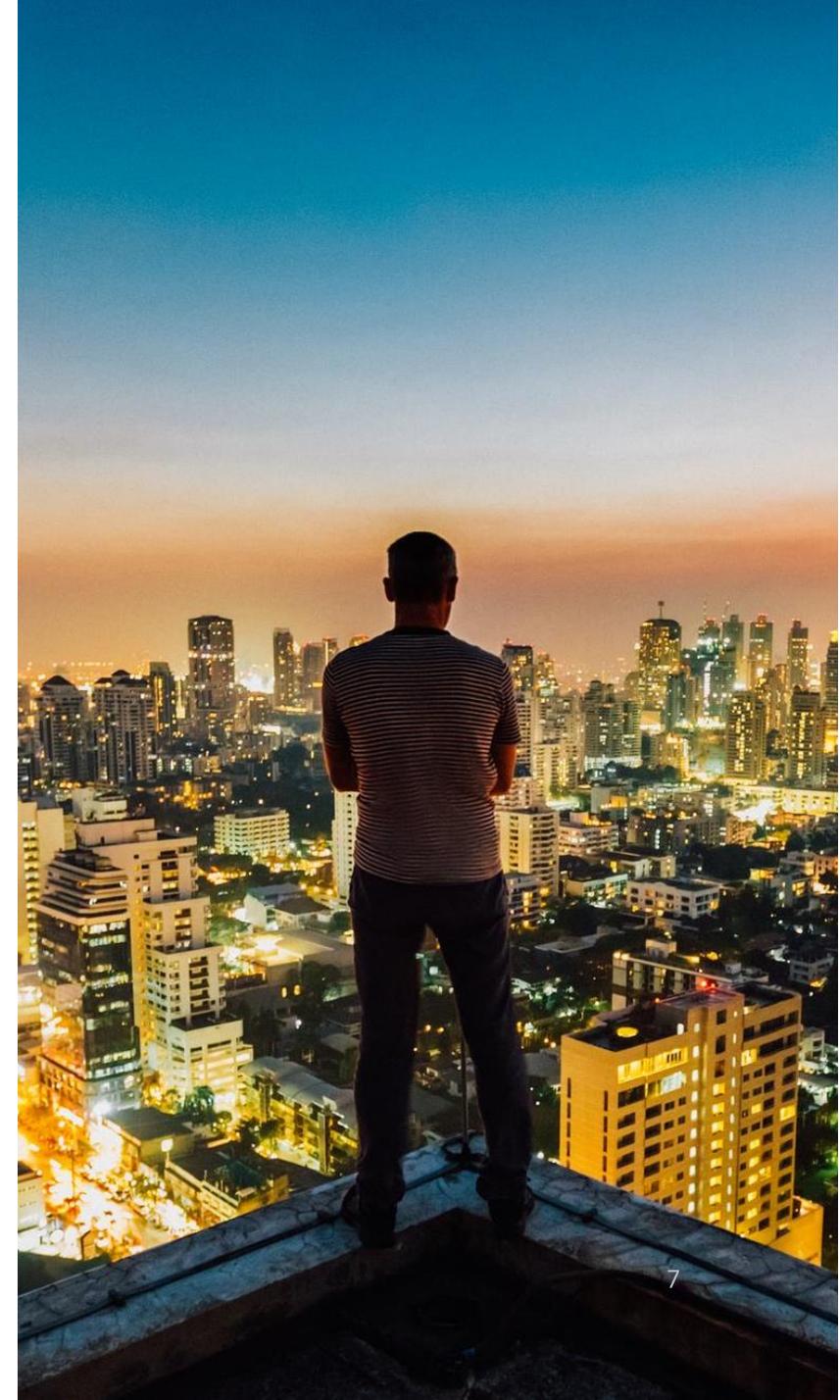


Nearly 90% of organizations are planning to implement post-pandemic changes to flexible working

Mercer COVID Survey #8: Flexibility, Inclusion, and Pandemic Impact. US Only Data as of 11/19; 321 responses



Plans are being shaped now



Remote working

As companies move towards increased remote working, changes are being introduced in their policies to better support remote employees



Top priorities in APAC for sustainable execution:

- ✓ **Culture:** creating a more supportive culture
- ✓ **Communication:** creating a comprehensive change strategy
- ✓ **Onboarding:** revamping processes for a remote workforce
- ✓ **Health and well-being:** rethinking strategies to support a changing workforce
- ✓ **Employee/manager enablement:** training and/or upskilling
- ✓ **Performance management:** enhancing existing processes
- ✓ **Employee listening:** understanding preferences, attitudes, and engagement
- ✓ **Technology:** investments or other changes

The future of flexible working

Flexible working is about more than remote working. Inclusive flexibility ensures that all jobs can flex when needed – the key is identifying in which dimension.



 **where**
location & infrastructure

Amir, engineer

"I collaborate with my team a few days a week at the office, but otherwise work from home!"



 **when**
hours and scheduling

James, technician

"I work 40 hours a week, but vary the days and times I work to meet the needs of my family."



 **how**
scaling, technology

Liz, accountant

"I work 60 hours per week during busy seasons, but scale back to 30 hours per week the rest of the year."



 **what**
job content and sharing

Darnell, nurse manager

"I share my case load with another manager, and work a reduced schedule to meet my personal needs."

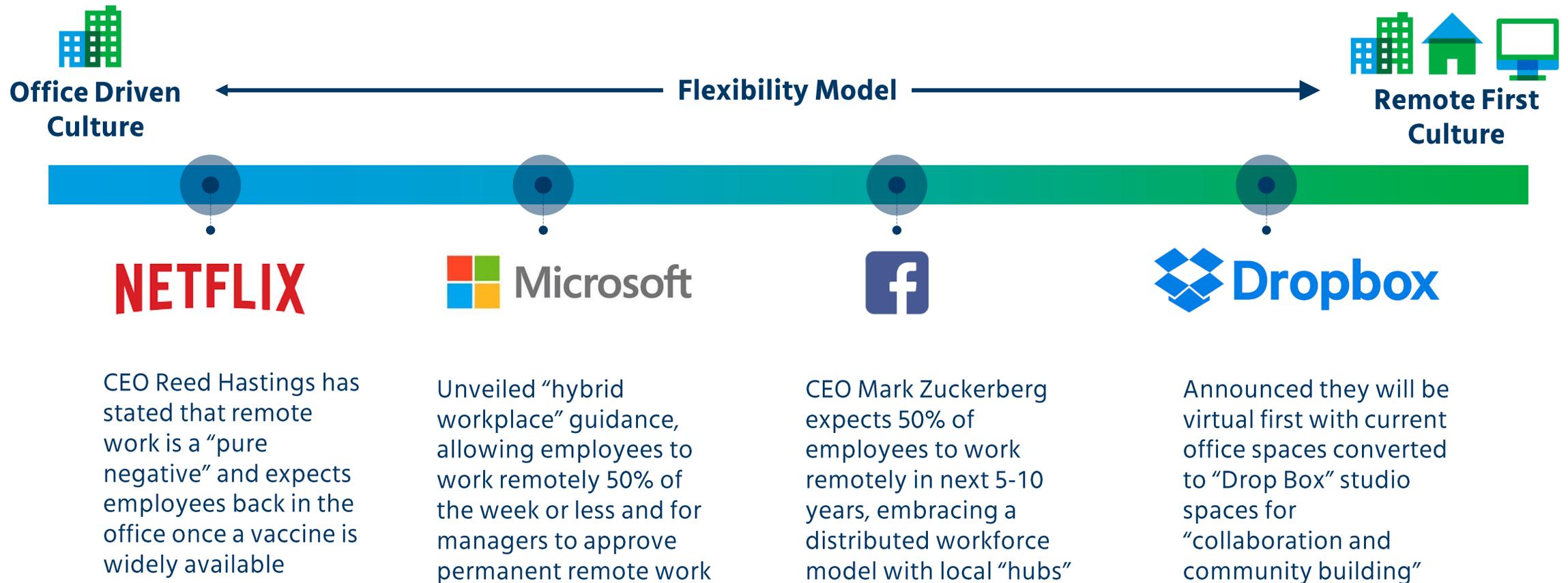


 **who**
alt. workforce, automation

Hannah, designer

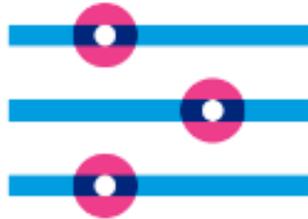
"I work on demand on projects that fit my interests across multiple employers. I'm my own boss!"

There's no one size fits all – many models are emerging



Source: Public company disclosures

Three critical questions to drive flexibility at scale



What flexibility is possible?

Assess jobs across the five dimensions of flexible work



What flexibility is desirable?

Understand leader and employee attitudes and preferences



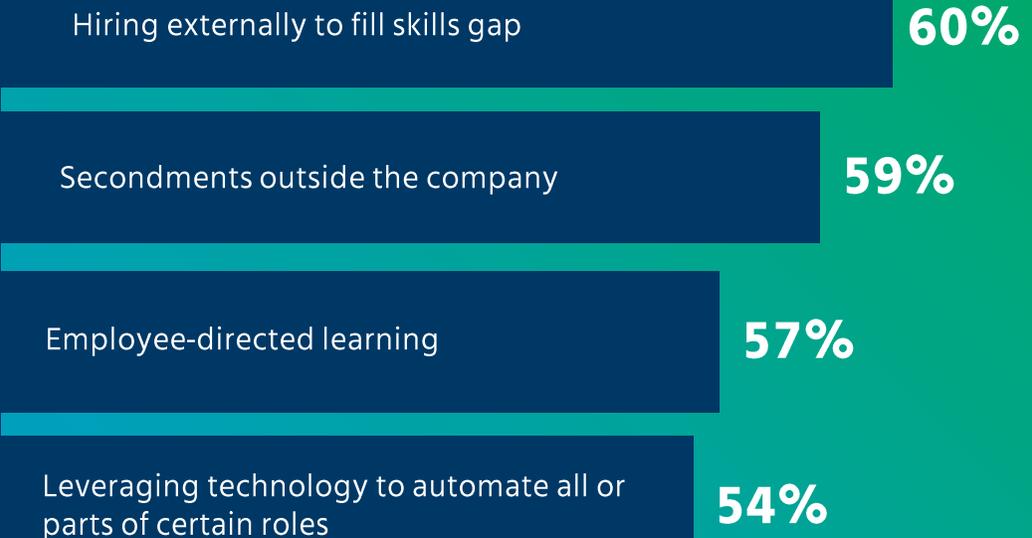
What flexibility is sustainable?

Assess need for change to policies, programs and infrastructure

Have you had a hard time retaining and/or recruiting talent?

You're not alone.

Most preferred strategy for HR is still



What delivers employees' respect?

Employees prefer to work for an organization that is known for

50%
Responsible rewards

49%
Physical, psychological and financial well-being

37%
Sense of purpose

36%
Concern for the environment and social equity

79% of Gen Y say the most valuable financial well-being benefit is long-term financial planning

What do employees value?

Long-term financial planning	78%
Flexible options for saving and investments	76%
Enhanced retirement contributions from the employer	76%
Mid-life check-up for health, wealth, and career	71%
Flexible contract and/or reduced hours at retirement age	70%
Financial wellness advice and assessments	68%
Financial education targeted to different groups	65%

Companies need to think more broadly on how to deliver responsible rewards. However, only...



Provide financial education for employees



Offer discounted rates on external activities



Subsidize health insurance policies



Have analytics to identify the underlying causes of pay inequity

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



Executives' concern about consumer interest in ethical products has risen by **40%** in two years

25% in 2018 to

35% in 2020

77% of HR leaders are confident their employee benefits loudly reflect their brand values

CHROs are shouldering the responsibility

44% have goals around the environment

65% have goals around social engagement

How are companies “focusing on futures” in 2021?

Which trends have accelerated?

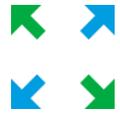
- ESG/Sustainability, along with DEI, are on the c-suite agenda and accompanied by action plans
- Employee wellbeing and business resilience are priority focus areas
- New work models and new work arrangements are emerging

What are leading companies doing?

- Revisiting their purpose and embedding sustainability into transformation plans
- Redesigning work to achieve the optimal combinations of humans and automation while ensuring agility and social responsibility
- Focusing on key populations and their unique health, wealth and wellbeing needs



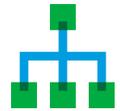
A new world and social order demands a new way of looking at work, working and the workforce



Discrete jobs



Job-based workforce decisions



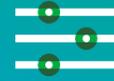
Job-based career development



Job-structured work and individual evaluations



Skill clusters



Data led, skills-driven workforce planning



Skill-fuelled career agility



Assignment/gig-defined work and agile performance methods

We've proven we can adapt,
the question now is how to
intentionally reinvent



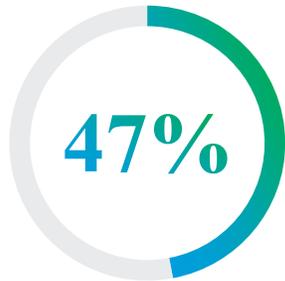
56%

of companies say
reinventing for flexibility
is a core part of their
transformation plans

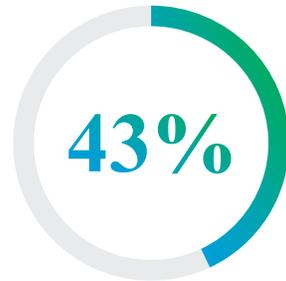
Top 5 skills that have grown in importance post Covid



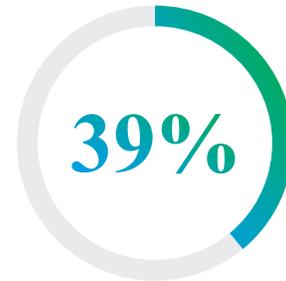
Collaboration
skills



Prioritization
skills



Growth
mindset



Digital
dexterity



Empathetic / inclusive
management

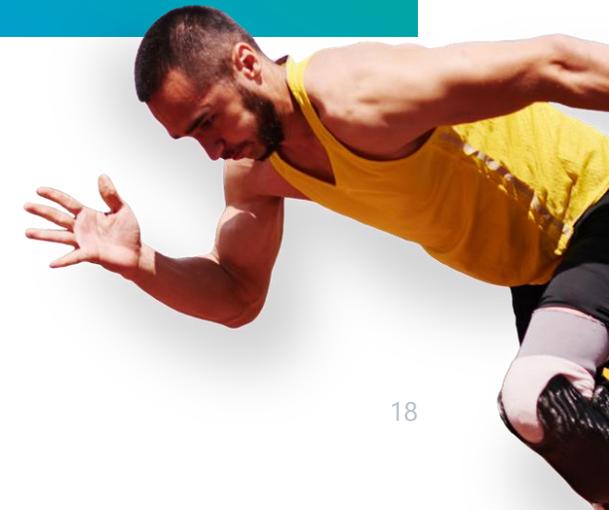
How are companies “racing to reskill” in 2021?

Which trends have accelerated?

- Urgency in building flexible work models due to expense control and increase in project work, talent sharing, contingent workforce, etc.
- Need to build / acquire new skills in digital competence and certain soft skills became key to competing
- Increase in skills-driven hiring often unhooked to prior location strategy

What are leading companies doing?

- Building skills taxonomies that are broader, flexible and data driven
- Creating transparency into the evolving nature of work and the implications for upskilling, reskilling and outskilling
- Rethinking how they recognize and reward skills in their organization



Energizing your workforce

We know offering a varied health and wellbeing resources leads to more energized workers who are less likely to leave.

But only **23%** offer more financial education than before the pandemic.

Financial education **23%**

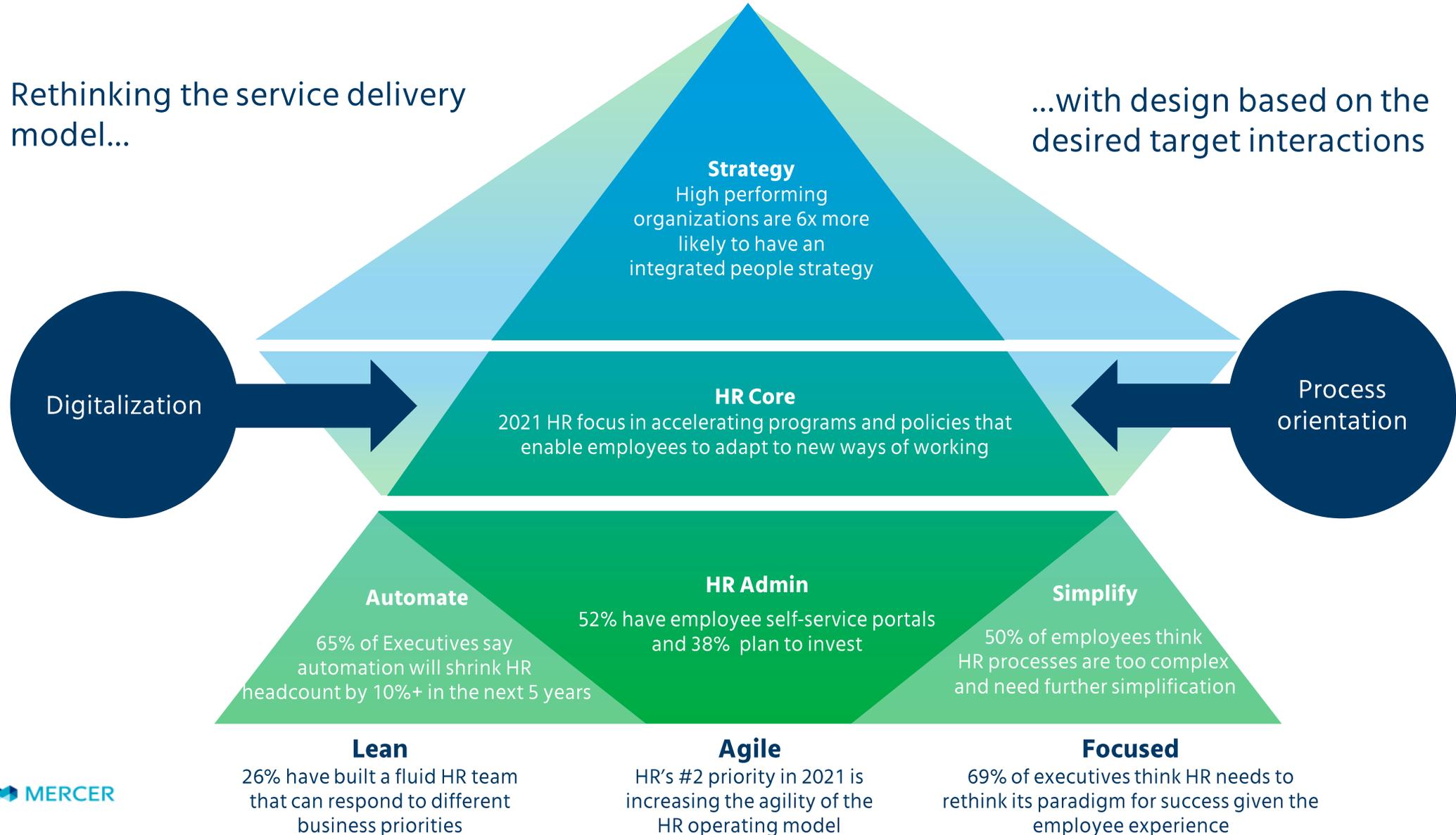
And only **25%** are re-segmenting the workforce to tailor benefits to new realities.

Tailoring benefits **25%**

How is HR evolving and what is the payoff?

Rethinking the service delivery model...

...with design based on the desired target interactions



How are companies “energizing 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
- Increased duty of care by employers for employee well-being

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



Adapting to the new shape of work

This is a chance to translate new learning into new beginnings

The COVID-19 disruption is forcing organizations to redefine the *size, shape and skill set* needed to compete

It's challenging institutions to *rethink work settings and success metrics*, and daring businesses to shed their previous identity in favor of a new north star

Organizations should take a fresh look at their situations by not only responding to change but also *embracing it as an opportunity* and, most importantly, *reinventing*



welcome to

brighter