HEALTH WEALTH CAREER

MERCER GLOBAL TALENT TRENDS STUDY 2017

EMPOWERMENT IN A DISRUPTED WORLD

MAKE TOMORROW, TODAY MERCER

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?

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OUR SPEAKERS TODAY

KATE BRAVERY
Global Practices Leader

GORDON FROST
Partner & Business Leader, Canada

MARY ANN SARDONE
Workforce Rewards Practice Leader, North America

DAN RUBIN
Partner & Business Leader, Central US Market

RHONDA NEWMAN
Communication Practice Leader, North America

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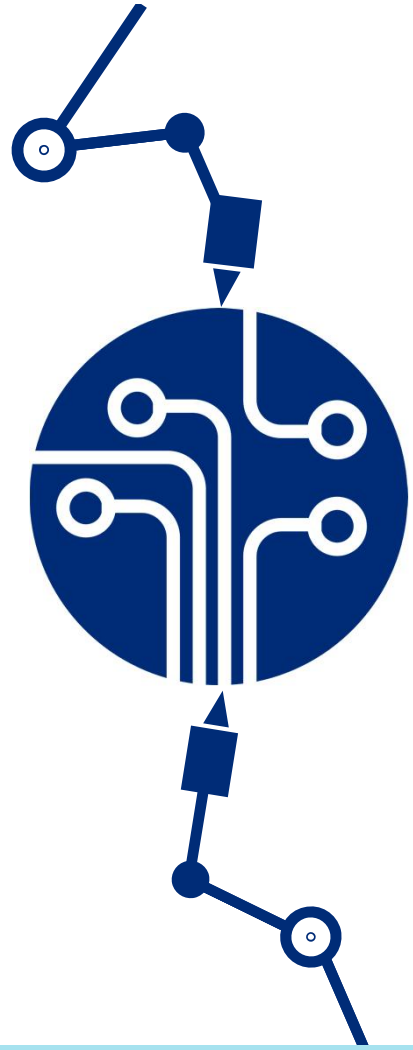
IMPENDING WORKPLACE DISRUPTION

- AUTOMATION/ROBOTICS
- MACHINE LEARNING
- GLOBALIZATION
- 3D PRINTING
- DIGITALIZATION



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A NEW SOCIO-DEMOGRAPHIC STRUCTURE

LONGEVITY

MULTICULTURALISM

ADVANCES IN FERTILITY

RISE OF THE FREE AGENT

DIGITAL SOCIAL WORLD

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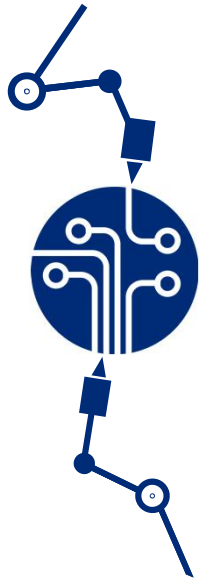
RESPONDING TO THE NEW WORLD ORDER

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

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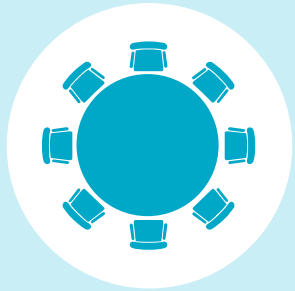
ABOUT MERCER'S 2017 GLOBAL TALENT TRENDS STUDY

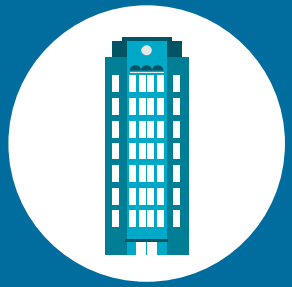


400+
executives

5,400+
employees

1,700+
HR professionals

37 countries



20 industries

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

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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

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

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

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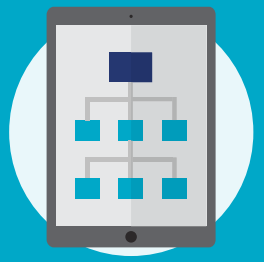
MERCER TALENT TRENDS 2017: KEY FINDINGS



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

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GROWTH BY DESIGN

DISRUPTION ON THE HORIZON

INTERNET OF THINGS

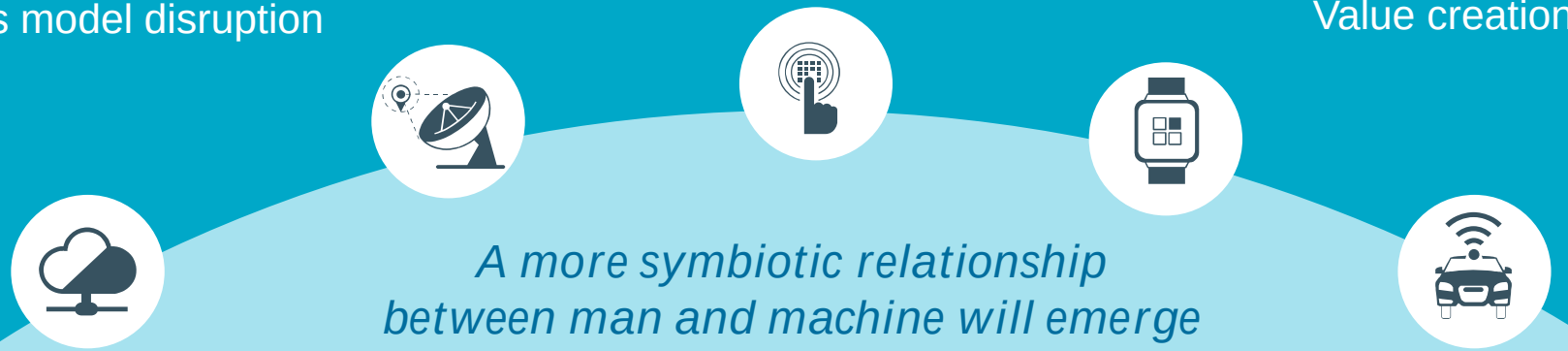
New ways of working

DIGITALIZATION

Business model disruption

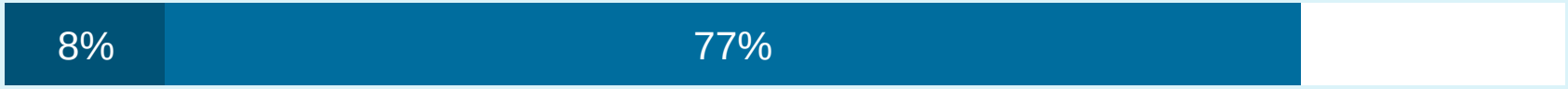
MACHINE LEARNING

Value creation opportunities



A more symbiotic relationship between man and machine will emerge

ORGANIZATIONS CONSIDERING THEMSELVES DIGITAL TODAY



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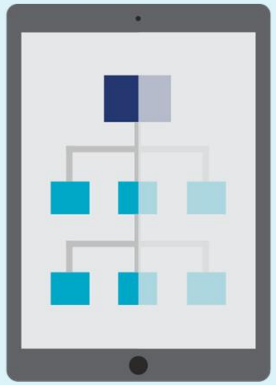
GROWTH BY DESIGN



93%

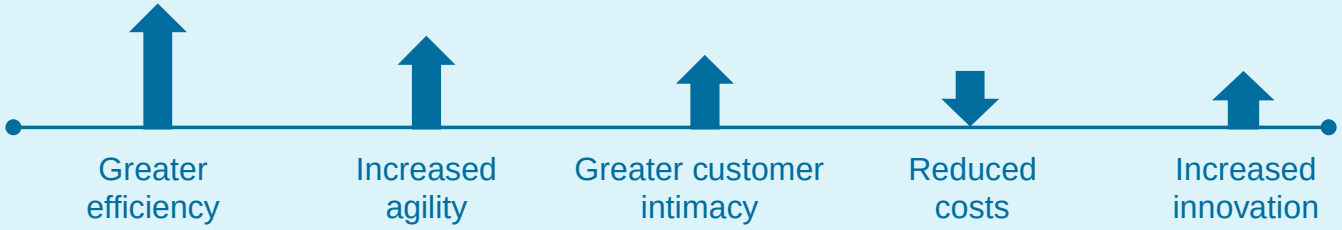
of executives are planning a redesign in the next 2 years

ORG. REDESIGN BEING PROPOSED

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

- **41%** Moving support functions to shared services
- **33%** Flattening the organization structure
- **31%** Decentralizing authority
- **31%** Eliminating roles, functions, departments

WHAT IS DRIVING THIS CHANGE?



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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

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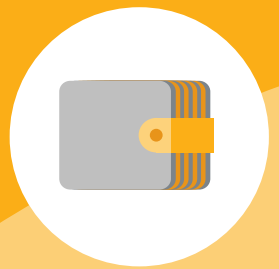
A SHIFT IN WHAT WE VALUE

2016	2017
focus on learning	pay and opportunity for promotion

A COMPELLING CAREER PROPOSITION

RESPONSIBLE LEADERSHIP

PAY DISCLOSURE & TRANSPARENCY



UNCERTAINTY AND VOLATILITY

FORCES OF CHANGE

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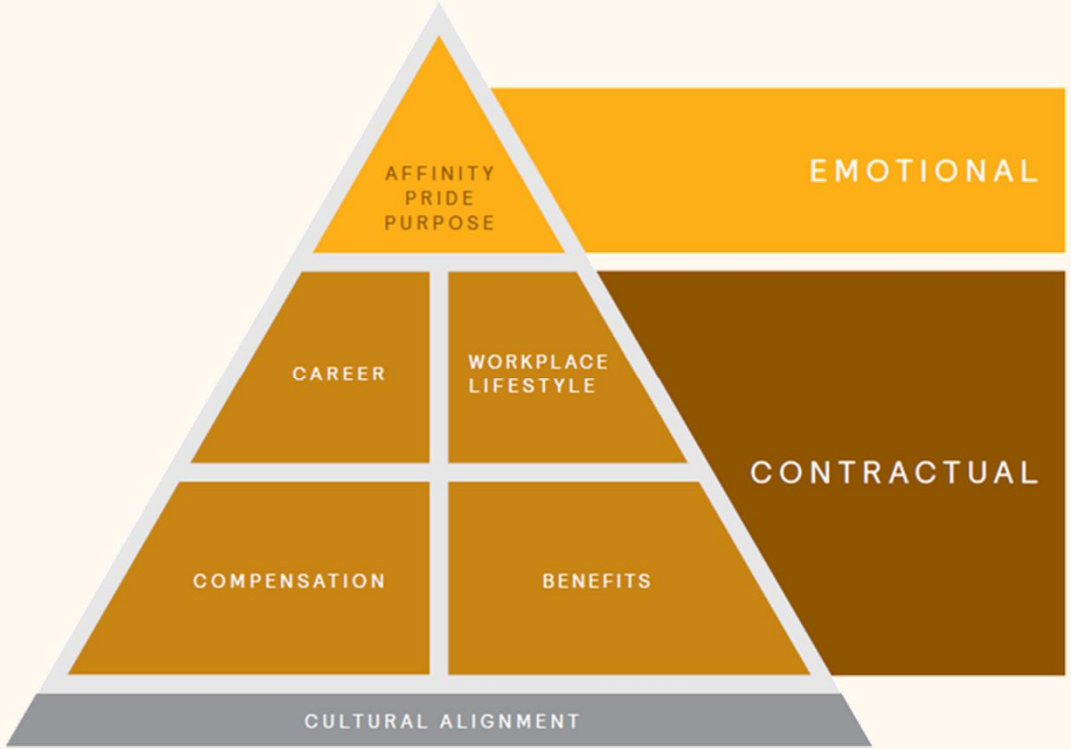
A SHIFT IN WHAT WE VALUE



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

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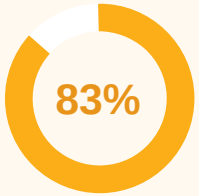
A SHIFT IN WHAT WE VALUE

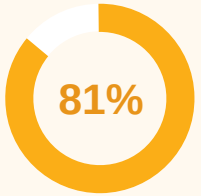
WHAT EMPLOYEES WANT

- CLEAR PERFORMANCE RATINGS
- COMPARE PERFORMANCE TO PEERS
- CREATE TEAM GOALS TO PROMOTE COLLABORATION
- ADDITIONAL BENEFITS FOR HIGH PERFORMERS

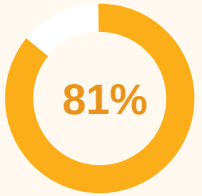
WHAT'S HAPPENING WITH PERFORMANCE MANAGEMENT?



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

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A WORKPLACE FOR ME

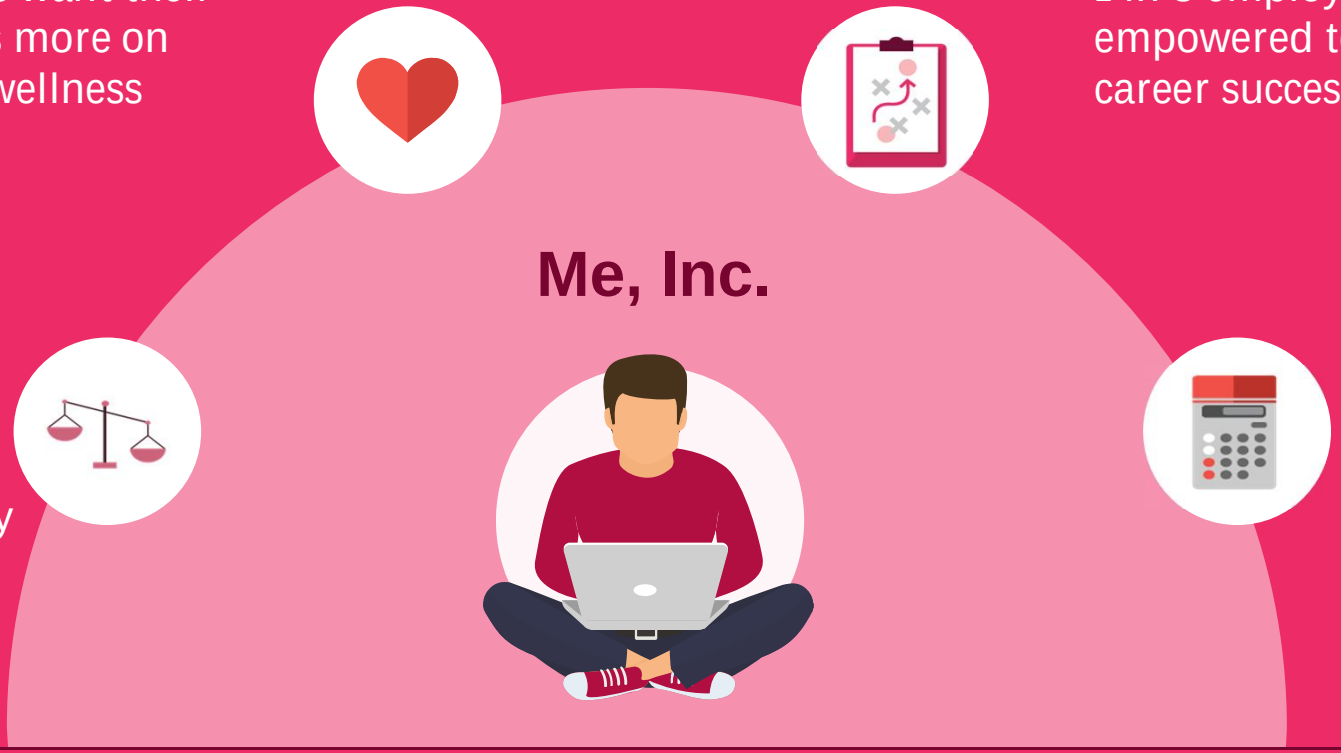
VOICE OF THE EMPLOYEE: *"Help me invest in myself"*

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



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

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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

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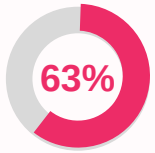
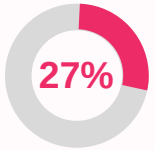
A WORKPLACE FOR ME: FLEXIBILITY

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

Employees want more time off

Additional paid holidays

4-day work week

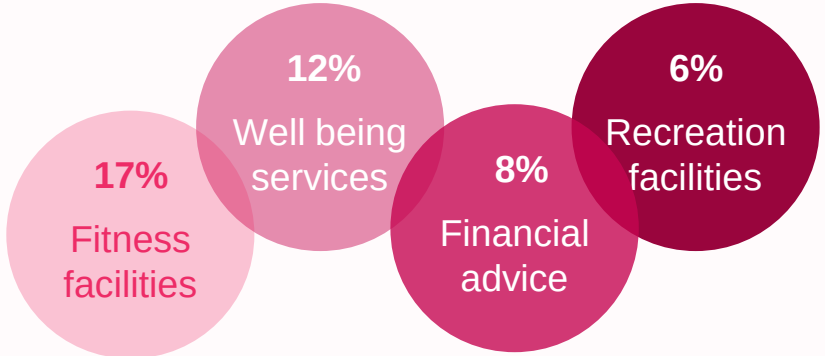
Paid holiday trips

Unlimited paid vacation

Summer Fridays

4yr @ 80%pay
+ 1 year off @ 80% pay

Others



77% would consider working on a contract basis

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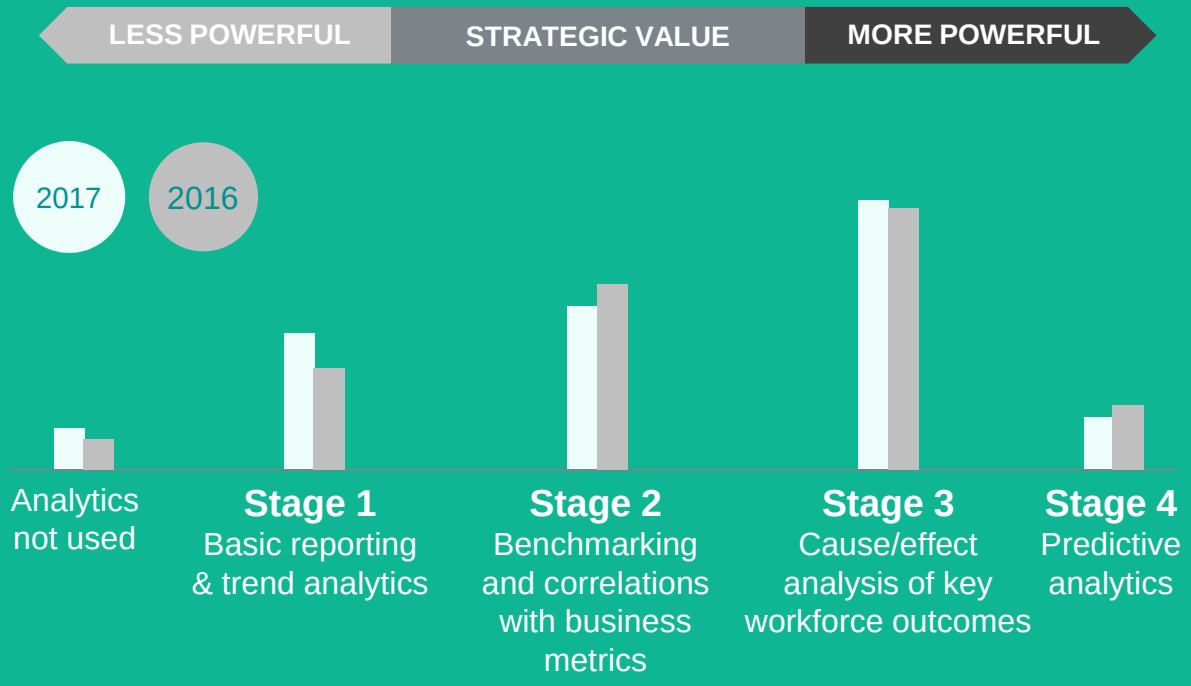
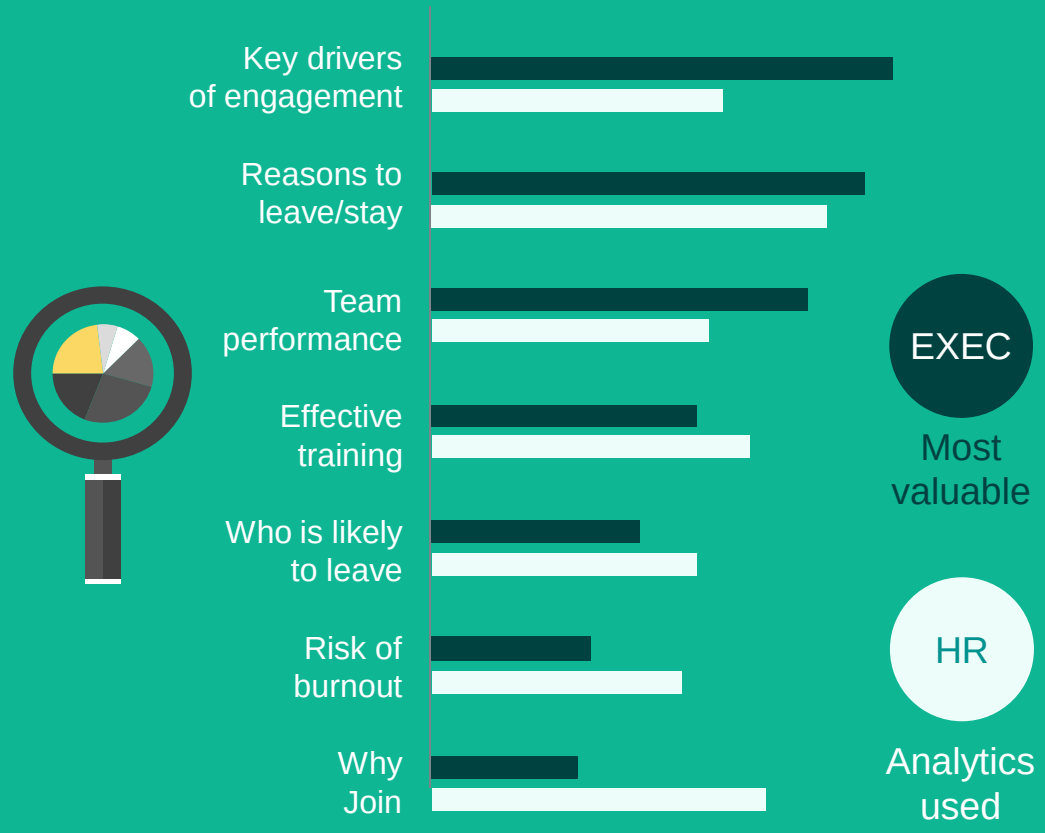
THE QUEST FOR INSIGHT

USE OF ANALYTICS IN HR

Same results as 2016
More opportunity for progress



MISMATCH IN TALENT ANALYTICS



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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

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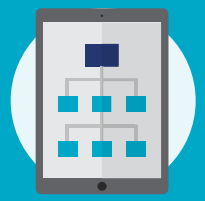
HR IS THE KEY TO SUCCESS



GROWTH BY DESIGN

CRITICAL SKILLS

DESIGN THINKING
JOB REDESIGN, CHANGE

A SHIFT IN WHAT WE VALUE

EVP COMMUNICATION
CAREER FRAMEWORKS

A WORKPLACE FOR ME

DIGITAL COMPETENCE
PERSONA DEVELOPMENT

THE QUEST FOR INSIGHT

TELLING A STORY WITH DATA
PREDICTIVE ANALYTICS

THE FUTURE OF HR

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HOW DO YOU WIN IN AN AGE OF DISRUPTION?

ATTRACT & RETAIN TOMORROW'S TALENT

BUILD FOR AN UNKNOWN FUTURE

CULTIVATE A THRIVING WORKFORCE

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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

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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

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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

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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

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QUESTIONS

KATE BRAVERY
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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?

- **Attract & retain tomorrow's 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.

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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

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