



Planning for 2021 with Mercer | Comptryx

Reinventing Workforce and Rewards analytics

3 December 2020

Godelieve van Dooren
Partner, Singapore

welcome to brighter

Today's speakers



Godelieve van Dooren
Partner and Industries and
Products Leader, Asia
Pacific



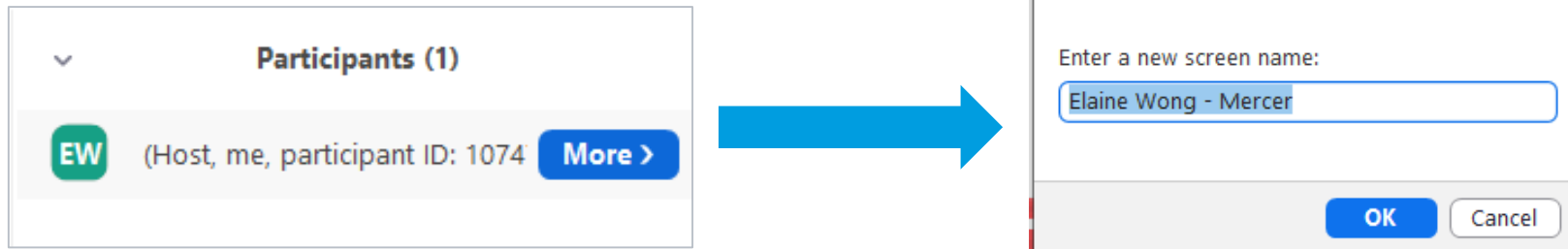
Patrick Gutmann
European Industries and
Networking Leader



Chandrakanth Kamath
Mercer | Comptryx
Product Leader Asia Pacific

Rename yourself in zoom

- We would like to request you to rename yourself so that we can easily identify you.
 - To change your name after entering a **Zoom** meeting, click on the “Participants” button at the top of the **Zoom** window. Next, hover your mouse over your name in the “Participants” list on the right side of the **Zoom** window. Click on “**More**” and choose “**Rename**”. Enter the **name & company** name you'd like to appear in the **Zoom** meeting and click on “OK”.



- If you have any questions, you can either unmute yourself or enter your questions into the Q&A section. Please use the chat box at any time to post your comments!

Let's warm up! In the chat, type in a few words or phrase:

In 2021

I would like

to...

Agenda

1. Asia Pacific Market Update:

- Latest Economic and Workforce Trends
- Impact of COVID-19 on Talent Management
- Rewards Planning for 2021

2. Looking ahead to reinvention

- Reinventing for value, flexibility and sustainability using Mercer | Comptryx Analytics

3. Open Forum

4. 2021 Mercer | Comptryx Update & Wrap Up



Asia Pacific Market Update

Latest Economic, Talent and Rewards Trends



COVID-19 outbreak is lasting longer than expected

Economic activity has contracted significantly on a global scale



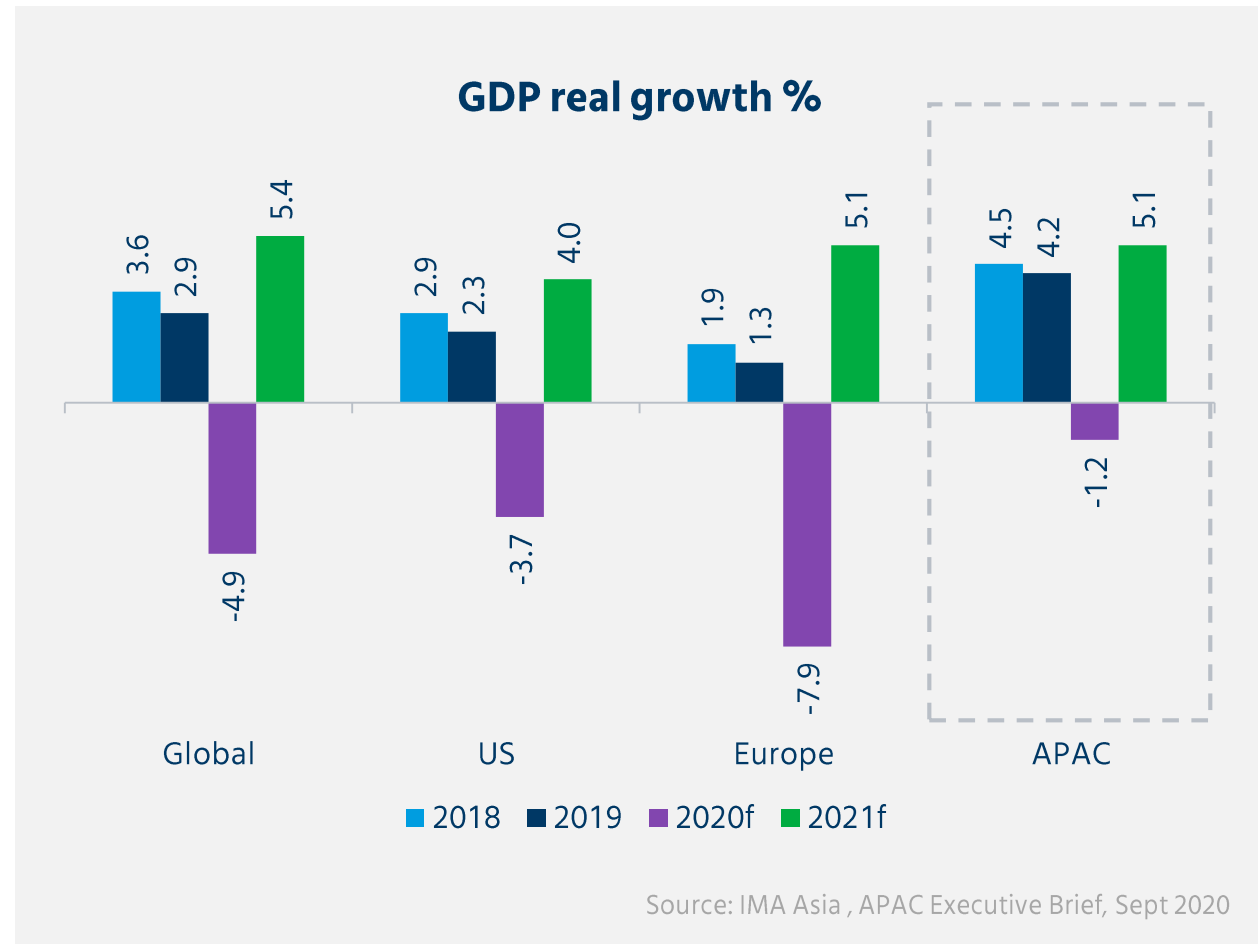
How long will the current coronavirus pandemic last?

No one knows exactly, it is very hard to predict
In Mercer's previous regional webinar held in April, approx. **50%** of the attendees expected the crisis to end by Q3 2020



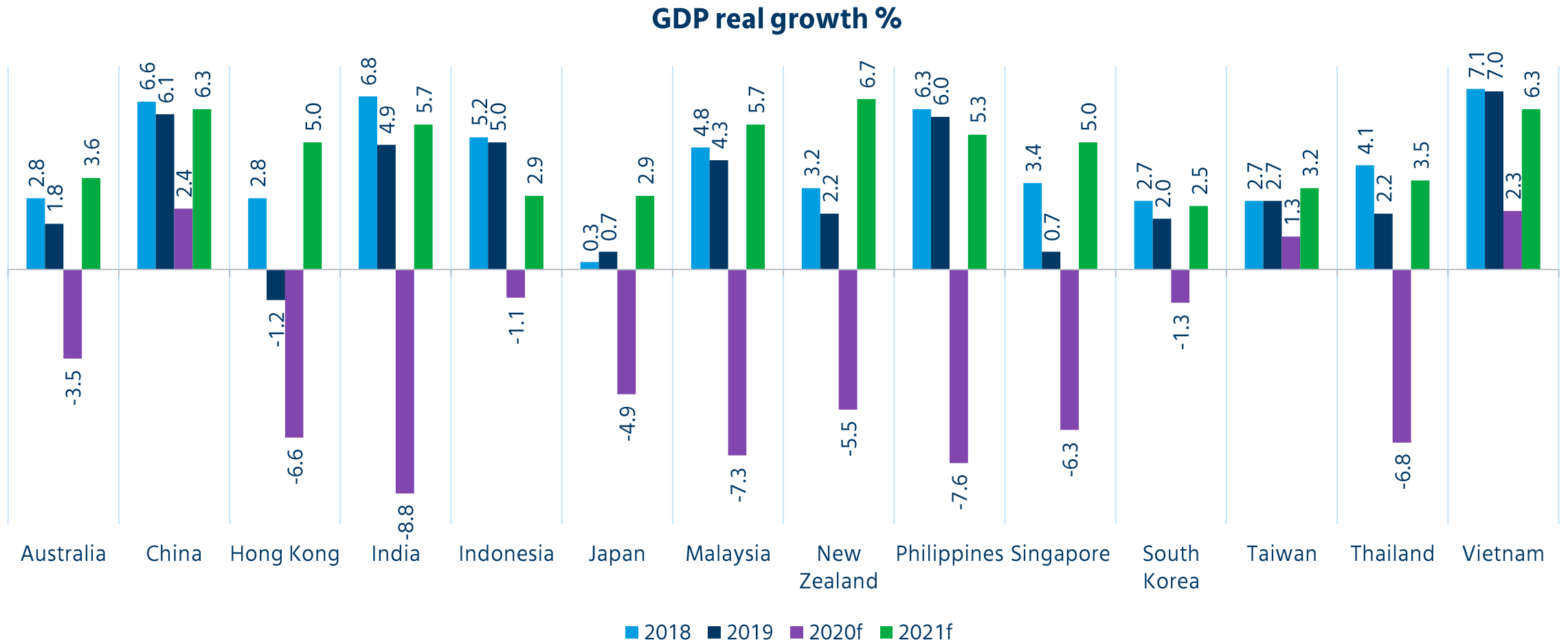
"Spread of infectious diseases" has rocketed up the rankings to become

one of the top concerns for businesses, according to the World Economic Forum's 2020 Executive Opinion Survey



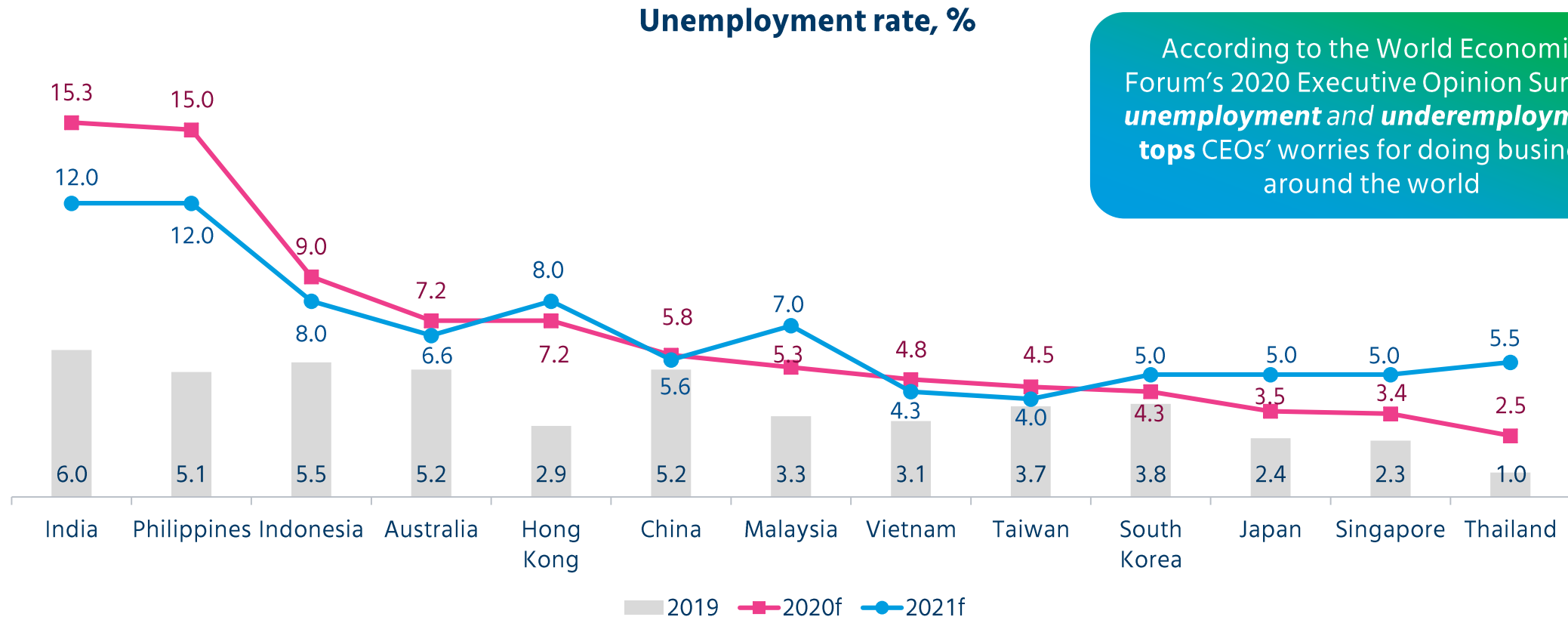
Big variations in growth for markets in Asia

Uncertainty remains but increasingly optimistic outlook for future

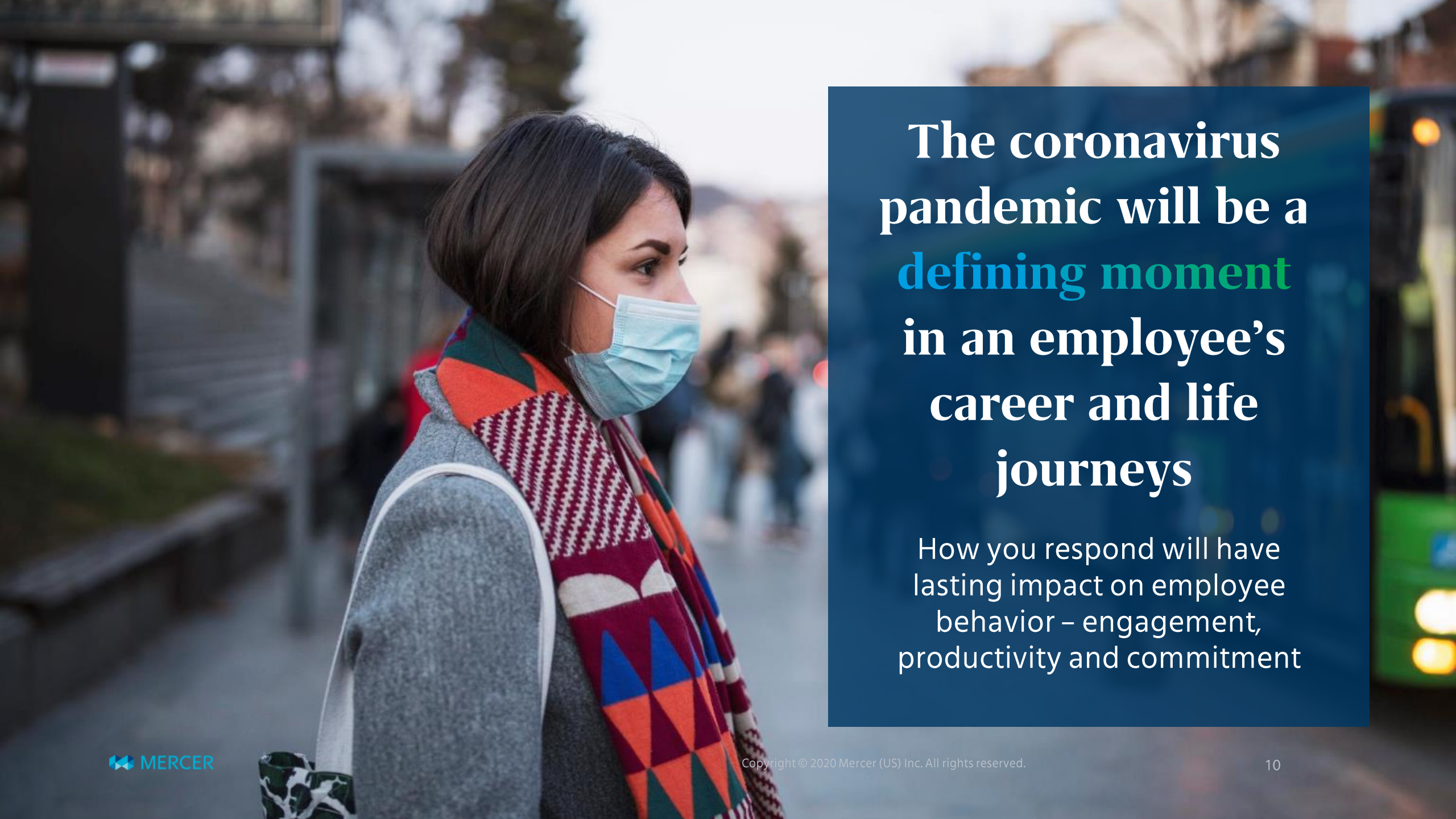


Coronavirus pandemic has created disruptions in the world of work

Unemployment rate across the region remains relatively high



According to the World Economic Forum's 2020 Executive Opinion Survey, **unemployment and underemployment** tops CEOs' worries for doing business around the world

A woman with dark hair, wearing a light blue surgical face mask and a colorful patterned scarf, is walking on a city street. She is looking to her right. The background is blurred, showing other people and city buildings.

The coronavirus pandemic will be a **defining moment** in an employee's career and life journeys

How you respond will have lasting impact on employee behavior – engagement, productivity and commitment

COVID-19 people implications by Tech Sector



Tech Services

- Nearshoring will lead to **workforce composition changes**
- Near term **cost containment focus**
- Tech Service providers will explore new org structures and **delivery models to accommodate virtual work**
- This sector usually has **a highly mobile, digitally savvy, and young workforce**



Semiconductors

- COVID-19-related slowdown and factory closures will lead to **redundancies**, aggravated by the trade situation with China
- The near term focus will be on **cost containment, including HR costs**
- Global **realignment of workforce** likely
- This sector usually has a legacy workforce that **doesn't always work virtually**



Hardware & Storage

- With uneven growth in some businesses (i.e., cloud/datacenters) over others (i.e., hardware production), there will be a **rebalancing of the workforce**
- Hardware companies to **diversify the location of production** facilities to minimize the impact to supply chains
- Near term **focus on cost** and **retention of key talent segments**
- Workforce includes legacy & digital; **inconsistent adoption of virtual work**



Software and Platforms

- Software businesses are expected to **continue hiring** to meet the increased demand
- Fast growing companies are also likely to **increase compensation** to motivate & retain key staff
- **Shared economy businesses likely to lay off workers** due to economic challenges
- The workforce is usually younger and digital, and **very much in demand**

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



Flexibility **FROM WORK**

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



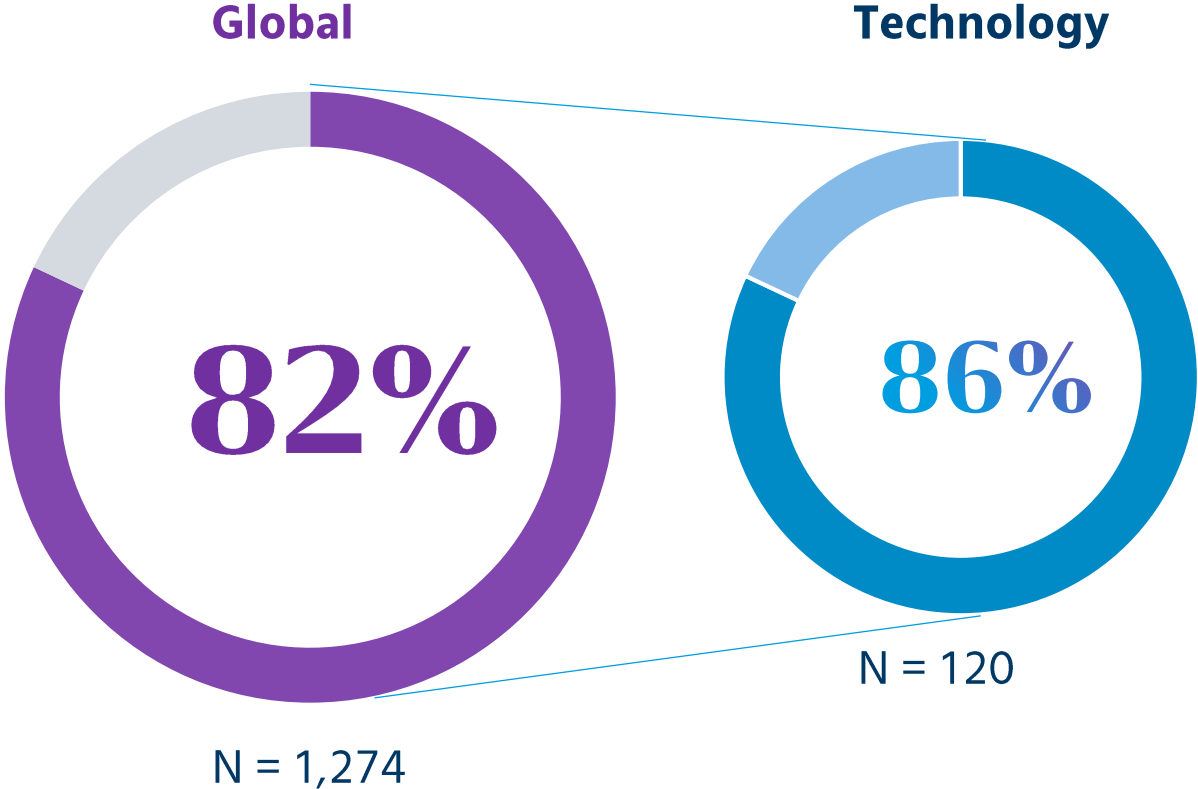
Flexibility **AT WORK**

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



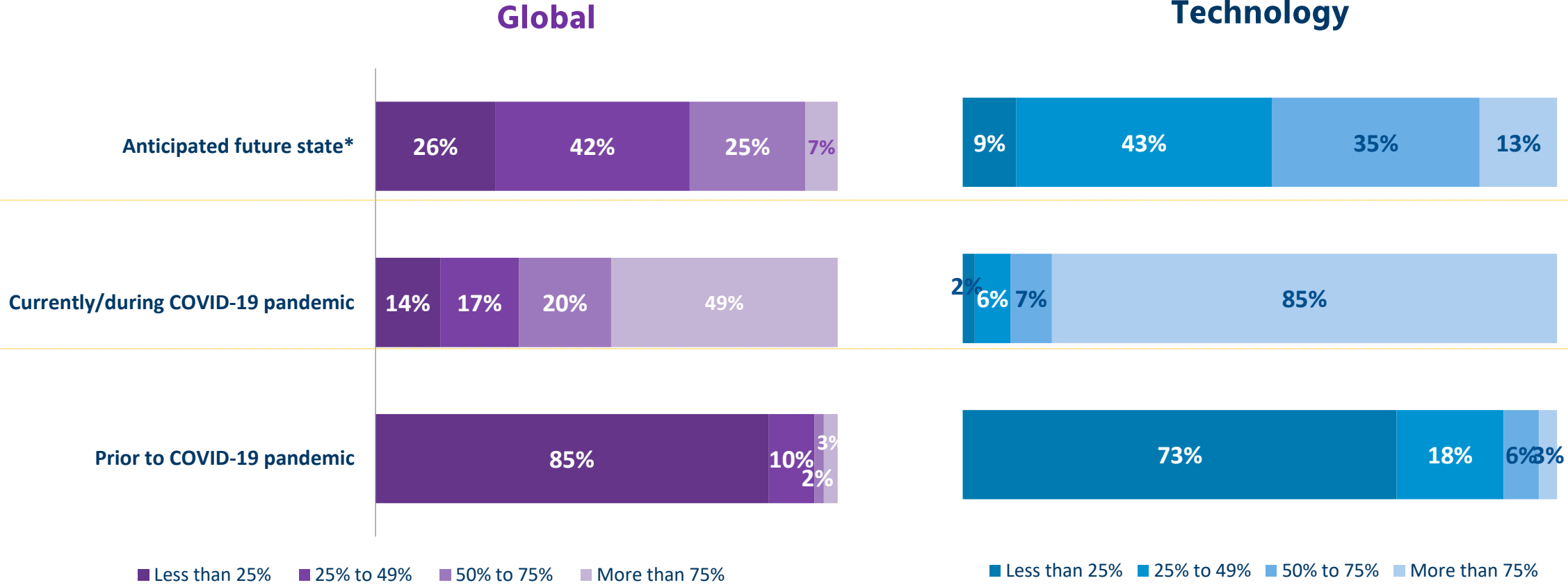
How are companies flexing for the future and returning to the workplace?

Over three-quarters of companies are considering implementing flexible working at a greater scale than prior to the pandemic



Source: Mercer Global Survey, how are employers flexing for the future, global, data as of July 15, 2020

COVID-19 impact on remote working practices: Percentage of the total workforce working remotely – before, during and (projected for) after the pandemic



*Once regulations are lifted

Source: Mercer Global Survey, how are employers flexing for the future, global, data as of July 15, 2020

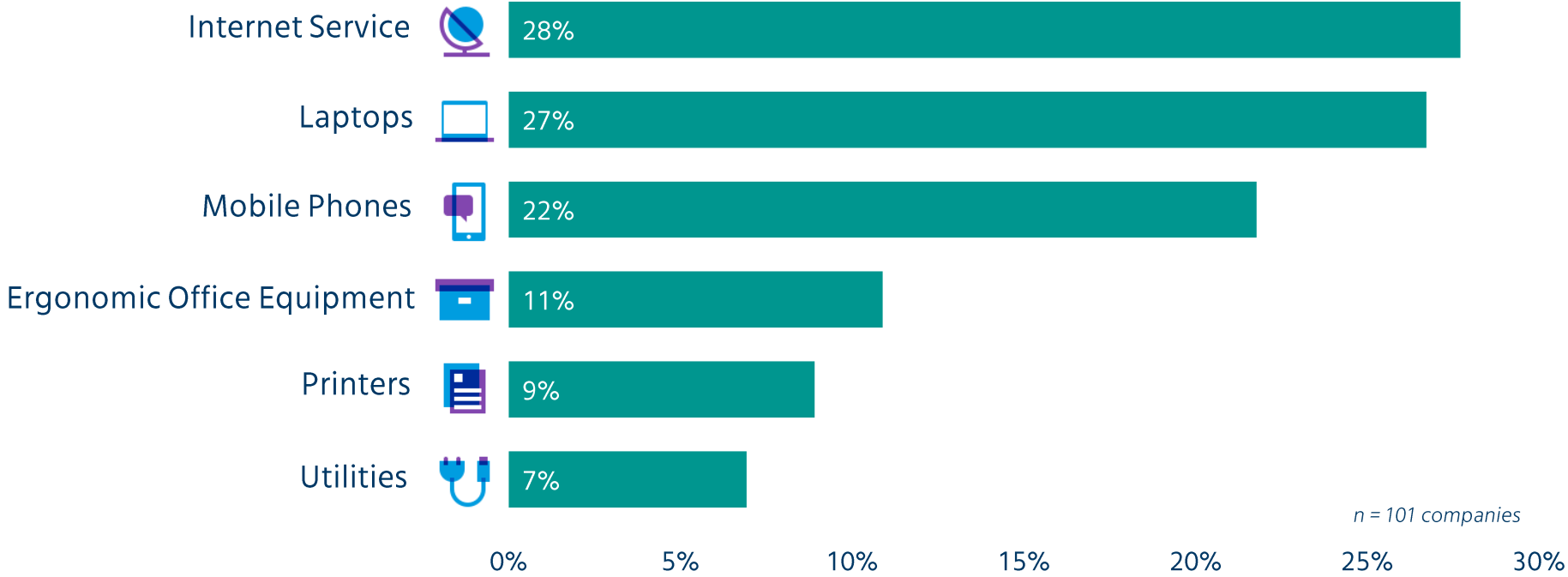
Remote Working Programs to Accelerate

Have you thought through providing a home set-up?



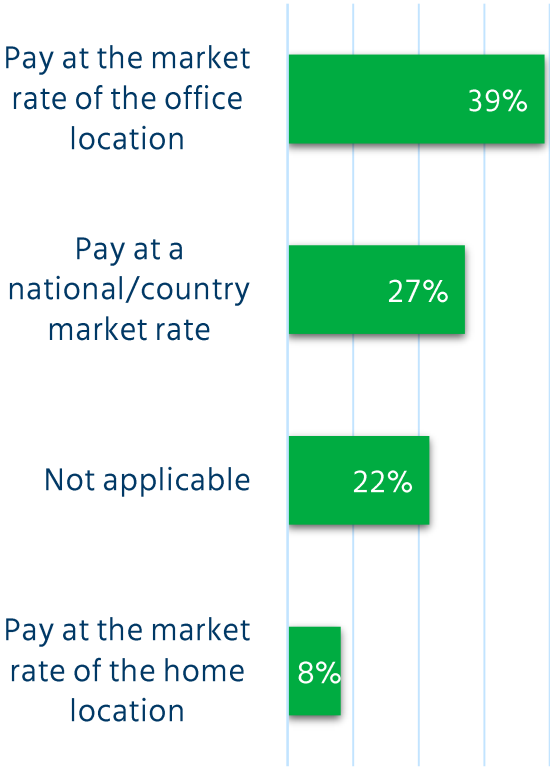
45%¹

of employers in APAC **do not provide or reimburse** their employees for remote working expenses incurred during the COVID-19 pandemic

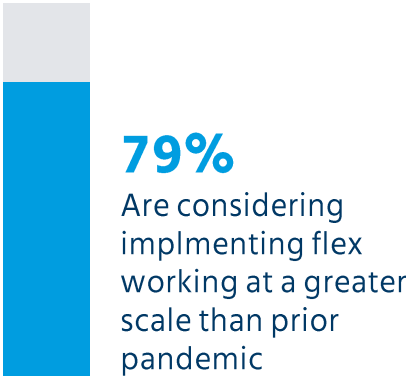


Lasting shifts due to the pandemic

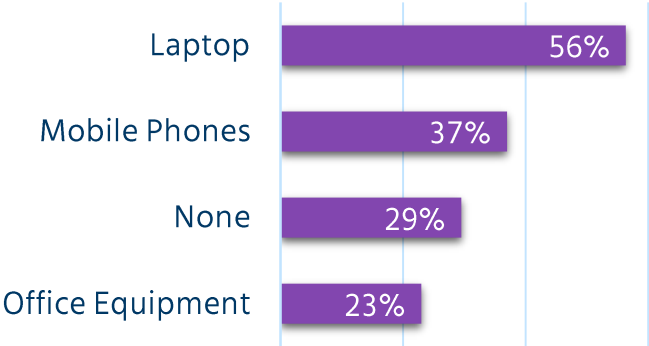
Localization Pay



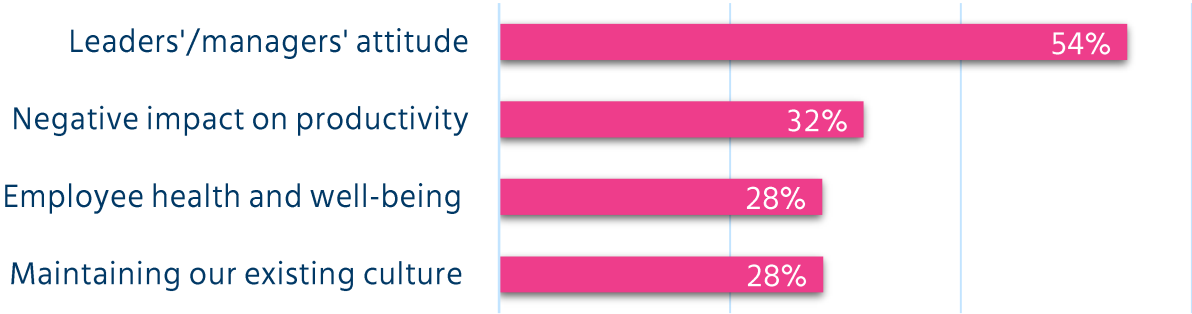
WFH



Remote Support



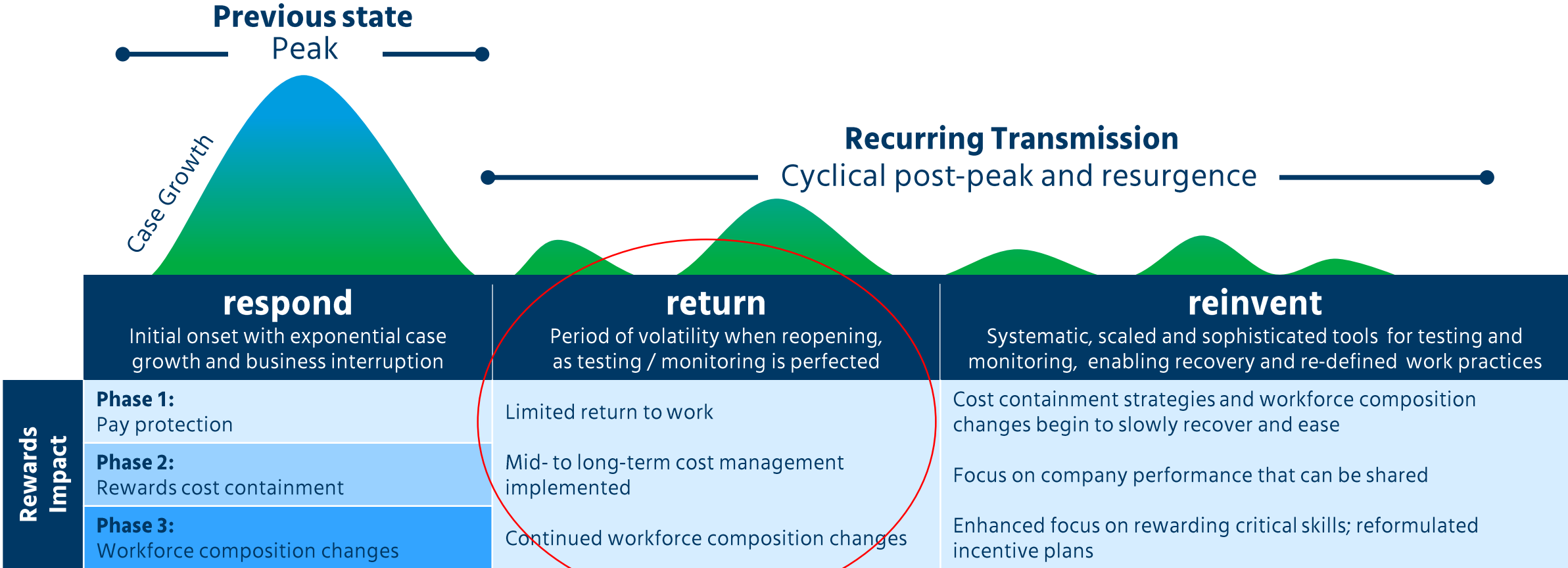
WFH Concerns



Source: TAAP covid surveys #6 and 7

Navigating the pandemic response lifecycle

Implications on HR programs

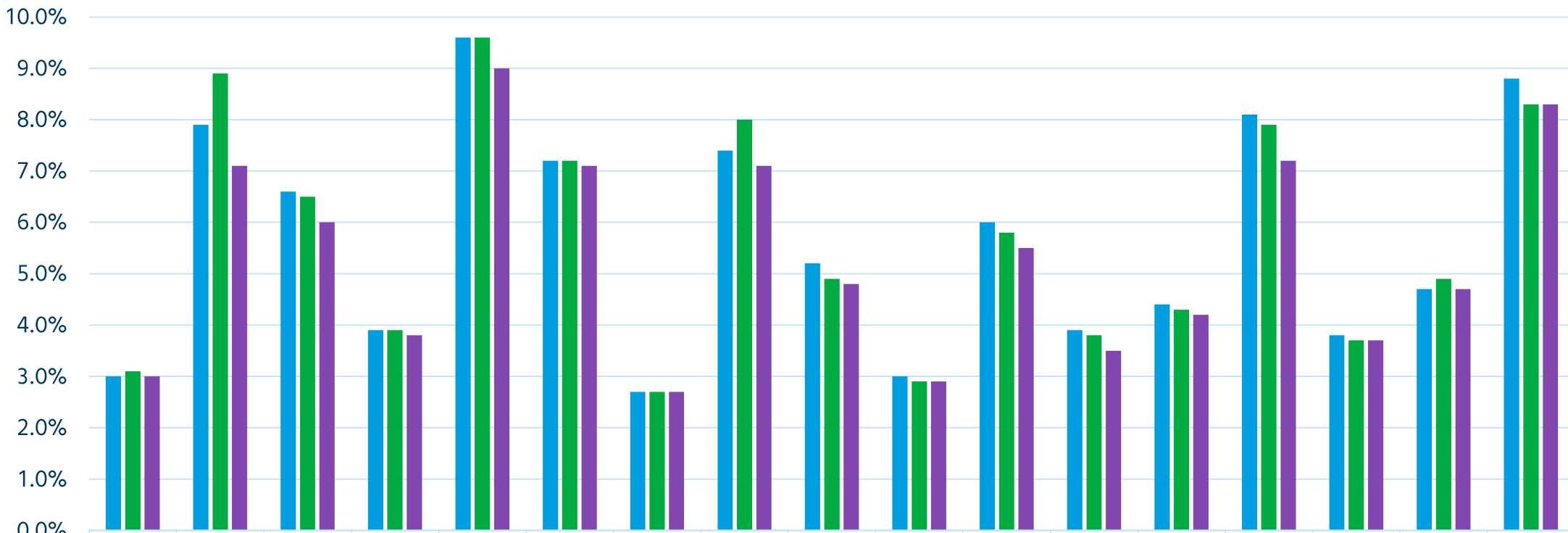


Polling questions

Refer appendix for results

Implications on employee compensation

2021 merit salary increase



	Australia	Bangladesh	China	Hong Kong	India	Indonesia	Japan	Kazakhstan	Malaysia	New Zealand	Philippines	Singapore	South Korea	Sri Lanka	Taiwan	Thailand	Vietnam
■ 2019	3.0%	7.9%	6.6%	3.9%	9.6%	7.2%	2.7%	7.4%	5.2%	3.0%	6.0%	3.9%	4.4%	8.1%	3.8%	4.7%	8.8%
■ 2020 Actual/Budgeted	3.1%	8.9%	6.5%	3.9%	9.6%	7.2%	2.7%	8.0%	4.9%	2.9%	5.8%	3.8%	4.3%	7.9%	3.7%	4.9%	8.3%
■ 2021 Forecast	3.0%	7.1%	6.0%	3.8%	9.0%	7.1%	2.7%	7.1%	4.8%	2.9%	5.5%	3.5%	4.2%	7.2%	3.7%	4.7%	8.3%



Source: Mercer | Comptrix Projected Global Salary Budget Survey

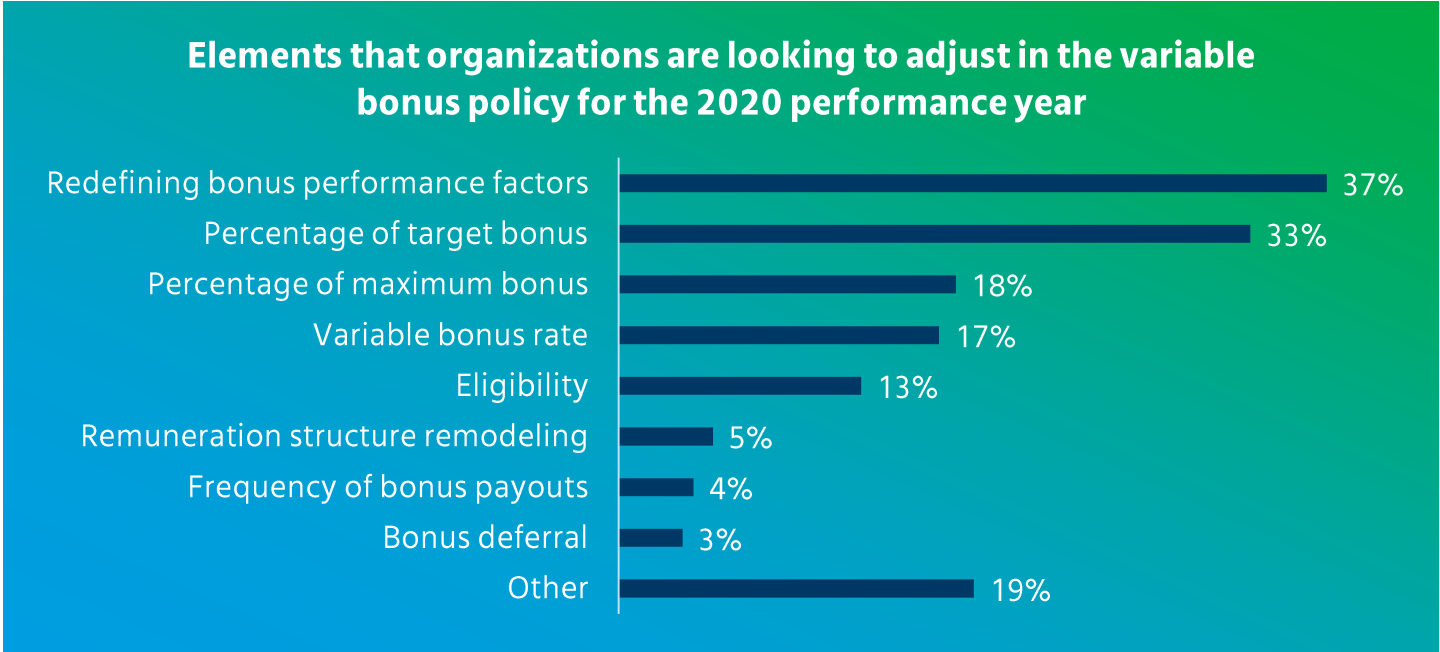
* Data shown is average merit increase excluding zeroes

Variable bonus

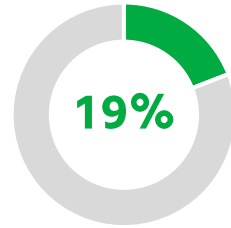
Companies are reviewing their variable bonus policy for the future

23%

of the organizations in APAC are considering **adjusting variable bonus policy** for the 2020 performance year



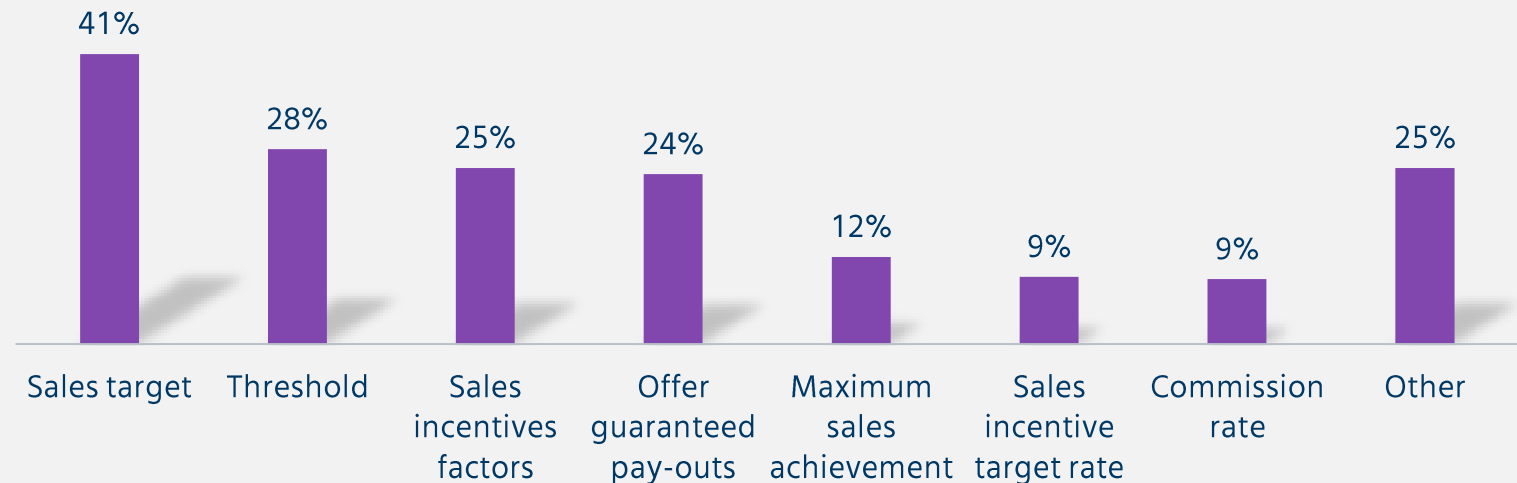
Sales incentives plans are also being revisited



of the organization **adjusted or are considering adjusting their sales incentive policy** because of the COVID-19 pandemic

For **37%** of the organizations, **all departments** were affected by the sales policy adjustment

Elements that organizations are looking to adjust in their sales incentive policy because of the COVID-19 pandemic



There is significant uncertainty for 2021

Though outlook is more positive now compared to earlier this year



Actions you can take:



Keep a pulse on the market to ensure competitiveness

The market is still moving, and disruption will drive new patterns as we move into 2021



Streamline merit planning and other compensation administration activities to stay agile

Decisions are likely to be delayed or change



Make the most of your budget

Organizations with smaller budgets are increasing differentiation (performance, skills and competitiveness) and limiting eligible populations

Other actions you may consider.....



Benefits execution

- Review contracts and plan documents by line of coverage – employee risk, carrier liability
- Explore enhanced coverage and rethink coverage rules in light of COVID-19
- Prepare HR infrastructure (e.g., HRIS, Shared Service Center) and providers (Telehealth)



Engagement & Experience

- Account for different personas, extending to employee and non-employee experience
- Equip leaders and managers with key tools
- Keep people connected and engaged – in a distance and virtual environment



Planning ahead

- Create contingency plans for scenarios at 3/6/12 months
- Establish stakeholder communication process – internal and external
- Anticipate a returning employee's experience and plan re-boarding support

It's imperative that companies are thinking and planning ahead

A balance of empathy and economics will ultimately win

During these uncertain times, some companies might need measures to manage current costs; but businesses should not be short-sighted as they will need employees when business starts picking up again



It is critical to **balance economic decisions and empathy** with a **longer-term look** toward what's the next right thing your company needs to do to succeed and build a better, brighter tomorrow

Looking ahead to reinvention

Reinventing for value, flexibility and sustainability using Mercer | Compttryx Analytics



Mercer | Comptryx

A global product in 3+1 parts

new ▼

1



Global Pay

The global database allows you to conduct pay analysis for all jobs across the globe from one source.

2



Workforce Metrics

Compare the size, shape, mix, and demographics of your organization to the competition.

3



Labor Cost Modeling

Design virtual organizations and get an instant calculation of payroll costs in potential locations around the world.



Trends

Multiple years of trend data are available for a wide variety of pay information and workforce metrics

2020 天猫双11全球狂欢季

11月1日0点-11月11日 00 30 00

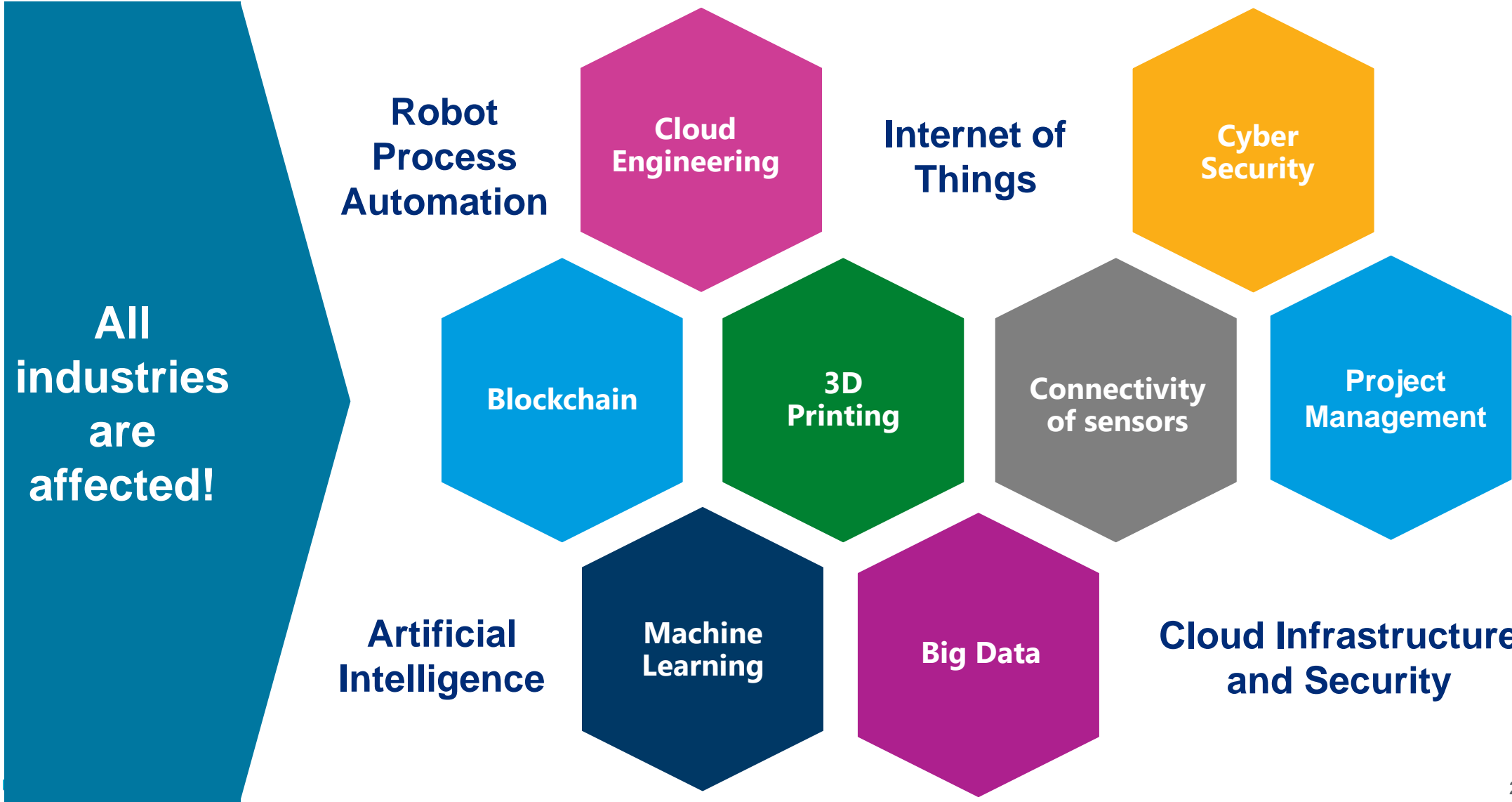
2020 天猫双11全球狂欢季
实时成交额破 **3723** 亿
Total GMV has exceeded RMB372.3 billion

凡是过往，皆为序曲
What's Past is Prologue

Alibaba rings in 580,000 sales orders per second!

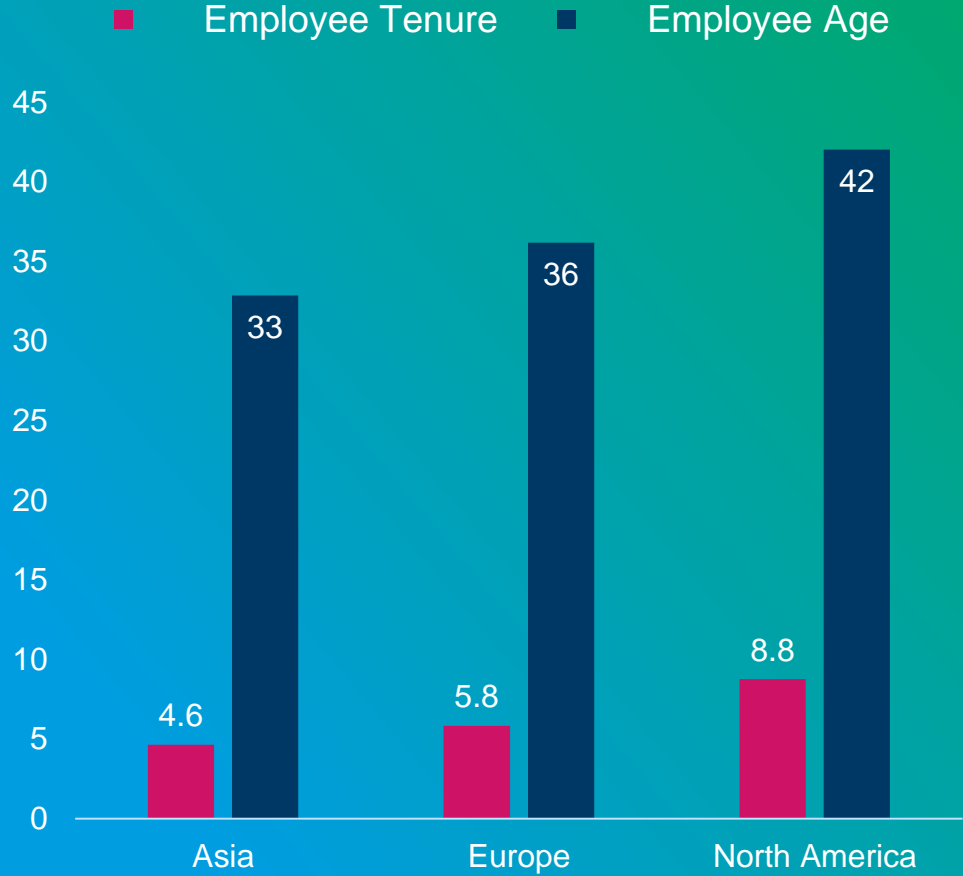
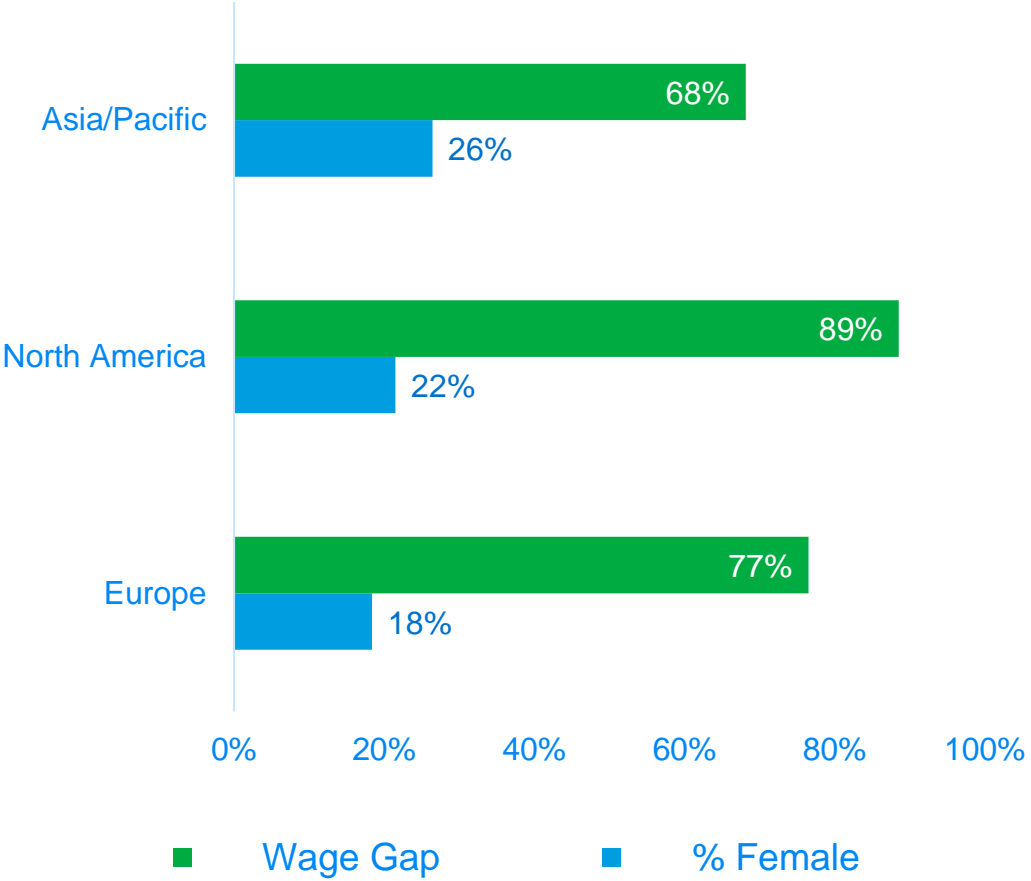
Or 372 billion transactions at Double Eleven shopping festival

New technologies and high demand skills

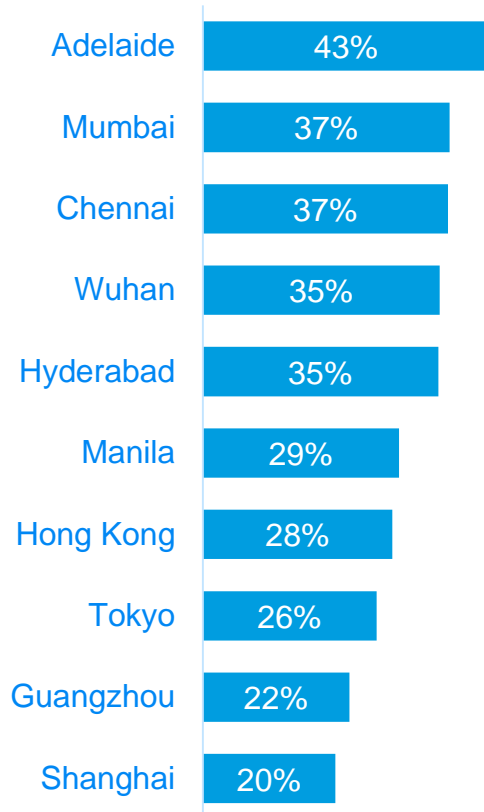


Key Demographics by Region

Professionals / R&D staff



Top 10 Cities in Asia

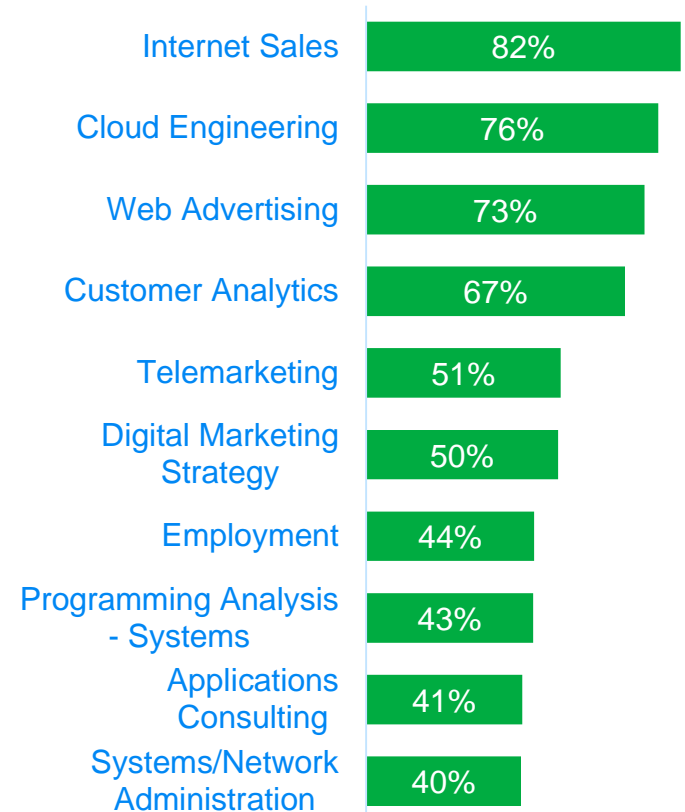


■ New Hire Rate / R&D Professionals

Strong growth for Engineering talent especially in India, China and Philippines.

Companies further develop their online sales channels and it's corresponding infrastructure!

Top 10 Hot Jobs in Asia

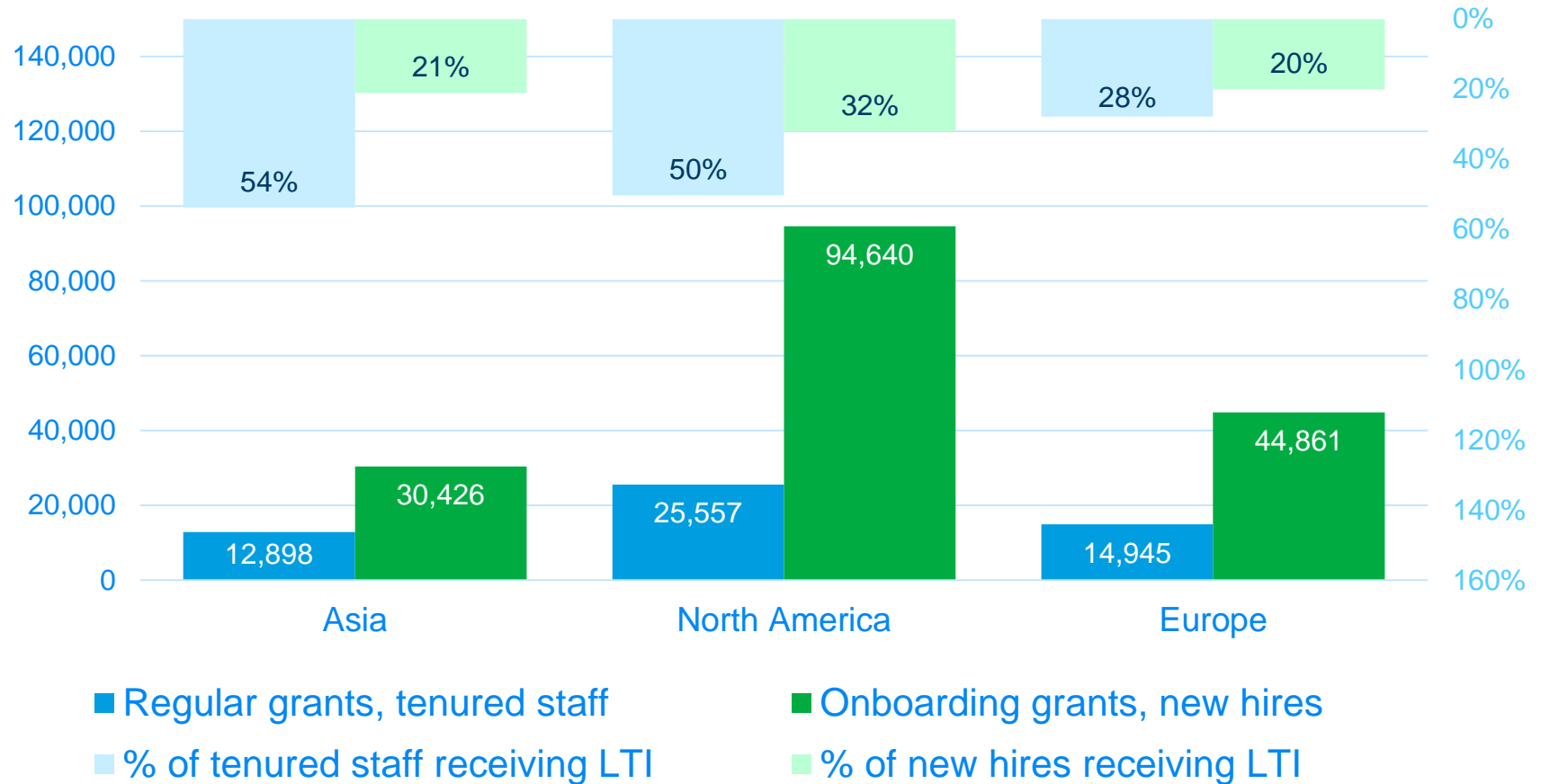


■ New Hire Rate / Professionals

Onboarding key talent

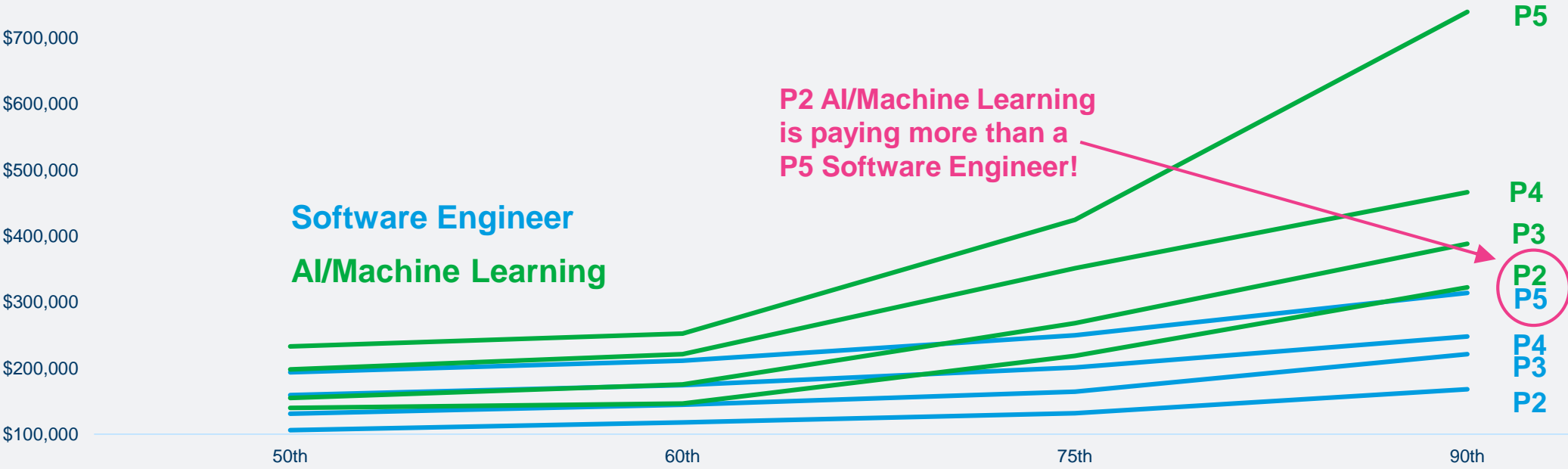
P3 / Software Developer / USD

Tech companies making very specific bets on people and key skills

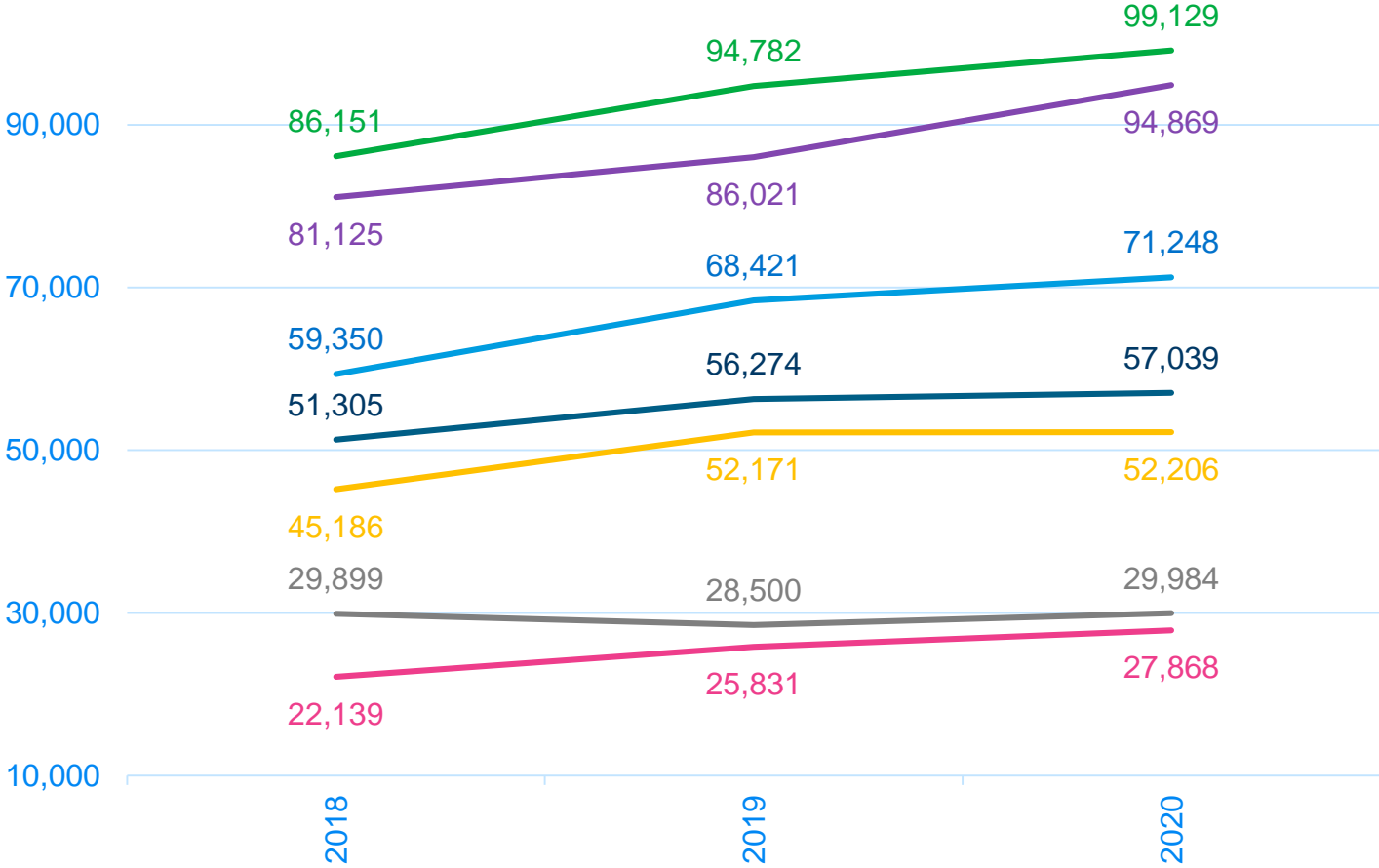


Pockets in the market are moving faster than others...

US - Software Engineering vs. AI / Machine Learning Engineer (by Level)
Total Direct Comp 50th to 90th %ile



Asia Trend Analysis - Software Function – P3 Level*



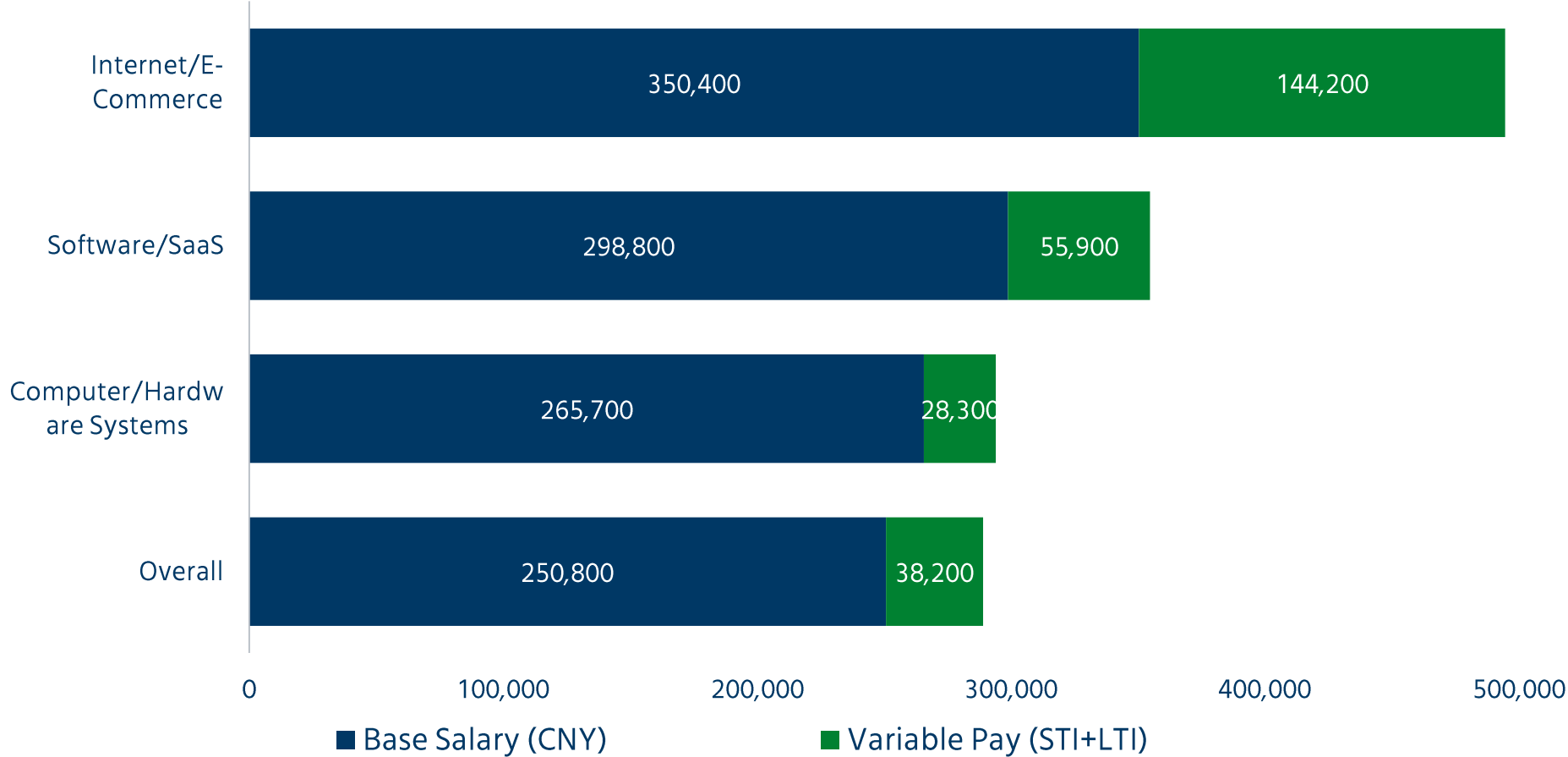
Increase from 2018 to 2020

Japan:	15%
Australia:	17%
Singapore:	20%
Taiwan:	11%
China:	16%
India:	0%
Philippines:	26%

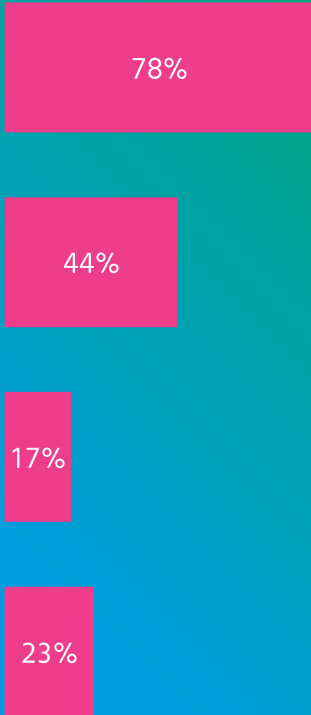
*Total Direct Compensation, Comp weighted average, USD

Effect of Industries on Compensation

China, Software P3



% of Staff Received LTI



Thinking about cost! But what else is important?

P3 - Software Developer – Total Cost to Company / TCC - USD



Comptrix TCC

- Base Salary
- Short-term Incentives
- Long-term Incentives
- Allowances
- Fringe Benefits rate (includes statutory and non-statutory contributions)

	Bangalore	Kuala Lumpur	Shanghai	Taipei	Seoul	Sydney	Tokyo
KEY DEMOGRAPHICS							
Employee Tenure	4,0	4,8	4,1	5,1	7,4	5,8	9,2
Employee Age	31,9	33,5	33,4	39,6	41,4	38,9	38,5
Top Performer	8%		14%	8%	12%	8%	12%
% Promoted	15%	14%	13%	7%	7%	15%	27%
EMPLOYMENT RATES							
New Hire Rate	24%		21%	18%	9%	22%	29%
Turnover Rate (Total)	17%		18%	5%	11%	8%	10%
% Top Perf Termed	8%		23%	0%	50%	8%	0%
GENDER							
% Female	25%	29%	23%	14%	9%	13%	8%

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P3 - Software Developer – Total Cost to Company - USD



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P3 - Software Developer – Total Cost to Company - USD



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GENDER							
% Female	25%	29%	23%	14%	9%	13%	8%

Availability of Software Developers

Bangalore	47,233
Shanghai	5,531
Tokyo	2,884
Taipei	1,310
Sydney	687
Seoul	615
Kuala L.	240

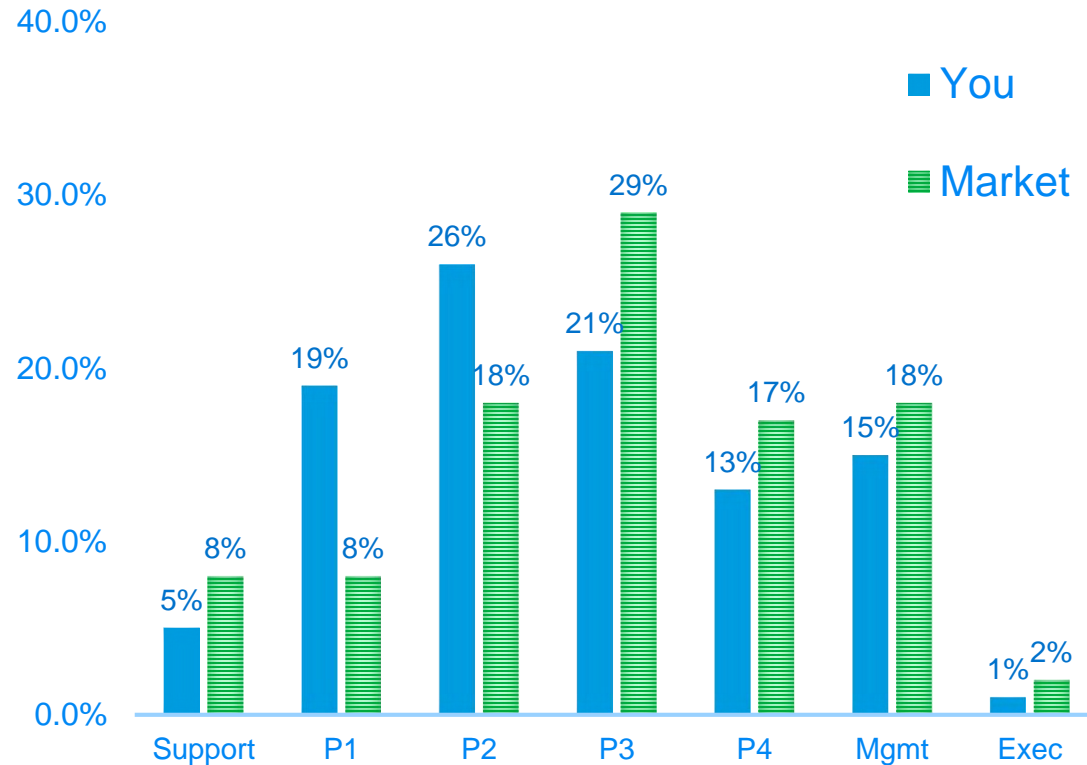
Source: Mercer | Comptrix 2020 Q4 update



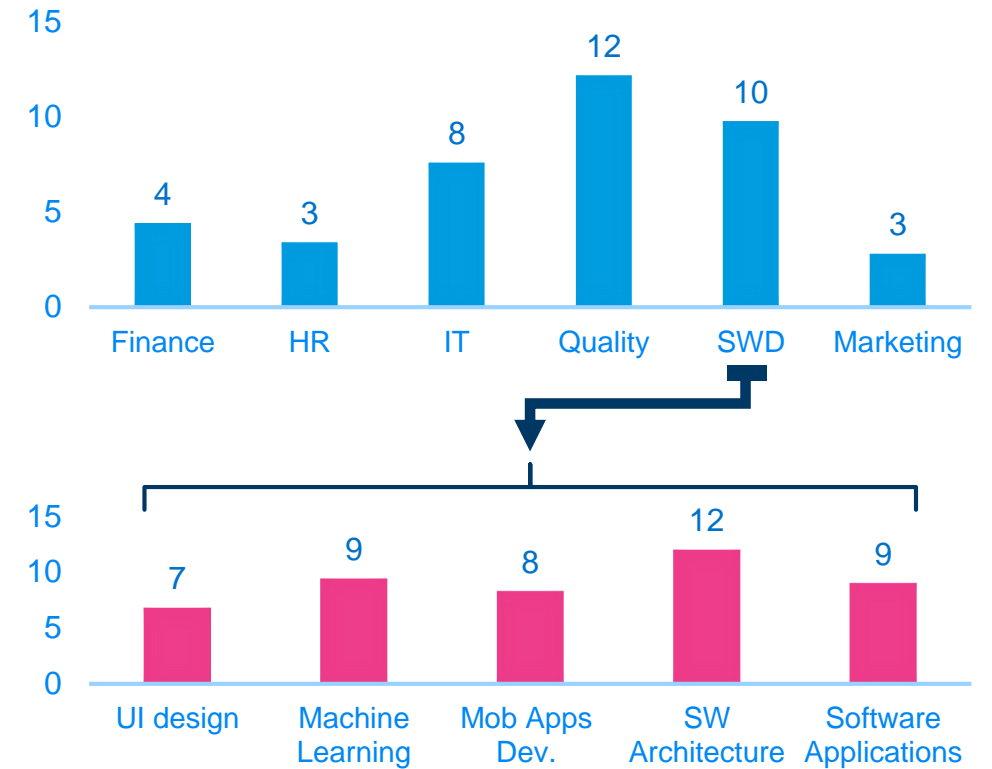
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Workforce Metrics to benchmark structure

Distribution of Staff by Level



Span of Control By Function / Sub-function



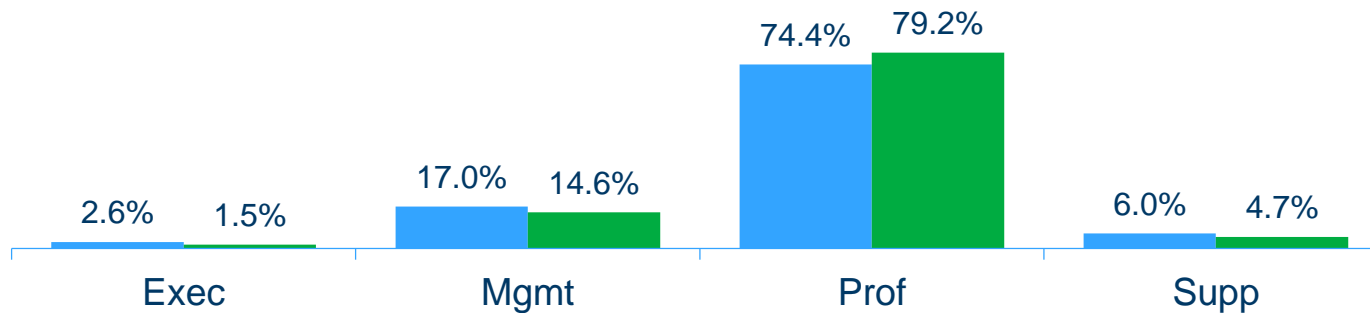
Workforce Metrics to benchmark structure



LEVEL ANALYSIS

WORKFORCE RATIOS: %HEADCOUNT OF SELECTED POP

ACROSS LEVELS, ACROSS FUNCTIONS, GLOBAL MARKET VIEW: SOFTWARE/SAAS



■ You
■ Market

	%	#	Avg Base	Payroll	%	#	Avg Base	Payroll
EXEC	2.6%	128	351,603	44,829,383	1.5%	75	351,603	26,370,225
MGMT	17.0%	850	154,612	131,420,200	14.6%	730	154,612	112,866,760
PROF	74.4%	3,720	87,095	323,993,400	79.2%	3,960	87,095	344,896,200
SUPP	6.0%	302	44,891	13,557,082	4.7%	235	44,891	10,549,385
TOTAL	100.0%	5,000		513,800,065	100.0%	5,000		494,682,570

▲ -19 Million in payroll cost

Mercer | Comptryx

Profile your Organization against the Competition



Financial



Level



Function



Location



Demographics
& Activity

Full analytical capability you vs. your market

2021 Mercer | Comptryx Update



Comptryx Roadmap Feedback

Simplify Data Input

Mercer Data Connector

Show my Organization

ILM (Internal Labor Map) with external benchmarks

Surface Diversity Insights

DEI Dashboard to highlight key diversity insights about my organization vs peers

Custom Exec Reports

Enable me to build customized reporting & dashboards that I can use for executive reporting

Integrate Comptryx to our Systems (HRIS, etc)

Give me fresh and automated insights into my organizational metrics (with benchmarks)

Total Rewards Benchmarks

Add detail for benefits costs (Health, Wealth) so that I can better optimize my total rewards

Mercer Data Connector



2019 DATA COLLECTION
Employee Data

- Status
- File Upload
- Job Match
- Validation

To update or share your employee data with Mercer, you'll first prepare your data file, then upload it to Mercer Data Connector. Here's how:

Step 1. Select the company/country combinations.

Select your Company(ies):
Choose Your Company

Step 2. Prepare your employee data file.

Past Participants: If you participated in our last survey season, click [Download Template](#) to access an Excel file that contains your pre-populated data. If applicable, each company/country combination will be identified in Columns "Company Name" and "Country Code". Review the data for accuracy, and then proceed to Step 3.

- If your data includes a prior Mercer Benchmark Code, Mercer Data Connector will automatically match your jobs, assuming that a match is available.

New Participants: After you have made your company/country selections from Step 1, you have two options:

- Click [Download Template](#) and paste your employee data into the template (easiest method) making sure to identify the country/company the data applies to in Columns "Company Name" and "Country Code", or
- Skip ahead to Step 3 and upload your company's data file (xlsx only). After you upload your file, you will be prompted to map your column headings to Mercer's required columns and identify which country/company the data applies to.

[Download Templates](#)

Step 3. Upload your employee data file.

Whether you've pasted your data into Mercer's template or are using your company's xlsx file, you'll upload it here.

I have agreed to the upload [Terms & Conditions](#)

Select Date Format: DD/MM/YYYY
Select Numeric Format: XXXX.XXXX

Drop files here or click to upload, make sure to accept Terms & Conditions to activate

Data Collection (1st)

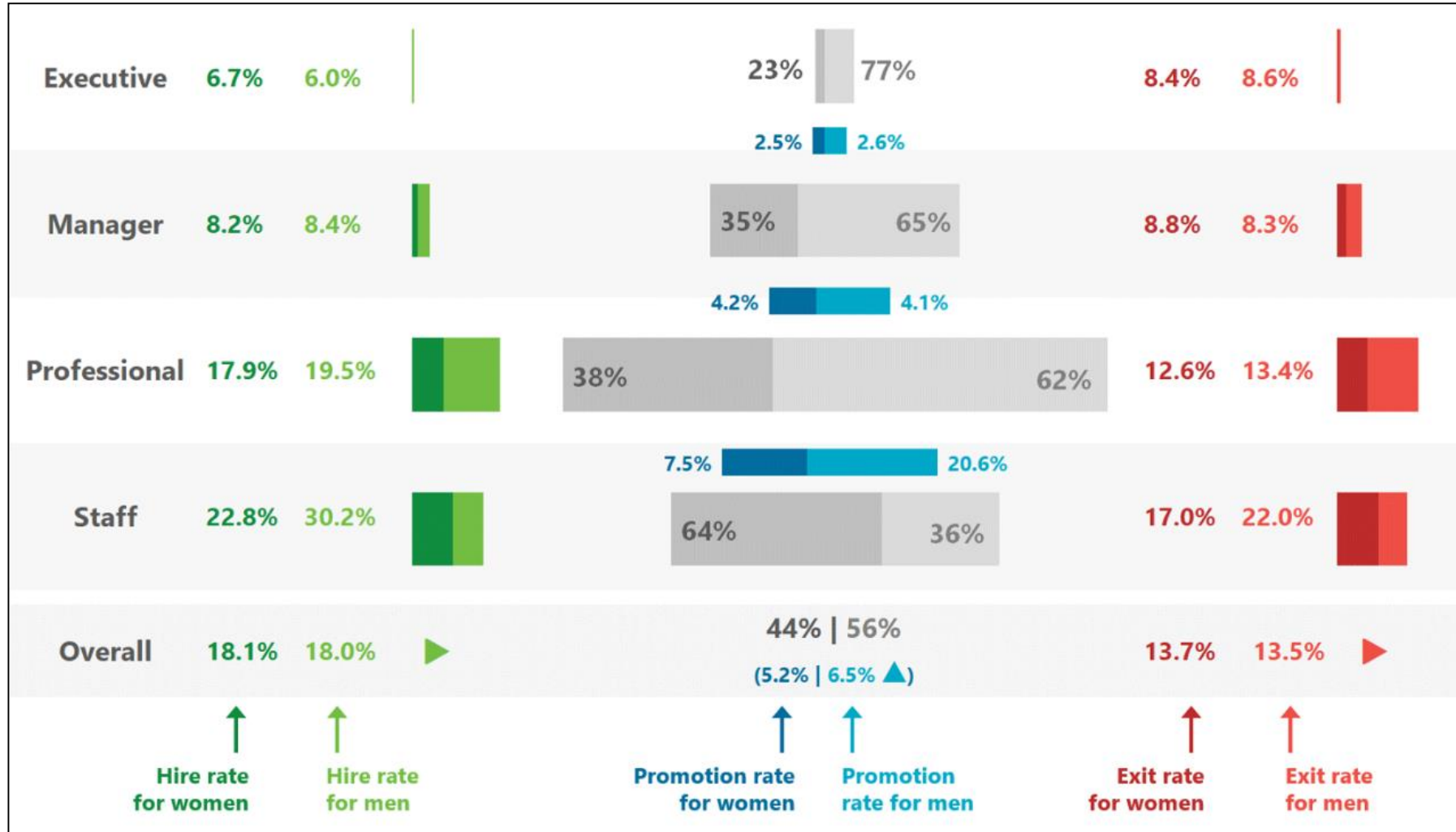
Dashboard

[Download your Data](#) [View Deadlines](#) [Submit Data](#)

<p>Employee Data</p> <p>ON PROGRESS</p> <p>CONTINUE</p>	<p>Compensation Policies and Practices</p> <p>COMPLETED</p> <p>EDIT</p>	<p>Long Term Incentive Plans</p> <p>ON PROGRESS</p> <p>CONTINUE</p>
<p>Retirement Benefits</p> <p>COMPLETED</p> <p>EDIT</p>	<p>Insurance/Medical Benefits</p> <p>COMPLETED</p> <p>EDIT</p>	<p>Company Cars</p> <p>ON PROGRESS</p> <p>CONTINUE</p>
<p>Other Benefits</p> <p>COMPLETED</p> <p>EDIT</p>		

Mercer Internal Labor Map

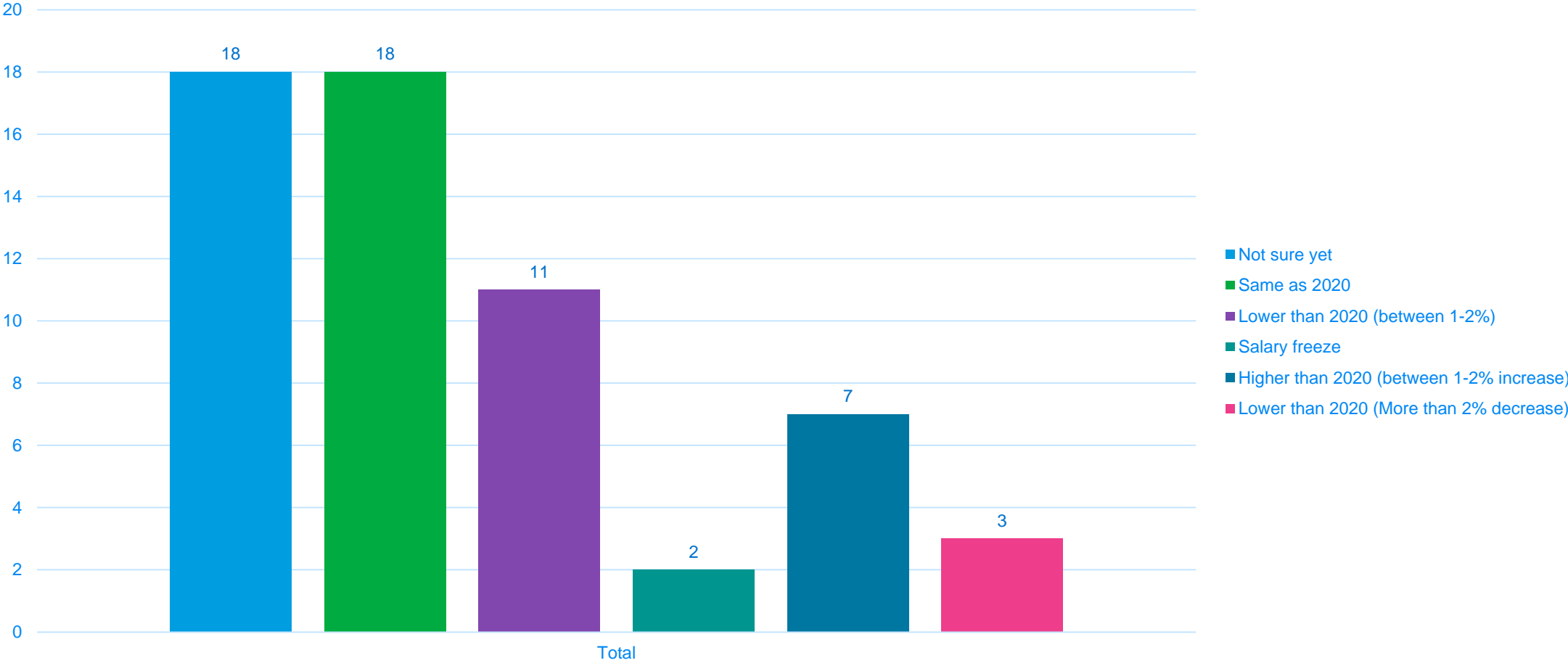
Gender Focused View



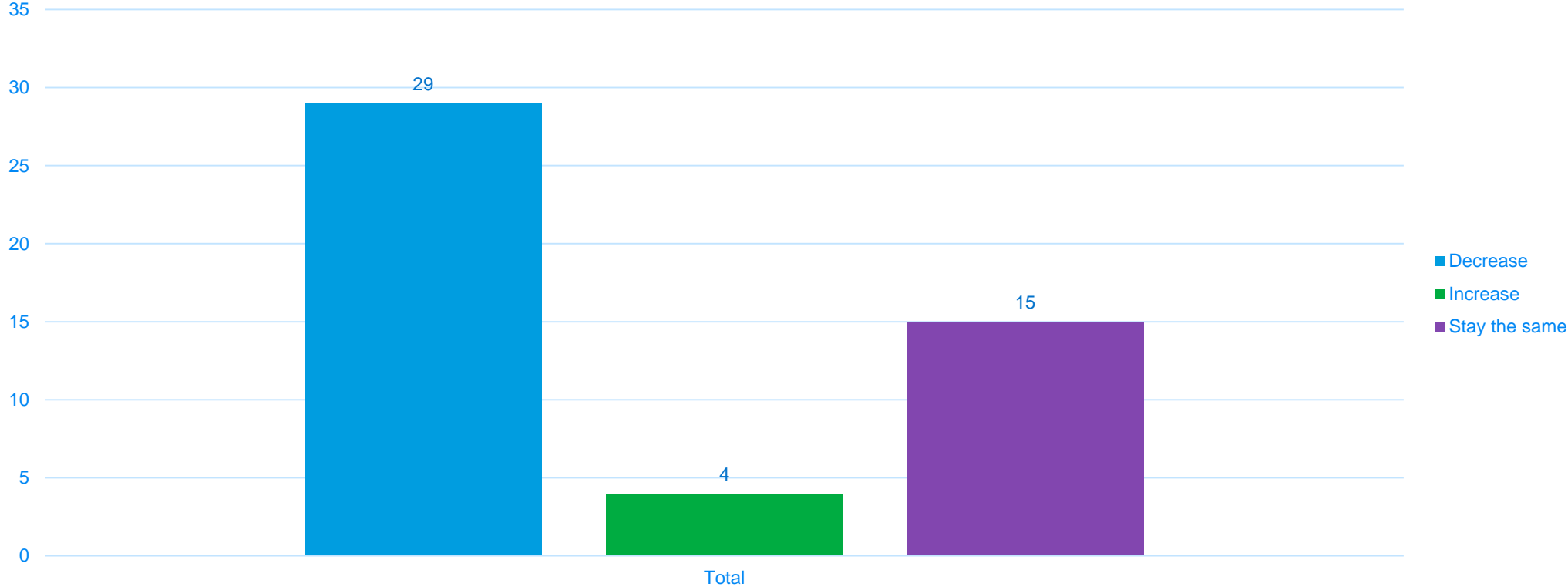
Appendix

Live Polling: What are your plans?

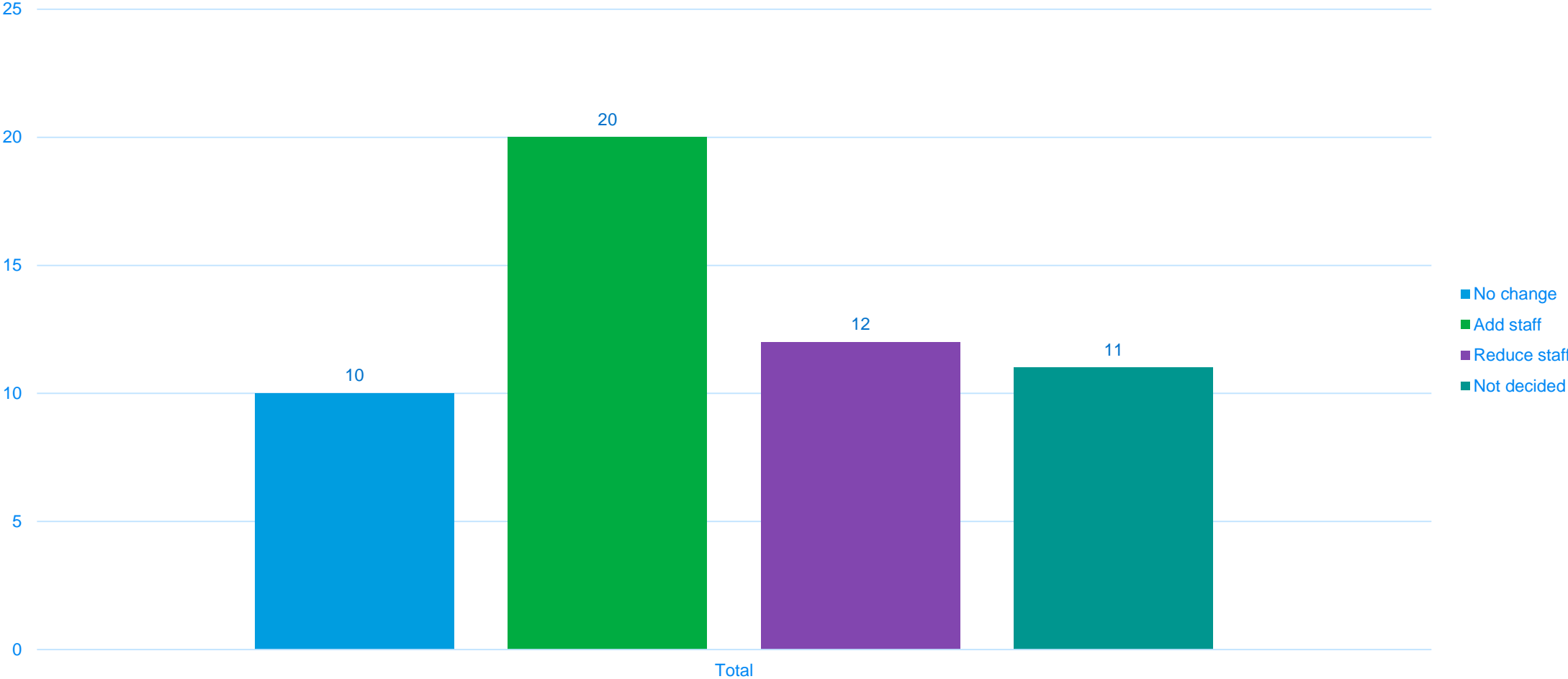
What is your salary increase forecast for 2021?



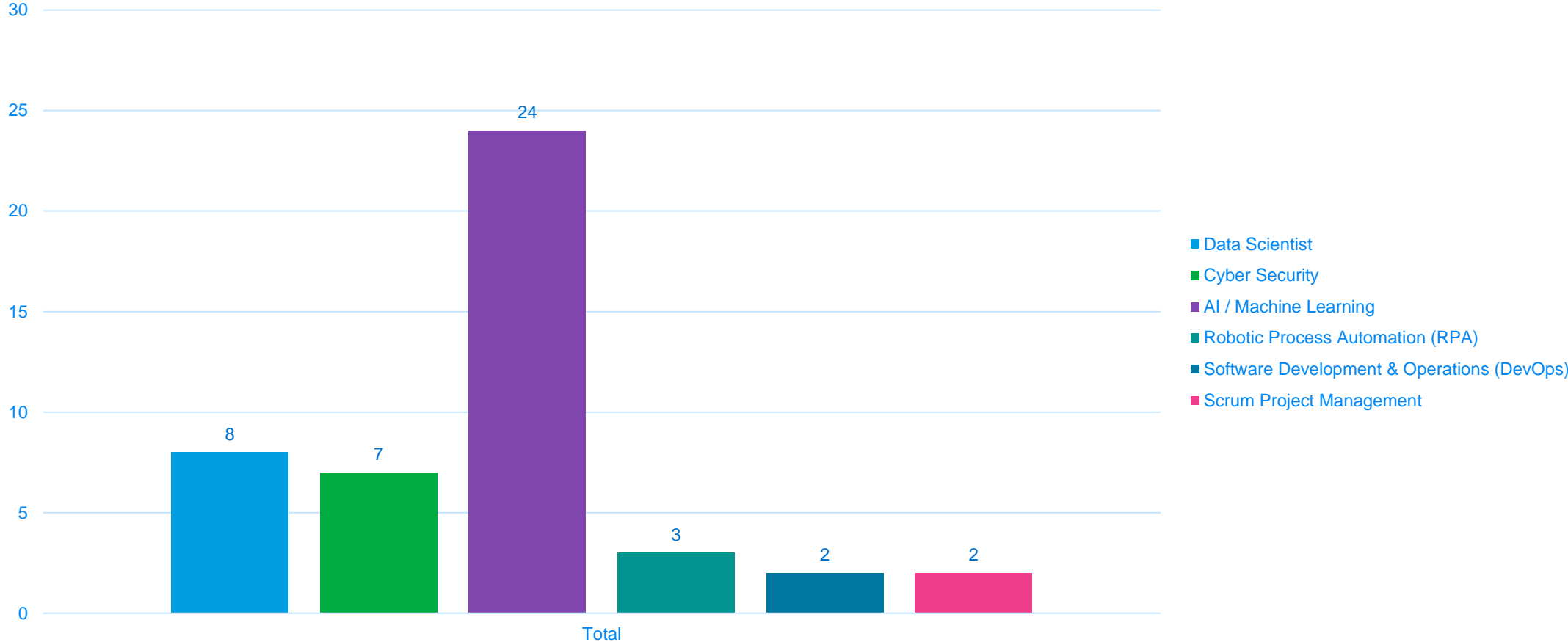
What is the impact on voluntary attrition in comparison with previous year?



What is the hiring intentions for 2021?



Which digital job do you think has the highest pay premium?



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