

Coming back stronger

# Workforce strategy and workforce reskilling

29 July 2020



# Speakers



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## **Poll question**

What's at the top of your mind?

To participate please click on the 'wordcloud' tab next to the 'slide' tab on the left of your screen.

## Poll Results

What's at the top of your mind?



# Organisations reacting to the pressures of COVID-19



## GSK and Sanofi join forces to work on coronavirus vaccine

Two companies jointly have capacity to manufacture hundreds of millions of doses

## P&G to produce 45,000 litres of hand sanitizer weekly

## Coronavirus: UK firms slash more than 12,000 jobs in two days

1 July 2020

f Share

## Coronavirus: Row over BA staff future deepens

“The social and economic challenges posed by Covid-19 have emphasized the true value of identifying a business’ strengths and weaknesses, as well as recognizing and mitigating material risks.”

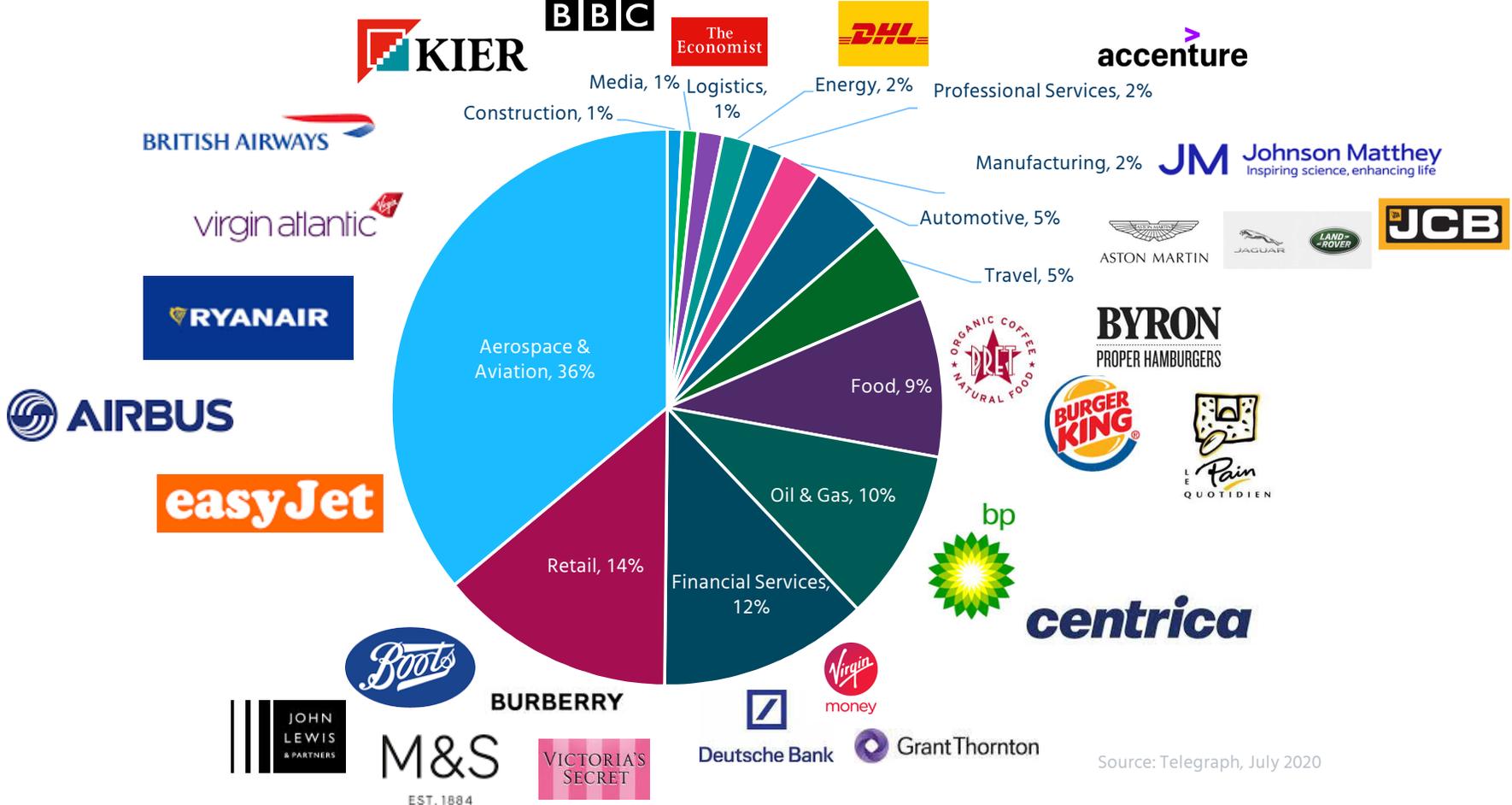


## Universities continue teaching the next generation of leaders

Centres of learning across the world, including those which are members of the [The Global University Leaders Forum \(GULF\) community](#), are responding to the coronavirus pandemic. Many have moved classes online, reduced all but critical research, and are even planning for [virtual graduation ceremonies](#).

# The impact of COVID-19 on major employers by industry

## Job losses by industry



Source: Telegraph, July 2020

# How are business responding?

## Refocusing attention

**99%** of companies are embarking on transformation.

The top challenges are **workforce capability**, ability to **finance change** and **lack of understanding the need for transformation**.

## Restructuring to drive change

**98%** of execs are planning organisational design change this year.

**Predicting the future is tough, with economic and political uncertainty and technological advances.**

## Restructuring to close the gap

**78%** of organisations are facing disruption

Reskilling for the future of work is a top priority for Executives this year

Source: Mercer Global Talent Trends, 2020

## Which strategies are you likely to accelerate in the event of a downturn?



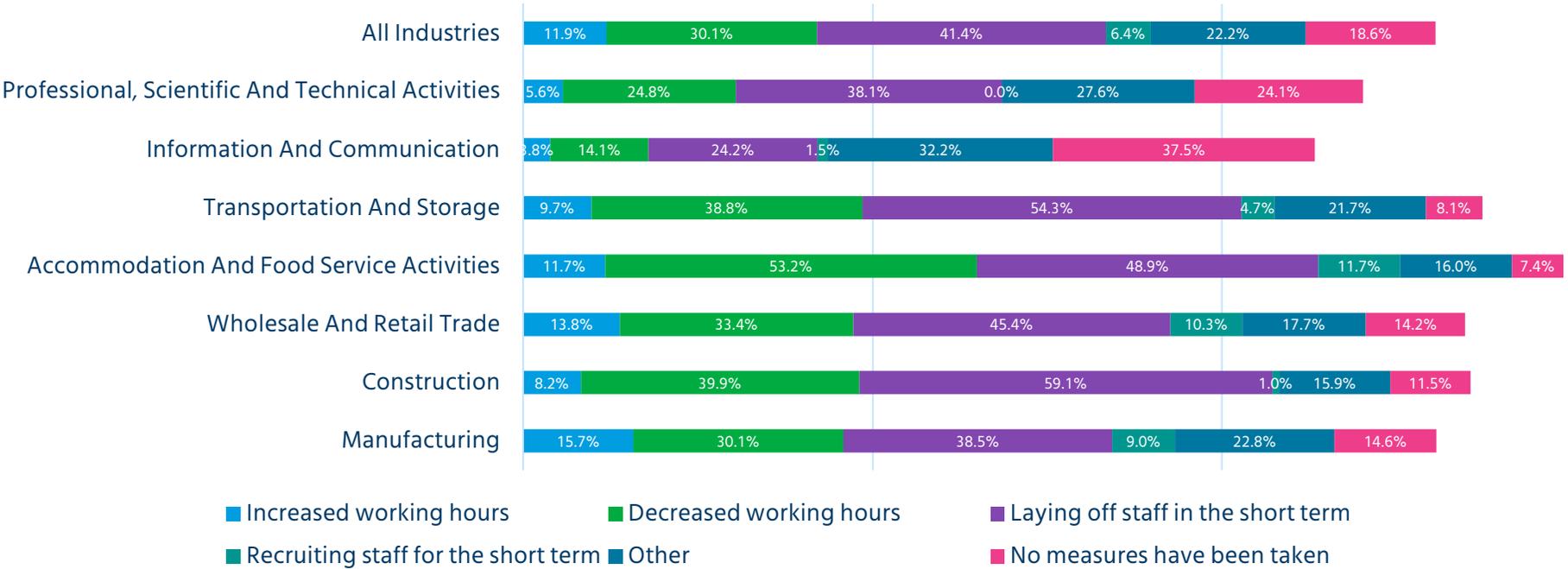
For most organisations restructuring is a **perpetual process** but it is now happening in 3 different ways:

1. Paused restructuring and now need to catch up
2. Restructure for opportunities in the future
3. Adapt or die

# The impact of COVID-19 on major industries

## Workforce Measures Taken during COVID-19

Measures taken to cope with the impact of COVID-19 on the workforce



Source: Office of National Statistics, Business Impact of COVID-19 Survey (BICS) results, April 2020

# How has COVID-19 impacted employees in Europe/UK

## Digital Focus Group case study

### Organizations and Managers are Responding

**9 out of 10**

Of employees feel their **organisations** and **managers** are **responding as effectively** as they can

**2 out of 5**

said that the outbreak has impacted their **confidence in the future** of their organization

**60%**

Of employees are seeking greater assurance around **job security**

### Support Comes from Team Members, not HR

**Almost half**

of participants said that their **team mates** were the ones supporting them the most during this outbreak.

**27 %**

By immediate manager

**14%**

By their senior leader

**Only 4%**

Say they are mostly supported by HR

### Productivity Reduces, Stress Levels Increase

**92%**

Say the outbreak is affecting their **ability to get their work done**

8 out of 10 of those concerned about the possible threat of **redundancies**, the **changing content** of their work and diminishing **workload...**

...reported an **increase in stress levels** as a barrier to their work during the crisis.

### New Challenges Demand New Ways of Work

**Continuous Innovation**

**Agility, Speed Adaptability**

**Accelerated Digitalization**

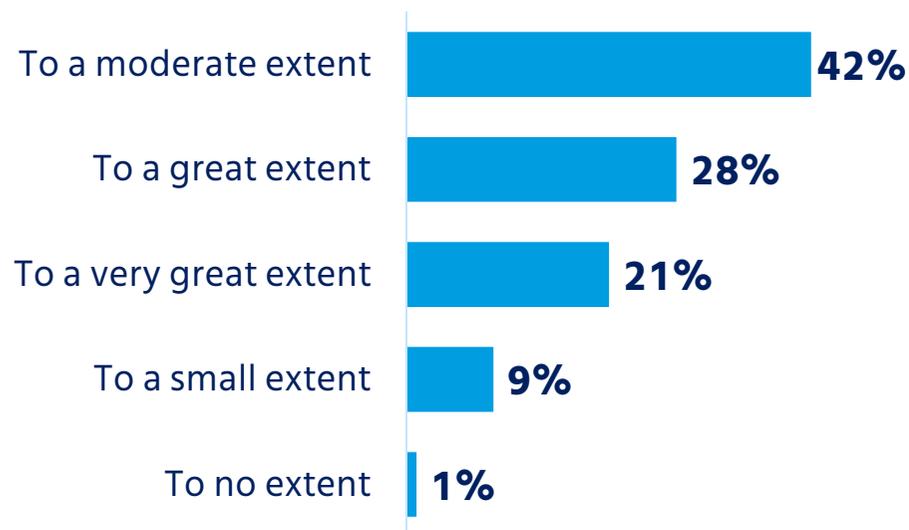
**Changing Work Cultures**



## Empathy starts with listening to understand employee concerns



**9 out of 10** employees are concerned with the current crisis



**40%** Concerned with impact of remote work on **culture and collaboration**

**36%** Worried about impact of remote work on **work/life balance**

**37%** Concerned about potential **layoffs**

**30%** Think the outbreak will limit investments in **training and development**

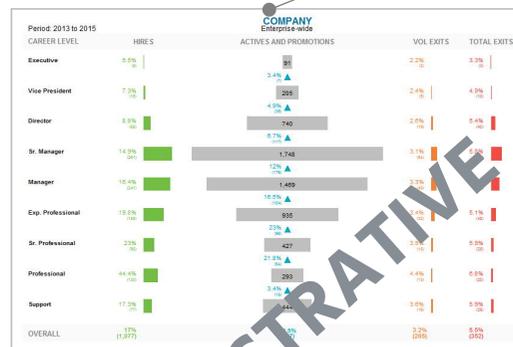
**24%** Concerned that economic impact will lead to **pay reductions**

## Core dilemma:

How to adhere to your core values and commitments made during COVID-19, whilst exploring ways to restructure, reskill and resize?

Strategic Workforce Planning becomes more essential than ever

Internal Labour Market map depicting headcount, hires, promotions and exits by career level



This depicts future trends under different scenarios



Agile workforce strategies



Reskilling



Talent Sharing



Outplacement

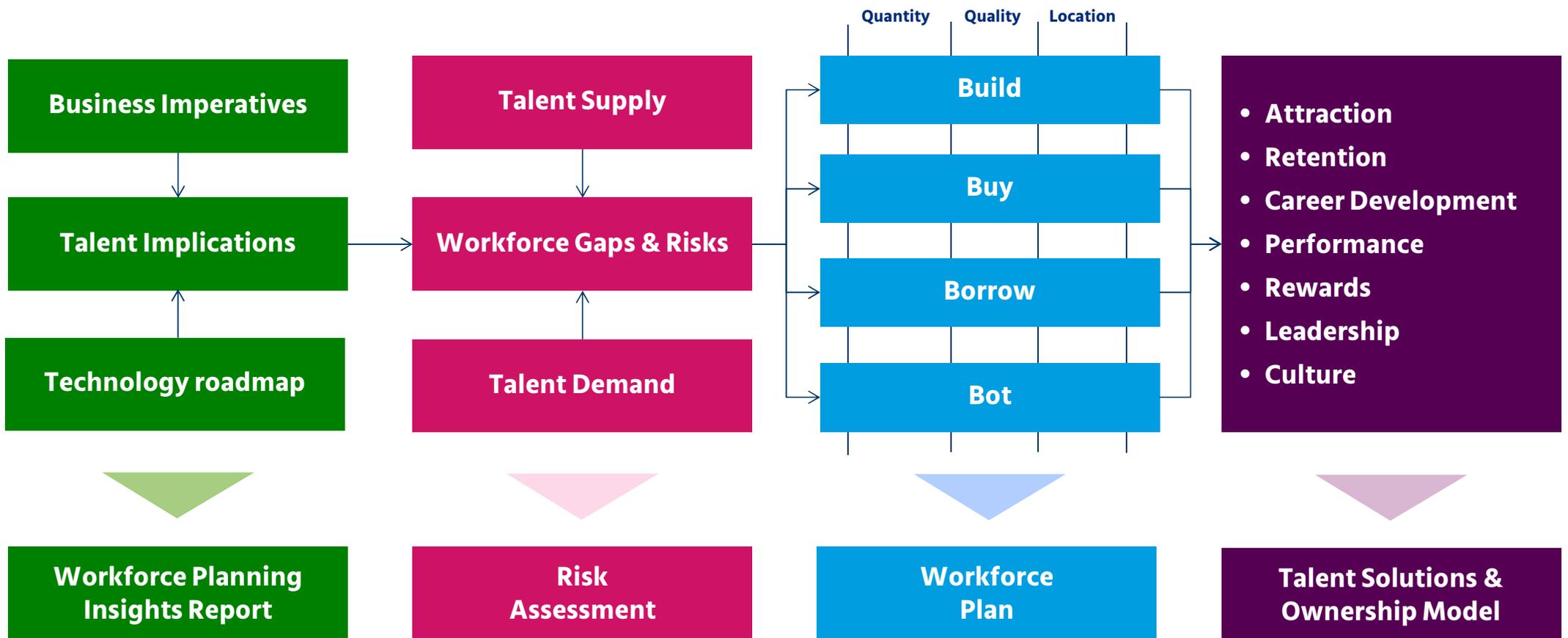
# Strategic workforce planning is about four phases of work

## 1. Gain strategic insights

## 2. Measure the gaps

## 3. Model solutions

## 4. Take action



# Reskilling



## Poll question

- To what extent are you clear on the skills requirements for your business in the future?
  - A. To a great extent
  - B. To a moderate extent
  - C. To some extent
  - D. To a small extent
  - E. Not at all
- How would you assess your bench strength against those skills requirements?
  - A. We have the skills we need for the future
  - B. We have some skills we need and some gaps
  - C. We have few skills and large gaps
  - D. We do not know

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

**78%**

of organizations are facing disruption

**99%**

of organizations are planning transformation this year

**\$900bn**

estimated revenue loss due to failed digital transformations in 2019\*

## Top transformation challenges

#1	Lack of workforce capabilities and skills
#2	Organizations ability to fund the change
#3	Lack of understanding of the need for transformation
#4	Apathy and change resistance

## Executive’s talent investment bets for biggest ROI

Investing in future learning and workforce reskilling	41%
Transforming talent practices	38%
Improving how we leverage the broader talent ecosystem	38%
Restructuring HR to align more with the business	37%
Developing an integrated people strategy	36%

## What is most important when you talk about “Agility”?

<b>30%</b>	Lack of workforce capabilities and skills
<b>26%</b>	Organizations ability to fund the change
<b>24%</b>	Lack of understanding of the need for transformation
<b>15%</b>	Apathy and change resistance

# Skills are the new currency

	Today	2025
EE	1 Innovation	Innovation
	2 Complex problem solving	Global mindset
	3 Advanced interpersonal skills	Complex problem solving
	4 Global mindset	Advanced interpersonal skills
	5 Digital marketing	Digital marketing
HR	1 Digital marketing	Agile transformation
	2 Data visualization	Design thinking
	3 Customer experience	Entrepreneurship
	4 Innovation	Digital marketing
	5 Data science	Data visualization

## 2020 Global reskilling budget per FTE



## What has been most effective?



Hire from outside



Secondments outside the company



Peer-to-peer learning networks

## HR's barriers to reskilling



Concern that reskilled talent will leave



Not able to quantify the skills gap



Not knowing what skills we have today

## Skills – Questions your business is asking



- ▶ How do I identify the skills I need for the future?
- ▶ How can I build a more agile organisation?
- ▶ What is my current bench strength and where are my skills gaps?
- ▶ How can I restructure work around skills?
- ▶ Where can we quickly redeploy obsolescent skills?
- ▶ How do I restructure jobs around automation and refocus work?
- ▶ How can I keep my prized skills in my business?
- ▶ How do I respond to changes in the value of skills?
- ▶ Where should I prioritise my L&D spend to build capability in core areas?
- ▶ How can I facilitate flexible careers across my organisation?
- ▶ How much more do I need to pay for my critical skills?

Informing:

Enterprise wide  
strategic workforce planning

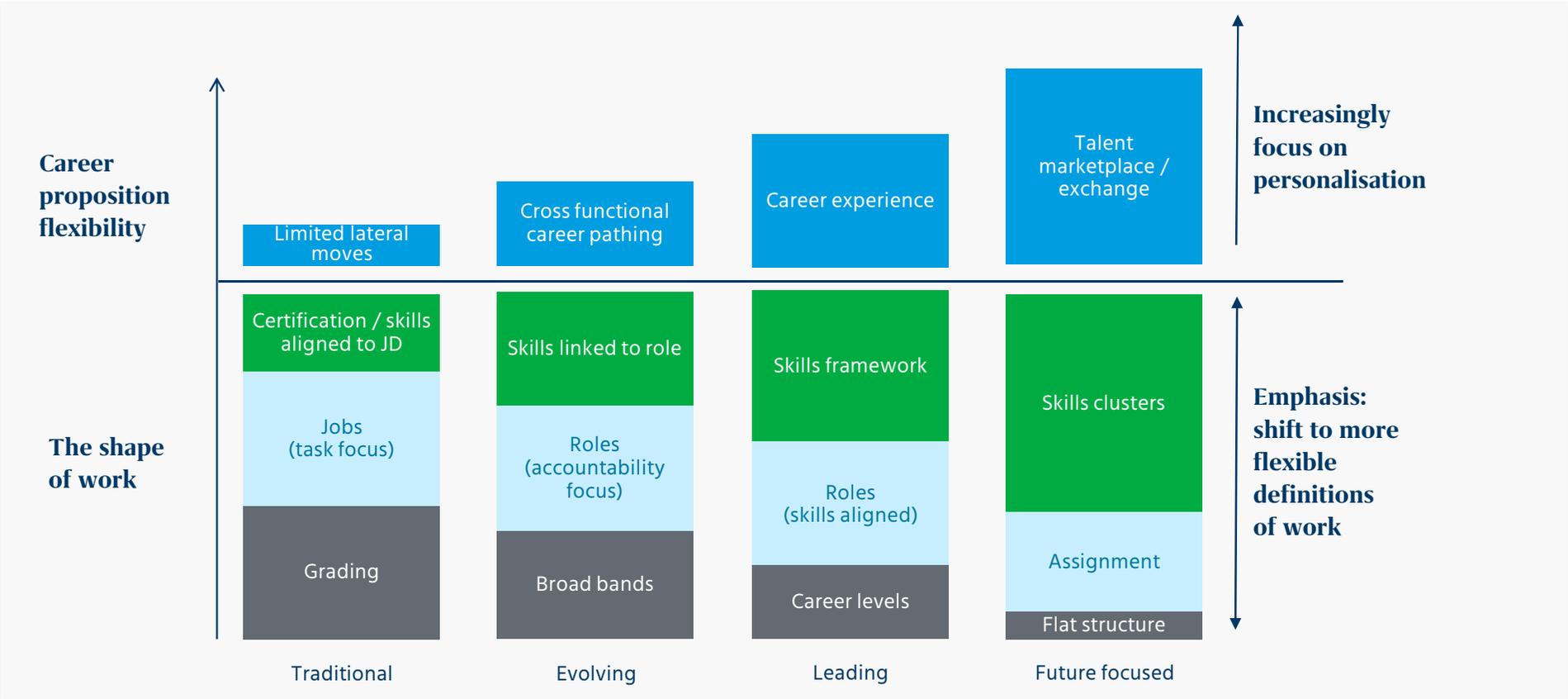
*Through to*

The supporting HR  
programme interventions

# Evolving your proposition

## How is work currently defined in your organisation?

### Transforming the career experience



# Building blocks for the evolution of skills

## A team effort across HR



# Understanding your current bench strength

## Performance evaluation

■ High (Score >6)     
 ■ Medium (Score >=4.5 & <=6)     
 ■ Low (Score <4.5)



Cognitive & Domain Ability Score



Domain Ability Score

Competencies	North(12)			West(10)			East(7)			South(6)		
	High	Moderate	Low	High	Moderate	Low	High	Moderate	Low	High	Moderate	Low
Drive for Results	58%	25%	17%	40%	50%	10%	43%	43%	14%	83%	17%	0%
Managing Change	25%	25%	50%	10%	50%	40%	14%	14%	71%	67%	17%	17%
Learning Agility	67%	25%	8%	80%	10%	10%	71%	14%	14%	100%	0%	0%
Customer Service Orientation	33%	58%	8%	30%	60%	10%	57%	43%	0%	67%	33%	0%
Effective Communication	17%	67%	17%	40%	60%	0%	29%	71%	0%	67%	17%	17%
Negotiation and Influence	50%	33%	17%	50%	50%	0%	57%	29%	14%	83%	0%	17%
Process Orientation	83%	17%	0%	90%	10%	0%	57%	14%	29%	83%	17%	0%
Stakeholder Management	50%	25%	25%	10%	50%	40%	57%	14%	29%	33%	67%	0%
Team Management	50%	33%	17%	50%	40%	10%	14%	71%	14%	50%	33%	17%
Strategic Thinking	17%	50%	33%	20%	10%	70%	0%	57%	43%	17%	67%	17%
Numerical Ability	8%	67%	25%	20%	10%	70%	29%	14%	57%	0%	50%	50%
Communication (English Proficiency)	33%	25%	42%	30%	30%	40%	43%	0%	57%	50%	17%	33%
Data Analysis	42%	33%	25%	40%	10%	50%	43%	29%	29%	33%	0%	67%
Demand Planning and Forecasting	0%	25%	75%	0%	40%	60%	0%	0%	100%	0%	17%	83%
Commercial Acumen	33%	25%	42%	20%	40%	40%	0%	57%	43%	33%	50%	17%

■ Highlighting top zone in the respective competency  
■ Highlighting bottom zone in the respective competency

# Articulating your skills

**SKILLS FRAMEWORK FOR ICT**

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MAIN VIEW

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TRACKS

- DATA
- INFRASTRUCTURE
- PROFESSIONAL SERVICES

### Enterprise Architecture

*Operationalise a business strategy on the planning and development of business structures and models to facilitate the evolution of a business to its desired future state. This involves the review and prioritisation of market trends, evaluation of alternative strategies, as well as the strategic evaluation and utilisation of enterprise capability and technology to support business requirements*

**Proficiency Level 4**

Articulate impact of trends and alternative strategies on enterprise architecture and support

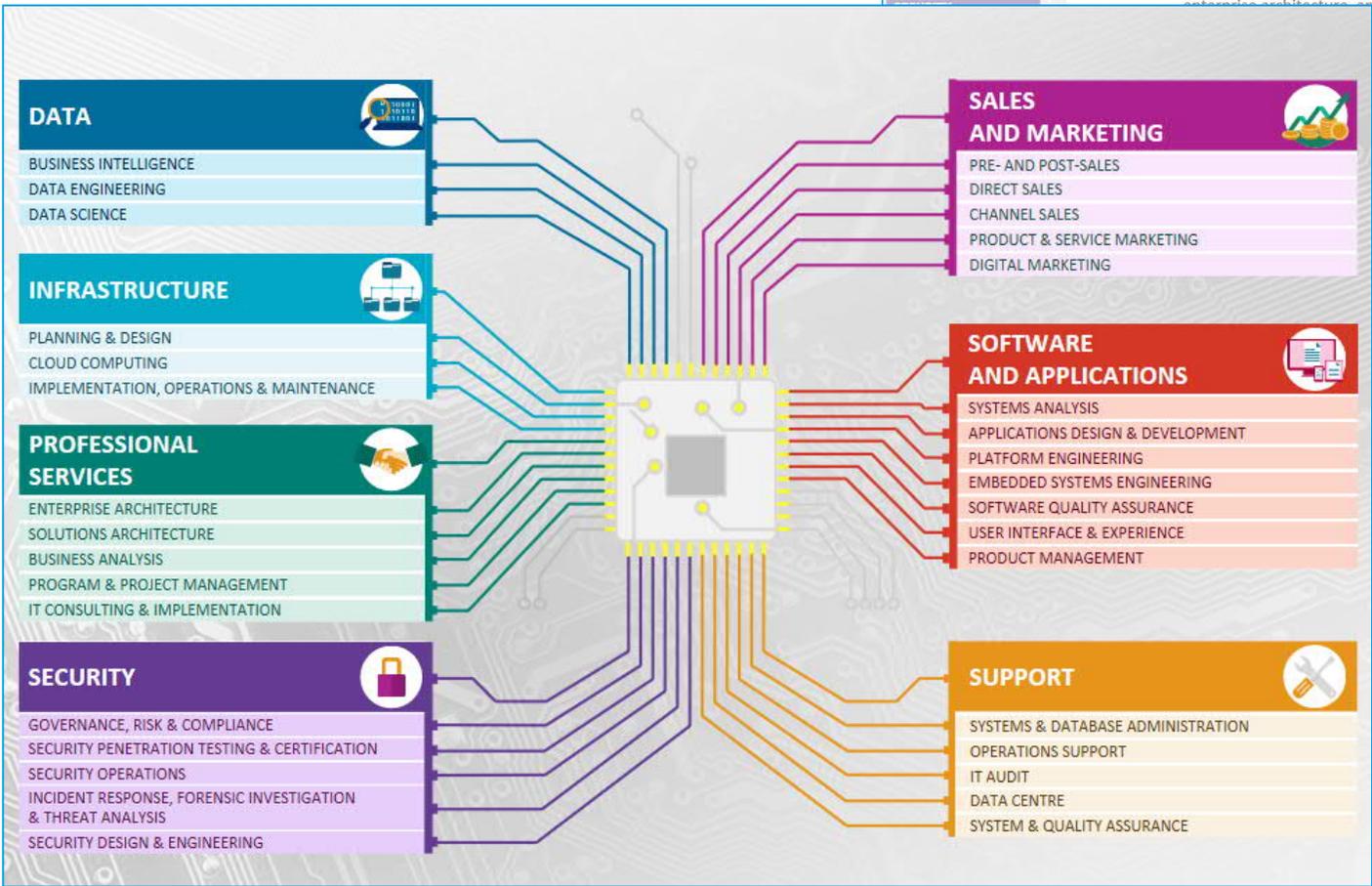
**Proficiency Level 5**

Design business architecture blueprint and frameworks to achieve the desired future state, and attain enterprise resources to facilitate the transition.

**Proficiency Level 6**

Envision and lead the development of a future-ready enterprise architecture, and strategically manage resources and capabilities to sustain the evolution of the business.

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# Enabling skills transfer across your business – through career paths

**Explore Paths** ? INFO

[Career Journeys](#)
[My View](#)
[Organization View](#)
[Reporting Lines](#)

Search for roles or people in your organization

### Find a Journey

Enter any two roles and we'll try find you a Career Journey between them.

Start:  Target role:

### Product Specialist - Sales → Cross Sales Specialist, Senior

COMPARE THESE TWO ROLES

*For a Product Specialist - Sales becoming a Cross Sales Specialist, Senior*

	#4 TRANSFERABLE	#18 LEVEL UPS
<b>FUNCTIONAL COMPETENCIES</b>	Product Development Strategy and Influence <input type="text" value="..."/> 	Cross-Selling <input type="text" value="..."/>  Sales Tasks and Activities <input type="text" value="..."/>  Sales Forecasting <input type="text" value="..."/>  <a href="#">+5 more</a>
<b>FOUNDATIONAL COMPETENCIES</b>	Creativity <input type="text" value="..."/>  Teamwork <input type="text" value="..."/>  Products and Services <input type="text" value="..."/> 	Problem Solving <input type="text" value="..."/>  Interpersonal Relationships <input type="text" value="..."/>  Business Acumen <span style="color: red;">🔥 IN DEMAND</span> <input type="text" value="..."/>  <a href="#">+7 more</a>

### Need some ideas?

Let our machines do the hard work and see where your career could lead!

Product Specialist - Sales

- In 2 moves** → Online Sales Manager
- In 2 moves** → Sales Manager, Region
- In 2 moves** → Account Manager
- In 3 moves** → **Wildcard!** Cash Manager

# Linking reward to skills

## Cost Accounting - Senior Professional (P3)

Cost Accounting is a specialized area of internal management accounting focused on allocating and analyzing costs including: •Allocating direct and indirect costs to products and services •Analyzing historical costs (materials, labor, equipment depreciation, repairs, assembly, operating costs, etc.) •Developing variance analysis reports comparing actual to budgeted costs •Pricing new products or services by developing unit costs and projecting expenses A Senior Professional (P3) applies advanced knowledge of job area typically obtained through advanced education and work experience. Responsibilities may include: • Managing projects / processes, working independently with limited supervision. • Coaching and reviewing the work of lower level professionals. • Problems faced are difficult and sometimes complex.

### 2. Select the desired skill with the biggest impact on salary (Percent Difference).

Skill	Percent Difference	Prevalance
FIN 48	11.1%	12%
Mergers and Acquisitions	8.1%	10%
Derivatives	6.3%	10%
Risk Assessment	6.3%	8%
Corporate Accounting	5.7%	18%
<b>Fund Accounting</b>	4.9%	23%
Accounting Regulations	4.6%	24%
Quality Management	4.6%	11%
Corporate Finance	4.3%	11%
Business Development	4.3%	12%
Sales	3.5%	8%
Strategic Planning	3.3%	13%
Sarbanes-Oxley (SOX)	3.1%	19%
Business Management	3.0%	16%
Capital Markets	2.9%	13%
Staff Management	2.8%	21%

### RESULT: Impact of selected skill on compensation data.

All Data Base Salary for Baseline Job

Skill Differential

Median  
\$82,002

Median  
\$3,981

### Skills Adjusted Base Compensation



# Talent Sharing

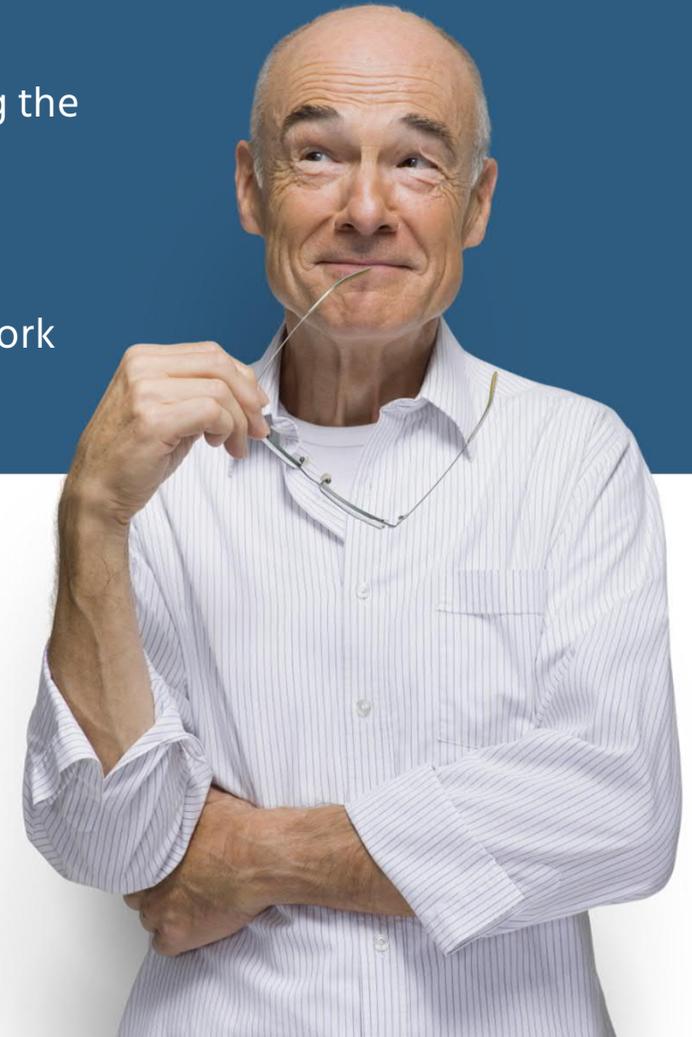


# Why employers explored temporary talent sharing during the pandemic

- ✓ Urgently addressed COVID-19 related workforce challenges, including the need to adjust production/capacity and/or to control labor costs
- ✓ Positively impacted the local community by addressing labor supply/demand of essential services
- ✓ Supported employees by providing opportunities for employees to work and earn during downturn



- A portion of **Employer A's** employees works for **Employer B** for a period of time
- Employees return to work at **Employer A** with minimal disruption
- **Employer B** does not have to terminate employees when demand normalizes

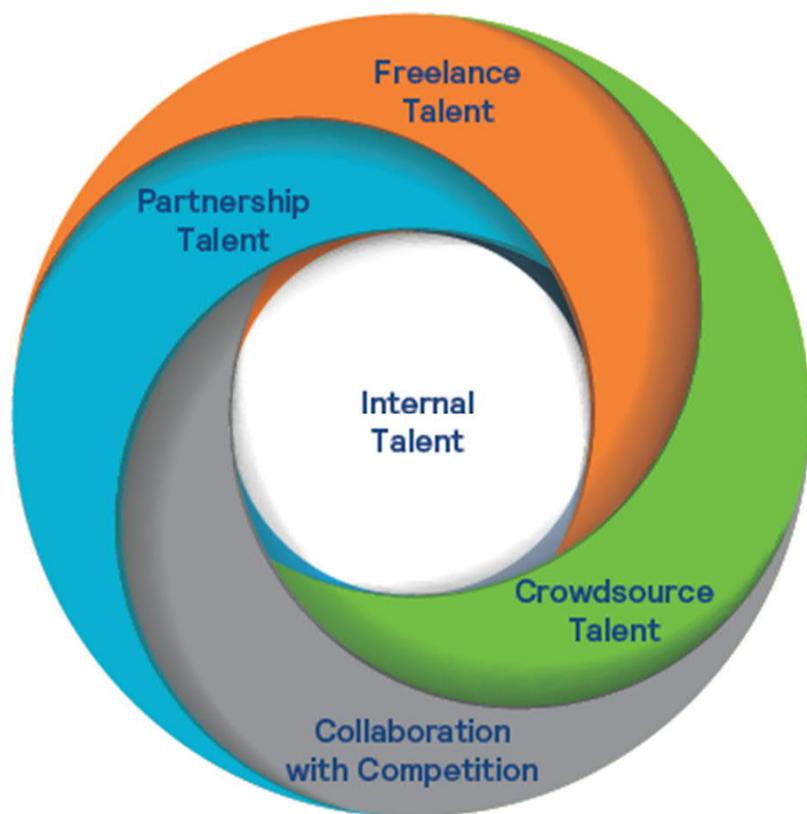


# Temporary Talent Sharing addresses a labor supply and demand dynamic that has been amplified by the pandemic

The need to optimize workforce capacity in a nimble and agile manner has accelerated due to COVID-19, but won't disappear all together afterwards.



# Talent ecosystems – has its time come?



## ROADMAP FOR DEVELOPING YOUR TALENT ECOSYSTEM

1. MAP YOUR CRITICAL CAPABILITY REQUIREMENTS AS AN ORGANISATION AND BY FUNCTION/DOMAIN
2. IDENTIFY THE ELEMENTS OF THESE CAPABILITIES THAT YOU NEED TO MANAGE AND DEVELOP IN-HOUSE AND WHICH CAPABILITY AREAS NEED TO BE COMPLEMENTED THROUGH OUTSIDE PARTNERS
3. IDENTIFY PARTNERS THAT WOULD COMPLEMENT SPECIFIC SKILLS AREAS TO GIVE YOU THE REQUIRED COMPETITIVE ADVANTAGE
4. DEVELOP AN ENGAGEMENT PLAN WITH THESE PARTNERS, BOTH AS AN ORGANISATION AND BY FUNCTION/ DOMAIN
5. ENABLE YOUR INTERNAL LEADERS AND BROADER WORKFORCE TO MANAGE AND MAXIMISE THESE PARTNERSHIPS
6. CONTINUOUSLY REVIEW HOW THE EFFECTIVENESS AND VALUE CCREATION OF THESE PARTNERSHIPS FOR YOUR ORGANISATION, AND ADAPT AS REQUIRED

# Outplacement



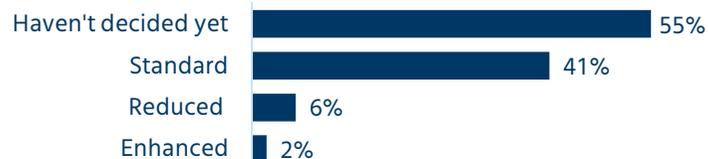
# Outplacement today



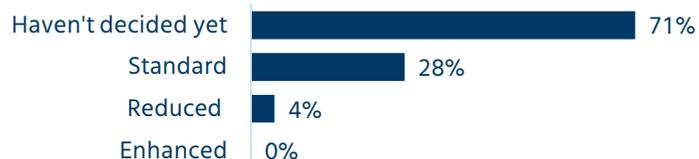
**1 in 3 employers** are considering layoffs in the next 60 days...

But the details are still being worked out

## Severance



## Outplacement



Source: Mercer's COVID-19 US Employer Actions Live Survey, Effective April 6, 2020; based on 334 respondents

## 58% of employers are frustrated with traditional outplacement services:



**Traditional outplacement service is expensive**



**Access is limited to 9 to 5 from an office building**



**Typically available for a limited time to select few**

Source: Mercer's 2018 Outplacement Survey

# Mercer's approach



## Empathetic

Outplacement for all levels, for a length of time that is sufficient help them get back on their feet.



## Embracing

Provide 1:1 virtual coaching to help employees connect and get "screen to face" support amidst lockdowns and quarantines.



## Enriching

Career coaches and skill assessments to help employees be ready to present the best of themselves for the right job based on skills.



## Efficient

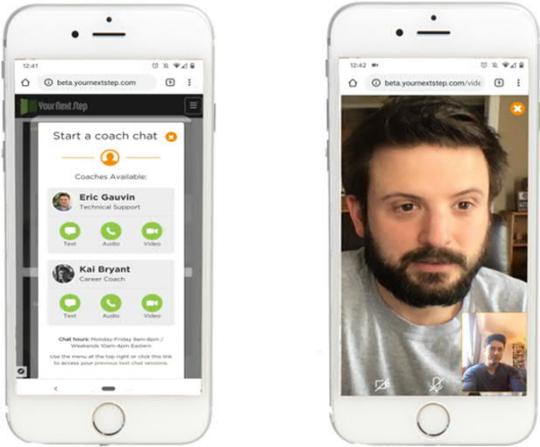
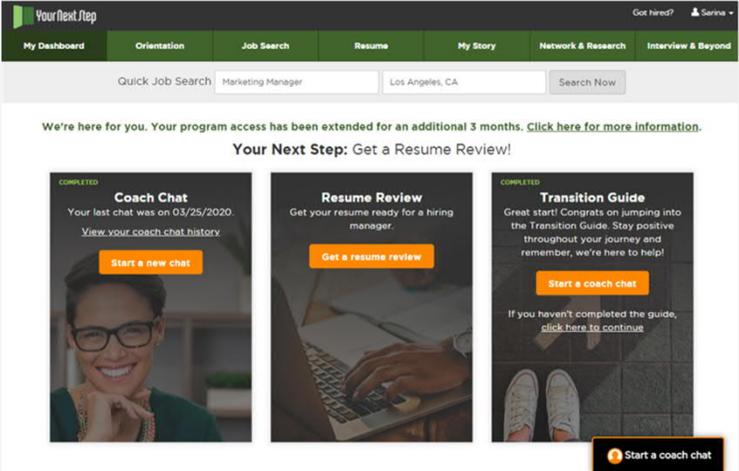
Access to a 24/7 digital solution with immediate access to coaches and push notifications for job matches.

# Full service virtual outplacement

Digital Outplacement Platform



Superior Virtual Career Coaches



= Results for impacted employees and their organizations

**2.5x**  
REDUCTION IN  
TIME TO FIND A  
NEW JOB

**30% to 50%**  
OF THE COST VS.  
TRADITIONAL  
PROVIDERS

**100%**  
EMPLOYEE ACCESS IN  
2 BUSINESS DAYS

**6 month**  
MINIMUM  
ACCESS

**↑**  
SOCIAL BRAND  
+ ENGAGEMENT

# How to get more creative with outplacement?

PEOPLE IMPACT >

FILTERS **5 Years** All Technologies All Org Units All Locations More

## Job Corridor

Identify target jobs and re-skilling pathways to transition automatable workers within your workforce.

FTE % Internal All i

**Step 1 Select the current job**

CURRENT JOB	FTE AT RISK
Retail Salespersons	4043.3
Cashiers	2910.6
Light Truck or Delivery Services Drivers	570.7
First-Line Supervisors of Retail Sales Workers	516.2
Shipping, Receiving, and Traffic Clerks	504.8
Marketing Clerks	457.1

**Step 2 Select the target job**

TARGET JOB	PIVOT SCORE
Merchandise Displayers and Window Trimmers	91.4
Floral Designers	86.0
Logistics Engineers	86.0
First-Line Supervisors of Personal Service Workers	84.5
Retail Salespersons	78.5
Spa Managers	57.8

**Step 3 Explore the gap in job attributes required to pivot between at risk jobs and more secure jobs.**

**Skills** Knowledge Abilities Activities Context Style

Skills are developed capacities that facilitate learning and performing the activities of a job.

◆ Current Level ■ Skill Gap ● Target Level

Critical Thinking 0 20 40 60 80 100

## Parting thoughts

### Impact of workforce restructuring on workforce diversity

Workforces shrink

Talent flows slow

Off-shoring increases

Unemployment rises



Women leave more than men

BAME and gender goals at risk

Virtual “migration” more prevalent

Older workers lost permanently

Younger workers struggle to enter

Q&A

# Ways Mercer can help clients

## FUTURE WEBINARS

### Sustainable organisation: Implementing more responsible employment practices

05/08/2020

1 – 2pm BST

## TALENT SHARING



### Employer perspective

- Should my employer explore Temporary Talent Sharing?
- What type of employer would make a good talent “match”?
- Are there risks involved, and how do I mitigate them?
- Is this a long-term solution as a new way to source and retain talent?



### Employee perspective

- What happens to employee benefits and pensions?
- How do I communicate this?
- How do I keep my employees energized and engaged?
- What happens at the end of the share?
- What type of training will be needed and how is that delivered?

## RESKILLING WORKSHOPS

1

**Must win battles:** What are the opportunities for business acceleration through skills?

2

**Maturity assessment:** Which building blocks for the evolution of skills are in place? What is the current state?

3

**Define the ambition** via a problem statement and identify the critical issues to address in the framework

4

**Road map:** Identify the actions required. What practical changes are needed to deliver the ambition?

5

**Prioritisation:** What is the sequence of action and immediate next steps?

# Thank you for joining!



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