TALENT TRENDS AND PRIORITIES 2016

WEBCAST 27 APRIL
FUTURE-PROOFING HR: BRIDGING THE GAP BETWEEN EMPLOYERS AND EMPLOYEES
TODAY’S SPEAKERS

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WHAT WE’LL COVER TODAY

STUDY CONTEXT & OBJECTIVES

KEY FINDINGS & PRIORITIES

Q & A
ABOUT THE 2016 GLOBAL TALENT TRENDS STUDY

1,730+ HR Leaders
4,500 employees
15 countries

Spanning 11 primary industries

ORGANISATION SIZE

GEOGRAPHY

EMPLOYEE JOB LEVEL

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TEN MAJOR TRENDS
WORKFORCE TRENDS IMPACTING THE TALENT AGENDA IN 2016

- Leveraging a diverse labour pool
- Multi-generational workforce
- Disruptive technology
- Automation & machine learning
- Talent scarcity
- Big data management
- Competition from emerging markets
- Rise of the free agent
- World sourcing
- Flexible working
FIVE PRIORITIES
HOW DO WE ACCELERATE THE TALENT ENGINE?

- Build diverse talent pools
- Embrace the new work equation
- Architect compelling careers
- Simplify talent processes

Redefine the value of HR
WHICH OF THESE FIVE PRIORITIES RESONATES MOST WITH YOUR ORGANISATION? YOUR RESPONSES

34% BUILD DIVERSE TALENT POOLS
7% EMBRACE THE NEW WORK EQUATION
18% ARCHITECT COMPELLING CAREERS
15% SIMPLIFY TALENT PROCESSES
26% REDEFINE THE VALUE OF HR
TOP FIVE TALENT PRIORITIES

BUILD DIVERSE TALENT POOLS

EMBRACE THE NEW WORK EQUATION

ARCHITECT COMPELLING CAREERS

SIMPLIFY TALENT PROCESSES

REDEFINE THE VALUE OF HR
**#1. Build diverse talent pools**

**Organisations**

- **82%** Plan to develop and promote from within
  
  "Our emphasis this year will be on building rather than buying talent"

**Employees**

- **25%** Believe company is doing enough to keep their skills relevant
  
  "My company is failing me on the development front"

**What would improve your work situation?**

- "More/better training"

**How would you rate your manager?**

- "C grade or lower"

**Confident in filling critical roles internally**

- **70%**
  
  - **ONLY 25%** Strongly agree they have robust methods for identifying high potentials

**Companies focused on developing local leaders in emerging economies**

- **62%**
  
  - **BUT LESS THAN 1/3 of employees** Agree their company is actively working towards creating a diverse workforce

**Clear difference between organisational goals and actions**

**Employee experience not aligned with employee needs**
#1. Build Diverse Talent Pools

Talent Ecosystems are the New Normal

Source: Mercer, Talent Ecosystems POV, 2015
The connections in the chain are broken
TOP FIVE TALENT PRIORITIES

- Build Diverse Talent Pools
- Embrace the New Work Equation
- Architect Compelling Careers
- Simplify Talent Processes

Redefine the Value of HR

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#2. EMBRACE THE NEW WORK EQUATION

QUICK POLL: QUESTION

To what extent can employees ‘personalize’ their relationship with the company?

- Not at all
- To a small degree
- Moderately
- To a great extent
#2. EMBRACE THE NEW WORK EQUATION

**ORGANISATIONS**

“Coaching is one of the top 3 in-demand skills for managers in the next 12 months”

- 80% Companies use a **Total Rewards** approach to recognition
- 50% Focusing on **non-monetary recognition** this year
- 66% Companies consider themselves **transparent** with respect to pay information
- 50% Employees say the same

**EMPLOYEES**

“My manager does not provide the tools, coaching and support I need to improve my performance”

- 66% Companies believe that their **flexible work practices** support employee productivity
- 56% Employees permitted a flexible work schedule
- 37% Are able to work virtually

**Individualization & Consumerization**

**Fair & Transparent Rewards**
COMMUNICATE A CLEAR EMPLOYEE VALUE PROPOSITION

Raise employee awareness of programmes and listen for evolving needs
Influence of consumerization on the workplace is shaping expectations

FOCUS ON THE INDIVIDUAL

Managers are at the heart of the equation

Provide managers the tools and resources needed to understand their employees as individuals

Strive for transparency and pay equity
Examine pay parity in the workplace and review reward structures

Help individuals find their niche
Everyone wants to do meaningful work. How this is done and what is most important for ‘meaningfulness’ varies around the world
# 2. EMBRACE THE NEW WORK EQUATION

QUICK POLL: RESPONSES

To what extent can employees ‘personalize’ their relationship with the company?”

- To a great extent
- Moderately
- To a small degree
- Not at all

Quick poll responses visualized:

- Not at all: 0%
- To a small degree: 50%
- Moderately: 30%
- To a great extent: 10%
TOP FIVE TALENT PRIORITIES

- REDEFINE THE VALUE OF HR
  - BUILD DIVERSE TALENT POOLS
  - EMBRACE THE NEW WORK EQUATION
  - ARCHITECT COMPELLING CAREERS
  - SIMPLIFY TALENT PROCESSES
#3. ARCHITECT COMPELLING CAREERS

**Organisations**
- 70% Confident about filling roles internally
  - “Our talent pipeline is strong and we have good processes in place”

**Employees**
- 28% Satisfied in job but plan to leave due to lack of career opportunities
  - “Even though I’m satisfied, I plan to leave in the next 12 months”

- 68% Say that career path information is available
  - **ONLY 53% of employees agree**

- +70% Conduct regular career conversations
  - **ONLY 56% of employees agree**

- 45% Intend to add “stepping stone” roles into their career architecture
  - Career Frameworks are on the HR agenda - but more urgency is needed

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Use real careers to inform paths

Help people uncover their career DNA

MAKE CAREERS FUN!

Define your career philosophy to meet business needs for a ready-now pipeline and employees’ needs to feel they are advancing at the right pace

INSTITUTIONALIZE A CAREER CULTURE
- Define a flexible career framework related to organisational strategy
- Ensure people managers see career development as central to their role
- Develop “manager as coach” skills around holding career conversations

FACILITATE MOVEMENT AND SKILL PROGRESSION

Provide accessible career information through technology-enabled communications
Enable robust assessment to link ambition & aptitude with development & promotion
REDEFINE THE VALUE OF HR

TOP FIVE TALENT PRIORITIES

BUILD DIVERSE TALENT POOLS

EMBRACE THE NEW WORK EQUATION

ARCHITECT COMPELLING CAREERS

SIMPLIFY TALENT PROCESSES
"Our Talent processes need an overhaul"

Over 80% of HR respondents believe change is needed

"Our HR processes fail the test of being simple and efficient"

Only 4% of employees believe their company’s HR processes are state of the art

18% - Our new HCM technology implementation offers an ease of use not available prior to investment

40% - Need additional HCM technology to help integrate data from across the business

86% - Have concrete plans to change their people strategy, talent acquisition, HR technology and performance management processes in 2016

Career Management and Compensation are lesser priorities

50% - Intend to reduce the link between performance ratings and rewards

65% - Performance ratings are important as they help me to know where I stand and encourage me to improve my performance

Managers want processes that require minimal time & effort

Employees want consumer-grade, technology-enabled interactions
#4. SIMPLIFY TALENT PROCESSES

**MERCER INSIGHT**

Evaluate opportunities to reduce duplication, simplify process steps and automate core talent processes.

Focus on purpose, not process, in Performance Management and other processes.

Pace the change – tolerance for process tweaking is wearing thin.

Manage employee communication with the same level of focus as customer interactions.

Leverage technology to stay connected with talent’s needs and interests.

**HR and employees agree**

Talent management programs and policies need an overhaul.

Managing this amount of change will be a challenge for even the most skilled professional.

**RE-ASSESS WHICH PROCESSES ADD VALUE**

Different economic conditions, talent availability and business strategies demand a focus on different processes for successful strategy execution.

- Step back and re-examine key processes with a view to improving talent decision making.
- Build in talent metrics.

**REDECT COMPLEXITY AND FOCUS ON SERVICE OPTIMIZATION**

- Evaluate opportunities to reduce duplication, simplify process steps and automate core talent processes.
- Focus on purpose, not process, in Performance Management and other processes.
- Pace the change – tolerance for process tweaking is wearing thin.

**REIMAGINE THE EMPLOYEE EXPERIENCE THROUGH TALENT PROCESS INTERACTIONS**

- Manage employee communication with the same level of focus as customer interactions.
- Leverage technology to stay connected with talent’s needs and interests.
REDEFINE THE VALUE OF HR

TOP FIVE TALENT PRIORITIES

BUILD DIVERSE TALENT POOLS
EMBRACE THE NEW WORK EQUATION
ARCHITECT COMPELLING CAREERS
SIMPLIFY TALENT PROCESSES

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#5. REDEFINE THE VALUE OF HR

**ORGANISATIONS**

“HR has a long way to go on the strategic business partner journey”

Only 4% of HR professionals say HR is a strategic partner

**EMPLOYEES**

“It’s hard for me to get good answers and information from HR”

Gaps in HR service delivery and lack of key data impacts perceptions of HR

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**Climate of skepticism about the impact of the HR function**

Shift in what businesses value from HR from static HR metrics and review-based processes, towards dynamic HR insights and future focused activity such as workforce planning and career management

**Big Data was one of the top five workforce trends impacting in 2016**

10% of companies have the ability to leverage predictive analytics

Can do ‘cause and effect’ analyses of key workforce trends against business objectives

- Dedicated Analytics function
- Better quality of data and integrated systems
- Skills in handling unstructured data and causal analysis

59%

Technology investment is outpacing spend on HR training and development. The gap is leaving HR ill-equipped.

36%
IN CONCLUSION
**HOW DO WE ACCELERATE THE TALENT ENGINE?**

**BUILD DIVERSE TALENT POOLS**
- Expand the use of analytics to identify talent flow opportunities and pinpoint key drivers of change
- Rethink talent acquisition through innovative sourcing strategies, informed skill matching, and new worker profiles
- Build for tomorrow via experience-based development interventions focusing on diverse population pools and emerging competencies

**EMBRACE THE NEW WORK EQUATION**
- Recognize “one size fits one” and build a growth culture that supports flexibility, development and autonomy
- Create an environment where employees feel valued and have transparency around pay, feedback and progression
- Rethink how managers are incentivized to identify, develop, and export talent

**ARCHITECT COMPPELLING CAREERS**
- Design career frameworks to reconcile the organization’s succession needs & individuals’ expectations of career direction and velocity
- Stimulate talent movement in intentional and systemic ways by making careers fun and focusing on mobility & development programs
- Enable managers to hold meaningful career conversations with their employees

**SIMPLIFY TALENT PROCESSES**
- Challenge existing talent management processes and technology to reduce duplication – aim for short and intuitive
- Align performance management fundamentals with the organization’s business model and rewards philosophy
- Reimagine employee interactions to promote a positive brand experience

**REDEFINE THE VALUE OF HR**
- Reassess how the HR function delivers HR operations, strategic talent insights and the employee experience
- Commit to investing in HR capability building, specifically around analytics, workforce planning and strategic partnering skill
- Establish the vital role of managers and executives in promoting a Talent-driven environment and sponsoring change
Q & A

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”

QUESTIONS

DOWNLOAD STUDY

@Mercer’s #FutureofTalent Study http://ow.ly/10olnb
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