

HEALTH WEALTH CAREER

MERCER GLOBAL TALENT TRENDS STUDY 2017

EMPOWERMENT
IN A DISRUPTED WORLD



MAKE TOMORROW, TODAY



*Digitalization, business model disruption, automation, and AI
are accelerating the evolution of work*

while the nature of “a worker” is experiencing its own revolution

What can we expect in 2017?

OUR SPEAKERS TODAY



KATE BRAVERY

Global Practices
Leader



NATALIE JACQUEMIN

Talent Strategy
Practice Leader,
Europe



DAVID WREFORD

Workforce Rewards
Practice Leader,
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Employee Engagement
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IMPENDING WORKPLACE DISRUPTION

AUTOMATION/ROBOTICS

MACHINE LEARNING

GLOBALIZATION

3D PRINTING

DIGITALIZATION



A NEW SOCIO-DEMOGRAPHIC STRUCTURE



LONGEVITY

MULTICULTURALISM

ADVANCES IN FERTILITY

RISE OF THE FREE AGENT

DIGITAL SOCIAL WORLD

RESPONDING TO THE NEW WORLD ORDER

FUTURE OF JOBS



AN EMPOWERED WORKFORCE

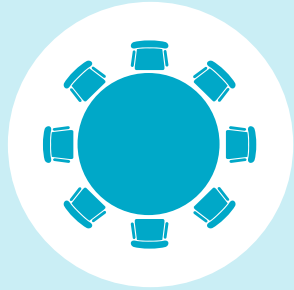
FUTURE OF TALENT



*Help me plan for an unknown future,
while mitigating expense risk*

*Give me a clear path to promotion
and help me thrive at work*

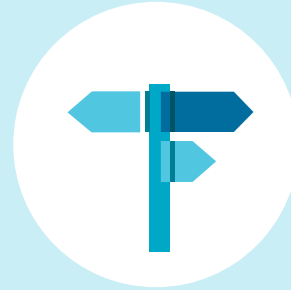
ABOUT MERCER'S 2017 GLOBAL TALENT TRENDS STUDY



400+
executives



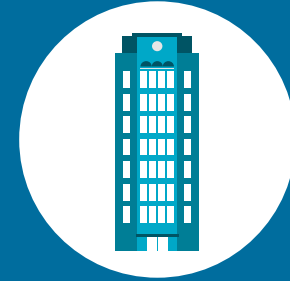
5,400+
employees



1,700+
HR professionals



37 countries



20 industries

Agriculture/Forestry	Insurance/Reinsurance
Automotive	Internet Based Services
Construction	Life Sciences
Consumer Goods	Logistics/Supply Chain
Education	Manufacturing
Energy	Mining
Financial Services	Professional Services
Healthcare	Retail
High Tech	Telecommunications
Hospitality	Utilities

MACRO TRENDS IMPACTING THE WORLD OF WORK

WHAT ARE EXECUTIVES MOST CONCERNED ABOUT?



DISRUPTION ON THE HORIZON

Change in labor regulations

Strength of emerging market economies

Change in border control

FORECAST OF TALENT SUPPLY

Sufficient/
Oversupply

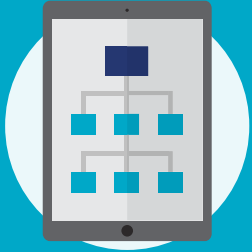
- Administration
- Finance
- Legal

Undersupply

Executives see the leadership shortfall more acutely than HR – making this the **No.1 skill gap** for them

- IT Technology
- Core Operations / Service Delivery
- Leadership**
- Marketing
- Sales

MERCER TALENT TRENDS 2017: KEY FINDINGS



GROWTH BY DESIGN



A SHIFT IN WHAT WE VALUE



A WORKPLACE FOR ME

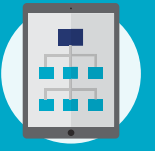


THE QUEST FOR INSIGHT

**ATTRACTING
& RETAINING
TOMORROW'S TALENT**

**BUILDING FOR
AN UNKNOWN FUTURE**

**CULTIVATING A
THRIVING WORKFORCE**



DISRUPTION ON THE HORIZON

INTERNET OF THINGS

DIGITALIZATION

Business model disruption

New ways of working

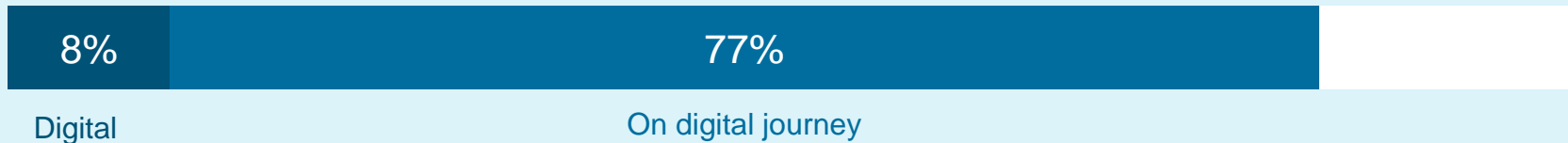
MACHINE LEARNING

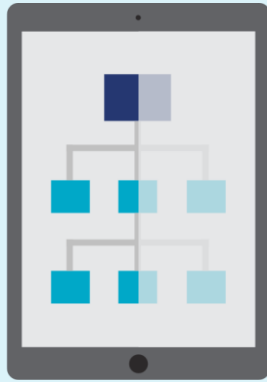
Value creation opportunities



*A more symbiotic relationship
between man and machine will emerge*

ORGANIZATIONS CONSIDERING THEMSELVES DIGITAL TODAY



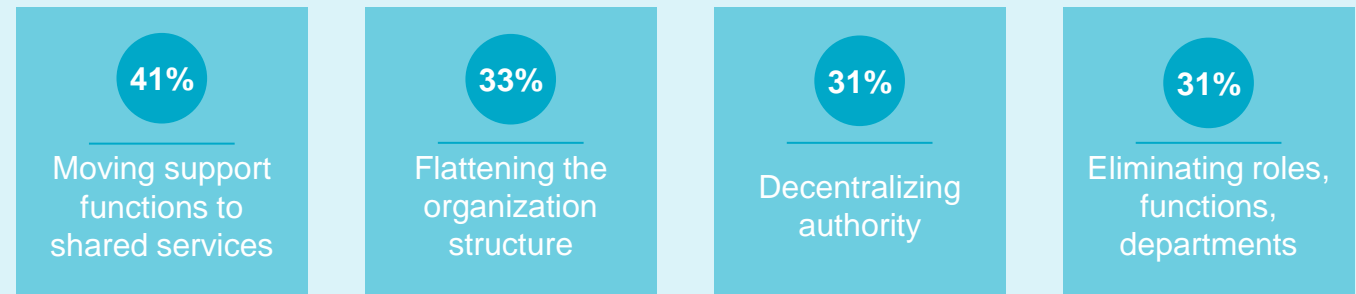


93%

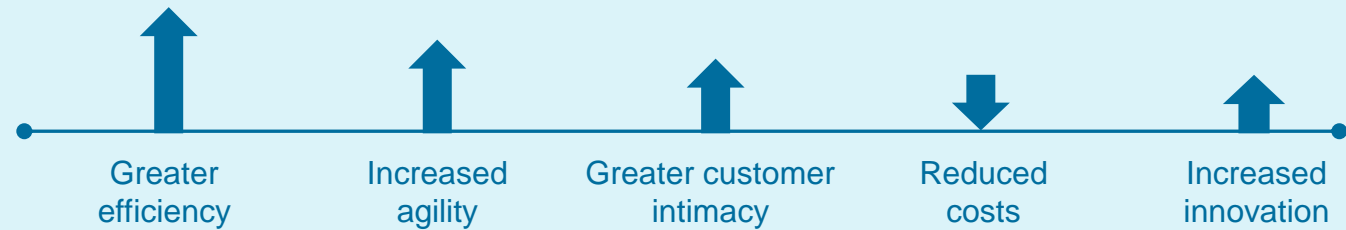
of executives are
planning a redesign in
the next 2 years

ORG. REDESIGN BEING PROPOSED

C-suite: How are you planning to change your organization design over the next two years?



WHAT IS DRIVING THIS CHANGE?



GROWTH BY DESIGN: WHAT DOES THIS MEAN FOR JOBS?



IMPLICATIONS FOR THE FUTURE OF JOBS

HR: How do you anticipate jobs changing in the next 3 years?

High value jobs focused on design and innovation

Broader span of control for management

More focus on sales & delivery, less on management

Salaried workforce will be confined to management



HOW COMPANIES ARE REDEFINING THE LANDSCAPE

1. Establishing a consistent **job architecture** aligned with the new structure
2. Evaluating **who can do jobs** (employee, contingent, robotics, algorithms)
3. Increasing **differentiation in the leadership roles** that exist
4. Using science to **value emerging roles** and define reward eligibility
5. Quantifying work in terms of **experiences** with jobs as anchor points

A SHIFT IN WHAT WE VALUE



2016
focus on learning

2017
pay and opportunity
for promotion

A COMPELLING CAREER PROPOSITION

RESPONSIBLE
LEADERSHIP

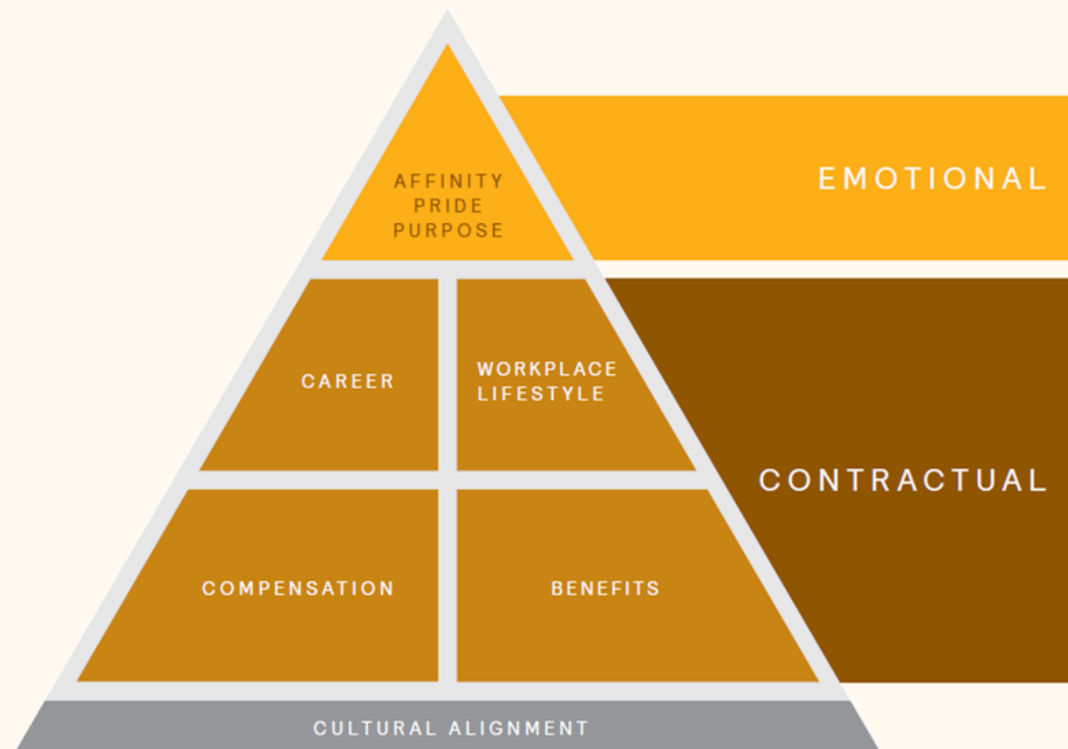
PAY DISCLOSURE
& TRANSPARENCY

UNCERTAINTY
AND VOLATILITY



FORCES OF CHANGE

A SHIFT IN WHAT WE VALUE



83% of companies plan to make changes to increase transparency of executive pay



97% of employees want to be recognized and rewarded for a wide range of contributions

WHAT WOULD MAKE A POSITIVE IMPACT ON YOUR WORK SITUATION?

1. Compensation that is fair & market competitive

2. Opportunity to get promoted

3. Leaders who set clear direction

4. Working with the best & brightest

5. Transparency on pay calculations

6. Career path information

7. More flexible work options

A SHIFT IN WHAT WE VALUE



WHAT EMPLOYEES WANT



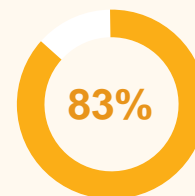
CLEAR PERFORMANCE RATINGS

COMPARE PERFORMANCE TO PEERS

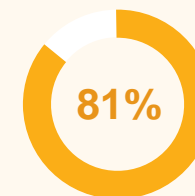
CREATE TEAM GOALS TO PROMOTE COLLABORATION

ADDITIONAL BENEFITS FOR HIGH PERFORMERS

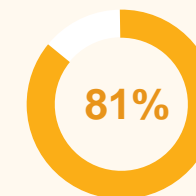
WHAT'S HAPPENING WITH PERFORMANCE MANAGEMENT?



Changes to goal cascade or calibration



Introduction of continuous feedback



Shift of focus to careers and future contribution

TO RATE OR NOT TO RATE

28% of companies eliminated ratings last year

About **30%** added or removed forced rankings in 2016, but **39%** of those are planning to reverse their decision in 2017

Just 14% have disconnected base salary adjustments with performance metrics

A WORKPLACE FOR ME

VOICE OF
THE EMPLOYEE:

"Help me invest in myself"



CARING FOR MY HEALTH

53% of employees want their company to focus more on their health and wellness



STEERING MY CAREER

1 in 3 employees do not feel empowered to create their own career success at work



Me, Inc.



BALANCING MY WORK/LIFE

56% want their company to offer more flexible work options



MANAGING MY MONEY

Mercer research shows that employees spend 13 hours per month worrying about money matters at work

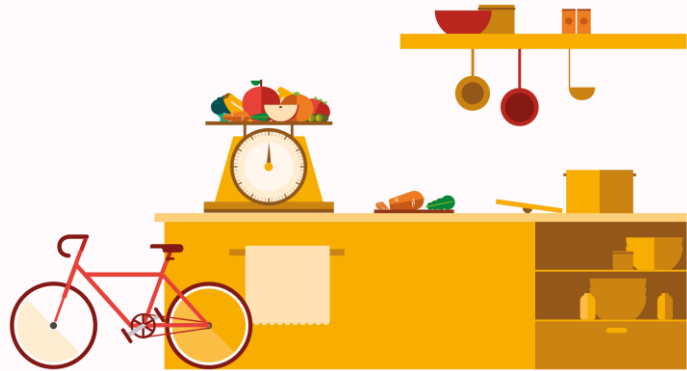


Technology enables individualized choice without adding an undue administrative burden for HR

A WORKPLACE FOR ME: PERSONALIZATION



Employees are seeking ways to
“make work work”
for their individual circumstances



EMPLOYEE PRIORITIES



HEALTH

61%



WEALTH

23%



CAREER

16%

No.1 asks from employees

“Offer more flexible work options”

Canada, Japan, USA

“Enable quick decision making”

Australia and Germany

“Understand my unique interests & skills”

India, Italy, South Africa, UK

“Actively support innovation”

China and Mexico

“Focus on my health and wellness”

Brazil, France, Hong Kong, Singapore

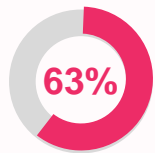
People who felt that they could not achieve their own career success at work want their organization to take more time to get to know their skill sets

A WORKPLACE FOR ME: FLEXIBILITY

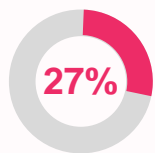


FLEXIBLE WORK ARRANGEMENTS

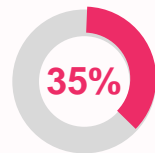
POLICY



AD HOC



CORE EVP



FLEXIBILITY IN PRACTICE



*1 in 3 requested
but turned down*



*1 in 2 concerned
about promotion*

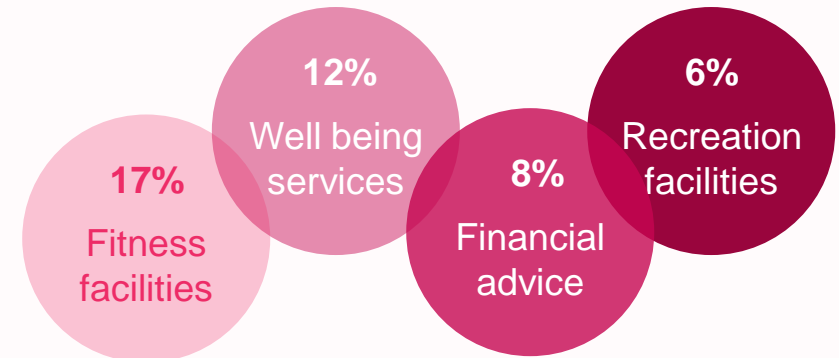
WHAT WOULD MAKE YOU WORK FOR ONE COMPANY OVER ANOTHER?

Top 6



Additional paid holidays
4-day work week
Paid holiday trips
Unlimited paid vacation
Summer Fridays
4yr @ 80%pay
+ 1 year off @ 80% pay

Others

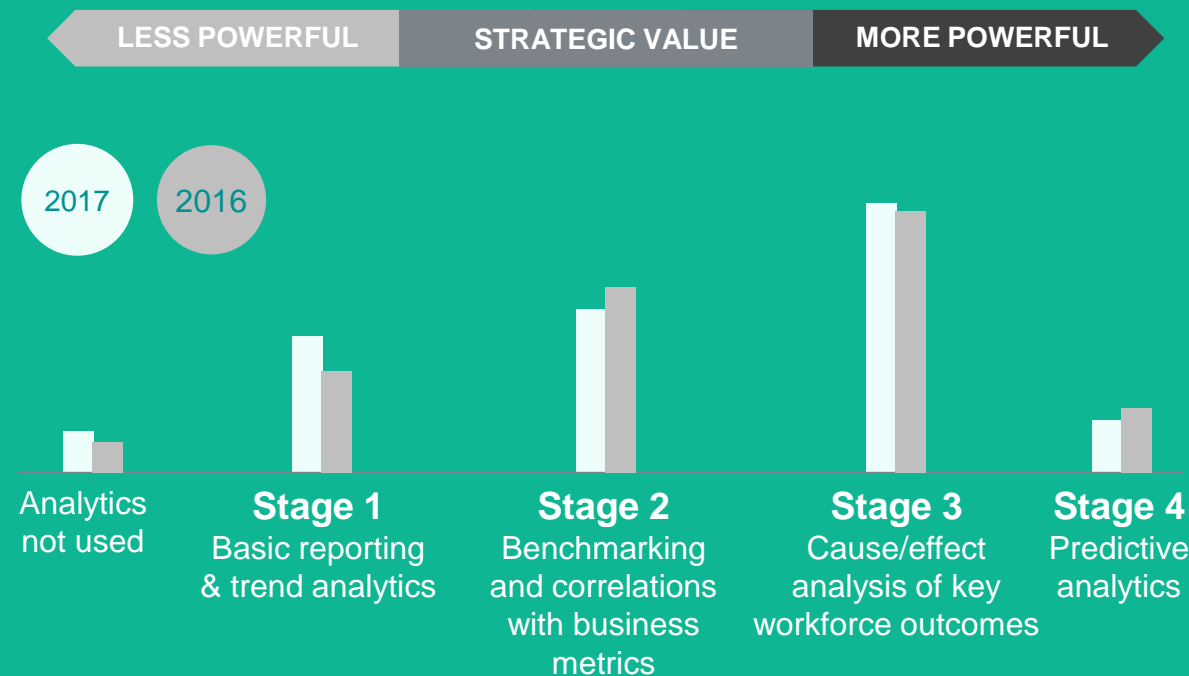


77% would consider working on a contract basis

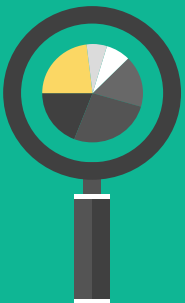


USE OF ANALYTICS IN HR

Same results as 2016
More opportunity for progress



MISMATCH IN TALENT ANALYTICS



EXEC

Most valuable

HR

Analytics used

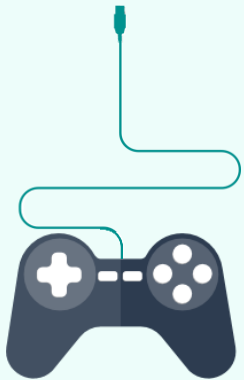
THE QUEST FOR INSIGHT



TALENT DATA

Companies are using the following tools to understand their talent
(% currently using or planning to in 2017)

86%	86%	82%	73%	66%
Personality assessments	Cognitive/ability assessments	Online assessment for culture fit	Virtual assessment centers	Game-based assessments



Over 60%

use innovative learning methods
such as games, mobile enabled apps
and virtual tools to support training
and development initiatives

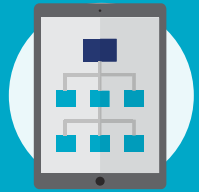
INNOVATIONS

In the quest to open up the pipeline,
games and tools to source qualified talent or
speed up the sifting process have exploded



Social Data
Network Analysis
Cluster Analysis

HR IS THE KEY TO SUCCESS



GROWTH
BY DESIGN



A SHIFT IN
WHAT WE VALUE



A WORKPLACE
FOR ME



THE QUEST
FOR INSIGHT

CRITICAL
SKILLS

DESIGN THINKING
JOB REDESIGN, CHANGE

EVP COMMUNICATION
CAREER FRAMEWORKS

DIGITAL COMPETENCE
PERSONA DEVELOPMENT

TELLING A STORY WITH DATA
PREDICTIVE ANALYTICS

THE FUTURE OF HR

A photograph of three people—two men and one woman—collaborating at a table. The woman on the left has curly hair and wears glasses, smiling as she looks at a document. The man in the center has a beard and is also smiling, looking at the same document. The man on the right is partially visible, looking down at the table. They appear to be in a meeting or workshop setting.

HOW DO YOU WIN IN AN AGE OF DISRUPTION?

ATTRACT & RETAIN
TOMORROWS
TALENT

BUILD FOR
AN UNKNOWN
FUTURE

CULTIVATE
A THRIVING
WORKFORCE

ATTRACT AND RETAIN TOMORROW'S TALENT

Embrace the consumerization of hiring
Treat employees as customers

Align EVP to your DNA & the whole person agenda
Authenticity + personalization = commitment

Lead on responsible rewards, define exciting career pathways, and take risks on non-traditional talent



BUILD FOR AN UNKNOWN FUTURE

Quantify future-focused capability gaps and amplify impact through integrated people planning

Mitigate risk by building a diverse portfolio of skills, sharing knowledge, and encouraging innovation

Improve agility by simplifying decision making, promoting lifelong learning, and improving mobility



CULTIVATE A THRIVING WORKFORCE

Understand talent flows, identify what matters to your talent pools, and address choke points

Build a contribution culture: clarify direction, encourage collaboration, get out of the way

Differentiate your workplace around aspects of flexibility, health, and wellbeing



CULTIVATE A THRIVING WORKFORCE

THRIVING ORGANIZATION

Business Success
Resilient and Adaptive
Positive Social Impact

THRIVING WORKFORCE

Diverse and Energized
Inclusive and Growth Focused
Committed to Health & Wellness

THRIVING EMPLOYEE

Growing and Contributing
Empowered and Connected
Healthy and Energized



QUESTIONS



KATE BRAVERY
Global Practices
Leader



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Employee Engagement & Communication
Practice Leader, UK

QUESTIONS

Please type your questions in the Q&A section of the toolbar and we will do our best to answer as many questions as we have time for.

To submit a question while in full screen mode, use the Q&A button, on the floating panel, on the top of your screen.



CLICK HERE TO ASK A QUESTION
TO “ALL PANELISTS”

POLL: WHICH OF THESE TRENDS & IMPERATIVES WOULD YOU LIKE TO DISCUSS FURTHER / RECEIVE MORE INFORMATION ON?

GROWTH
BY DESIGN

A SHIFT IN
WHAT WE VALUE

A WORKPLACE
FOR ME

THE QUEST
FOR INSIGHT

Attract & Retain
tomorrows talent

Build for an
uncertain future

Cultivate a thriving
workforce

FEEDBACK: Please take the time to fill out the feedback form at the end of this webcast so we can continue to improve. The feedback form will pop-up in a new window when the session ends.

CALL TO ACTION

“I have a dream of organizations that are capable of spontaneous renewal...where an electric current of innovation pulses through every activity...[and] companies actually deserve the passion and creativity of the folks who work there.”

The Future of Management (2007) by **Gary Hamel & Bill Breen**

MAKE



TOMORROW,
TODAY