

HEALTH WEALTH CAREER

# TALENT TRENDS AND PRIORITIES 2016

WEBCAST 27 APRIL

MAKE TOMORROW, TODAY  MERCER

# FUTURE-PROOFING HR: BRIDGING THE GAP BETWEEN EMPLOYERS AND EMPLOYEES



# TODAY'S SPEAKERS



**EPHRAIM SPEHRER-PATRICK**  
EuroPac Talent Strategy  
Practice Leader



**NATALIE JACQUEMIN**  
UK Talent Strategy &  
HR Transformation Leader



**DAVID WREFORD**  
Europe Workforce Rewards  
Practice Leader

# WHAT WE'LL COVER TODAY

## STUDY CONTEXT & OBJECTIVES

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## KEY FINDINGS & PRIORITIES

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## Q & A

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# ABOUT THE 2016 GLOBAL TALENT TRENDS STUDY

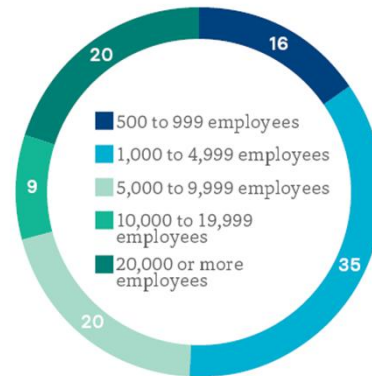
1,730+ HR Leaders

4,500 employees

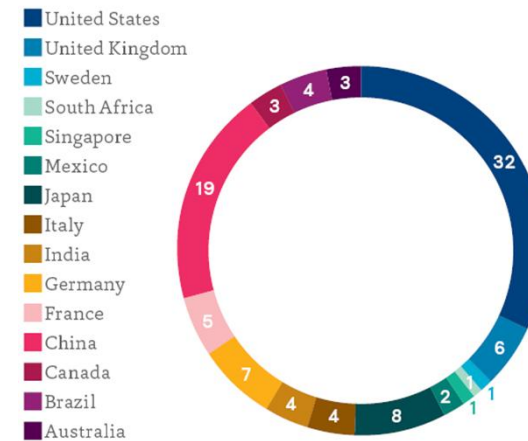
15 countries

Spanning 11  
primary industries

## ORGANISATION SIZE



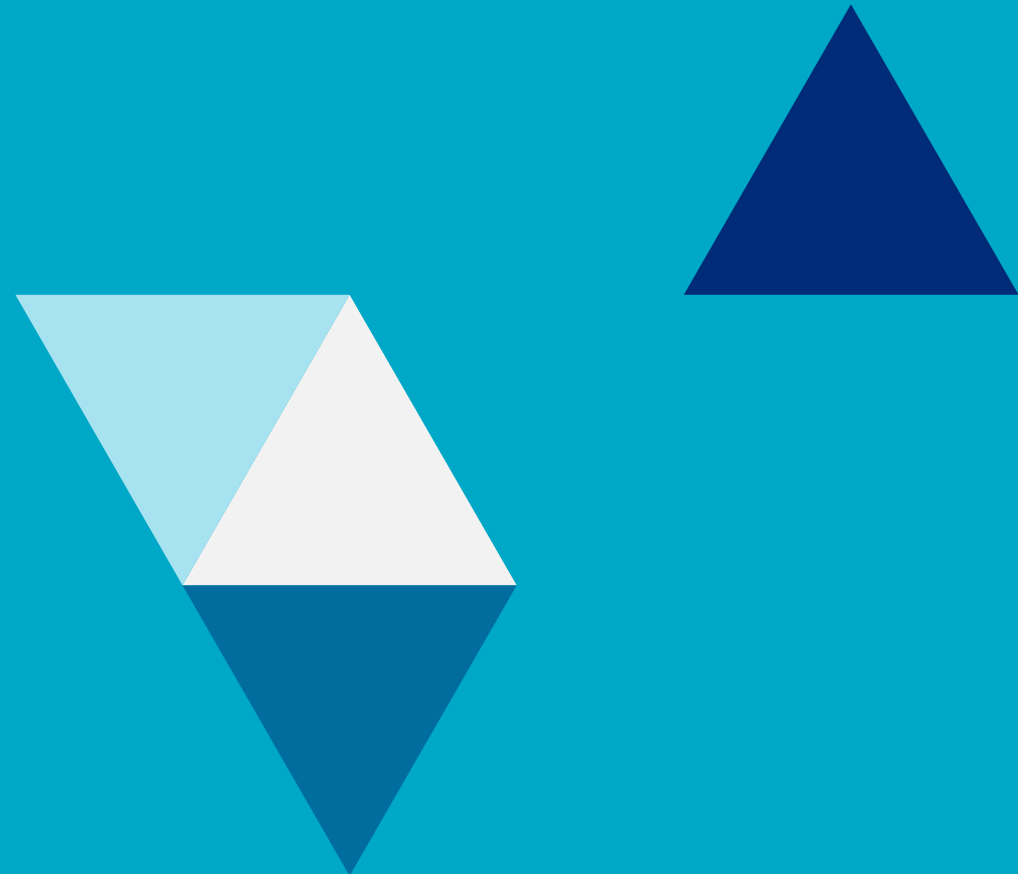
## GEOGRAPHY



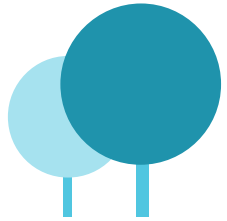
## EMPLOYEE JOB LEVEL



# TEN MAJOR TRENDS



# WORKFORCE TRENDS IMPACTING THE TALENT AGENDA IN 2016



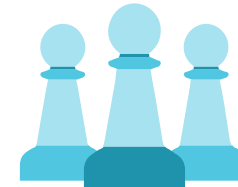
LEVERAGING  
A DIVERSE  
LABOUR POOL

MULTI-  
GENERATIONAL  
WORKFORCE



TALENT  
SCARCITY

COMPETITION  
FROM EMERGING  
MARKETS

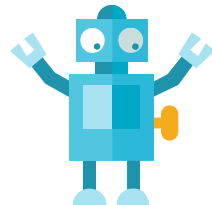


WORLD  
SOURCING



DISRUPTIVE  
TECHNOLOGY

AUTOMATION  
& MACHINE  
LEARNING



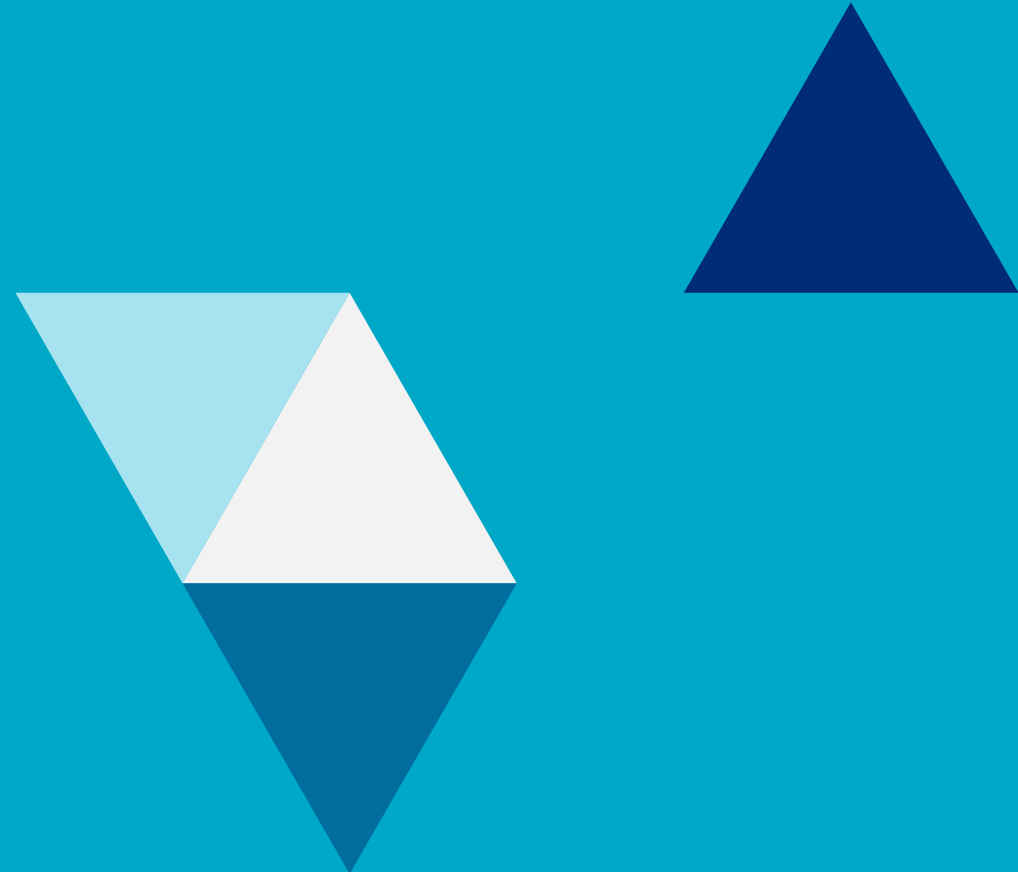
BIG DATA  
MANAGEMENT

RISE OF THE  
FREE AGENT



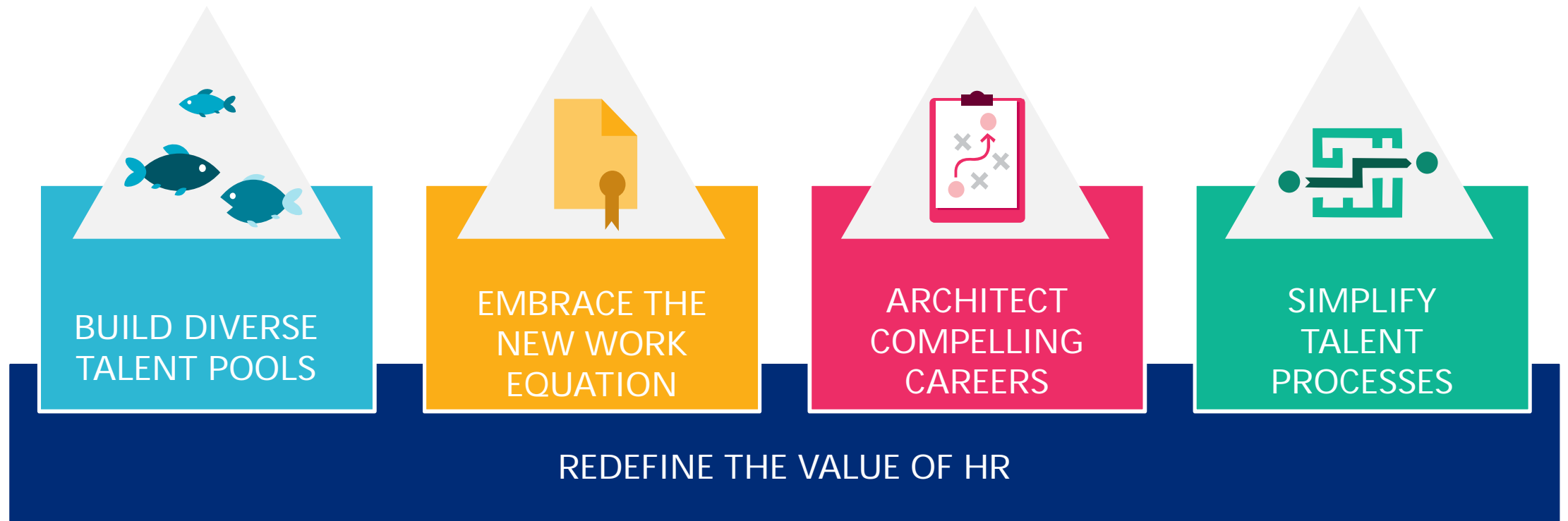
FLEXIBLE  
WORKING

# FIVE PRIORITIES

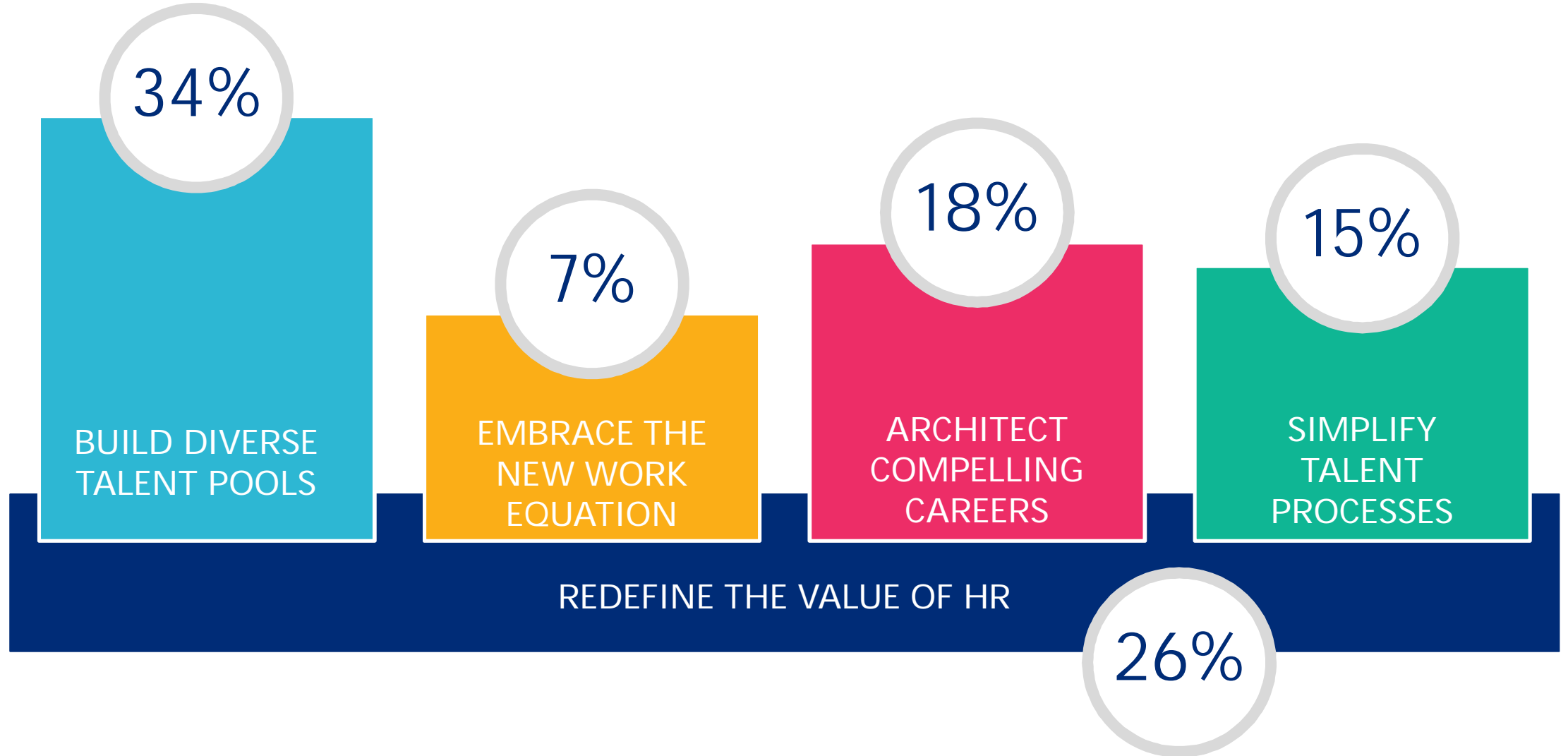




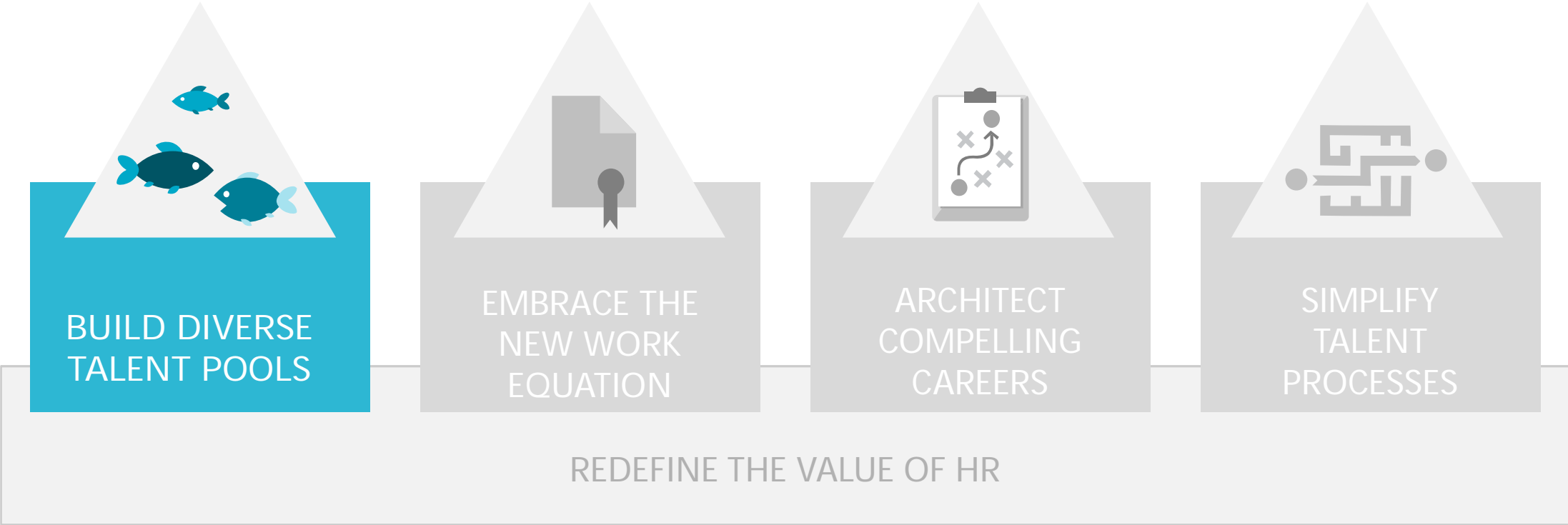
# HOW DO WE ACCELERATE THE TALENT ENGINE?



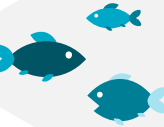
# WHICH OF THESE FIVE PRIORITIES RESONATES MOST WITH YOUR ORGANISATION? YOUR RESPONSES



# TOP FIVE TALENT PRIORITIES



# #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”**



70% Confident in filling critical roles internally

ONLY 25%

Strongly agree they have robust methods for identifying high potentials



62% Companies focused on developing local leaders in emerging economies

BUT LESS THAN 1/3 of employees

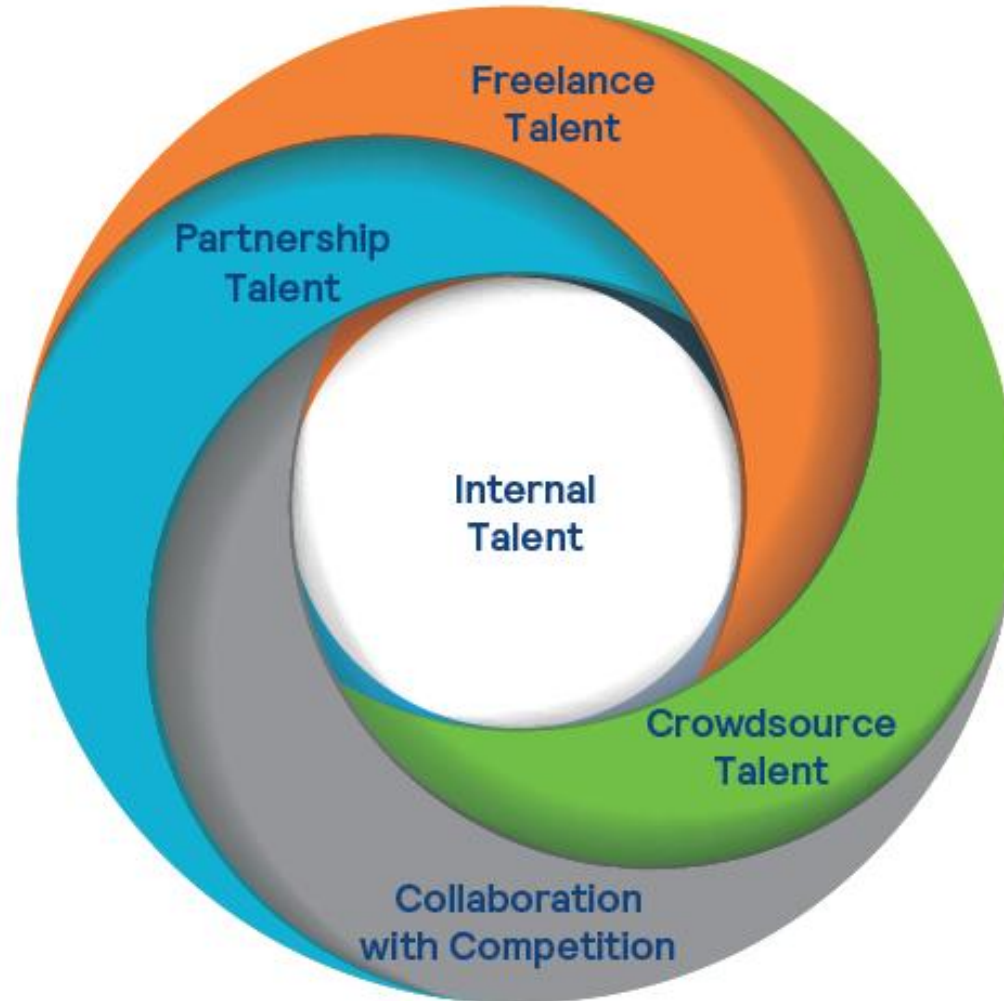
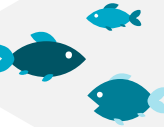
Agree their company is actively working towards creating a diverse workforce

Clear difference between organisational goals and actions

Employee experience not aligned with employee needs

# #1. BUILD DIVERSE TALENT POOLS

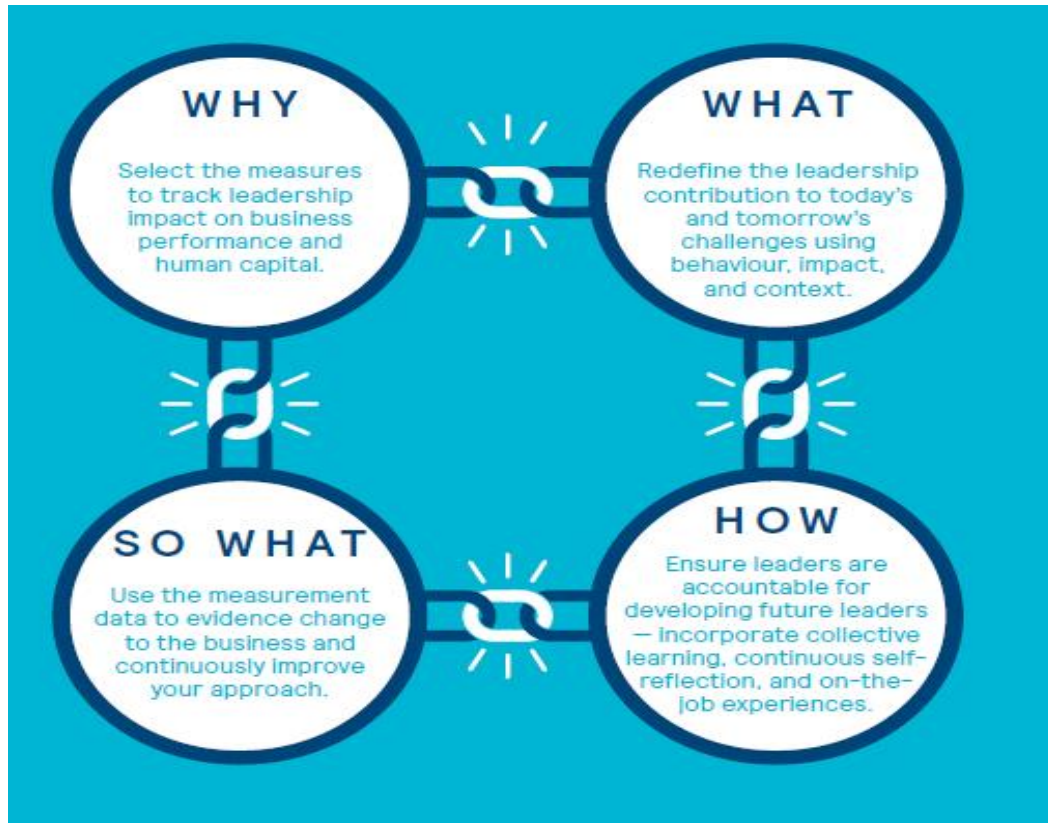
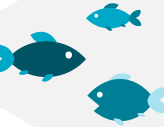
## TALENT ECOSYSTEMS ARE THE NEW NORMAL



Source: Mercer, [Talent Ecosystems POV, 2015](#)

# #1. BUILD DIVERSE TALENT POOLS

## CONNECTING LEADERSHIP TO VALUE



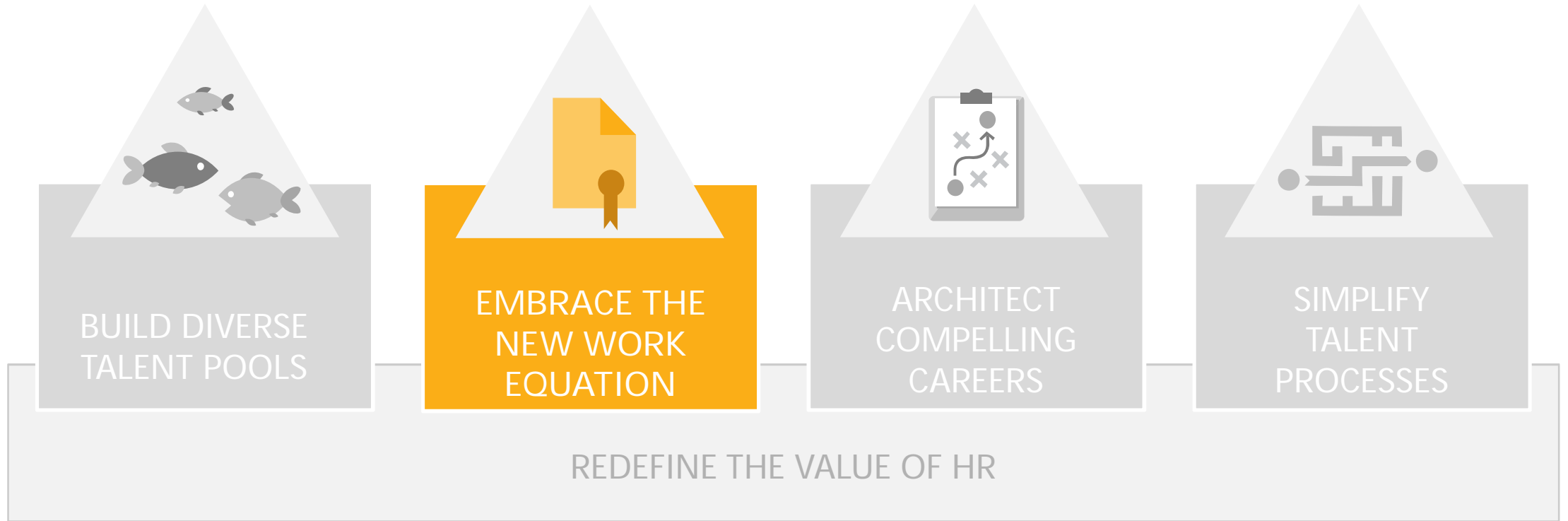
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The connections in the chain are broken

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Source: Mercer, [Connecting Leadership to Value POV](#), 2015

# TOP FIVE TALENT PRIORITIES



## #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

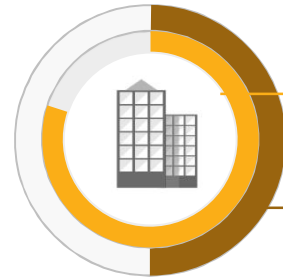


“Coaching is one of the top 3 in-demand skills for managers in the next 12 months”

## EMPLOYEES

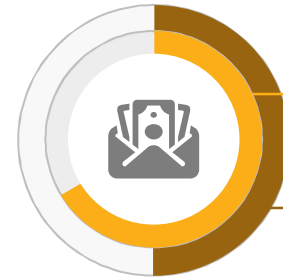


“My manager does not provide the tools, coaching and support I need to improve my performance”



**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



**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

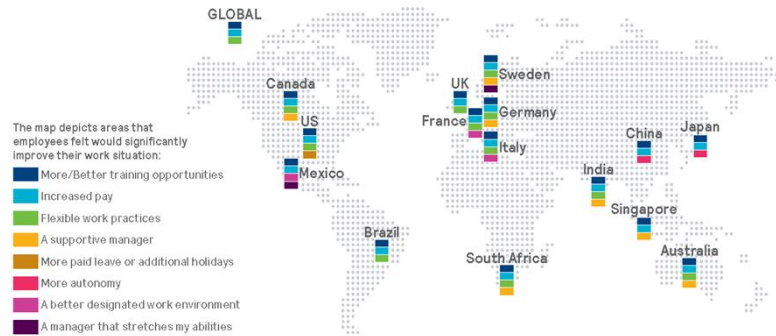
Fair & Transparent Rewards

# #2. EMBRACE THE NEW WORK EQUATION



## Work / life integration

### What's important differs by geography



## MERCER INSIGHT

### 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



*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*

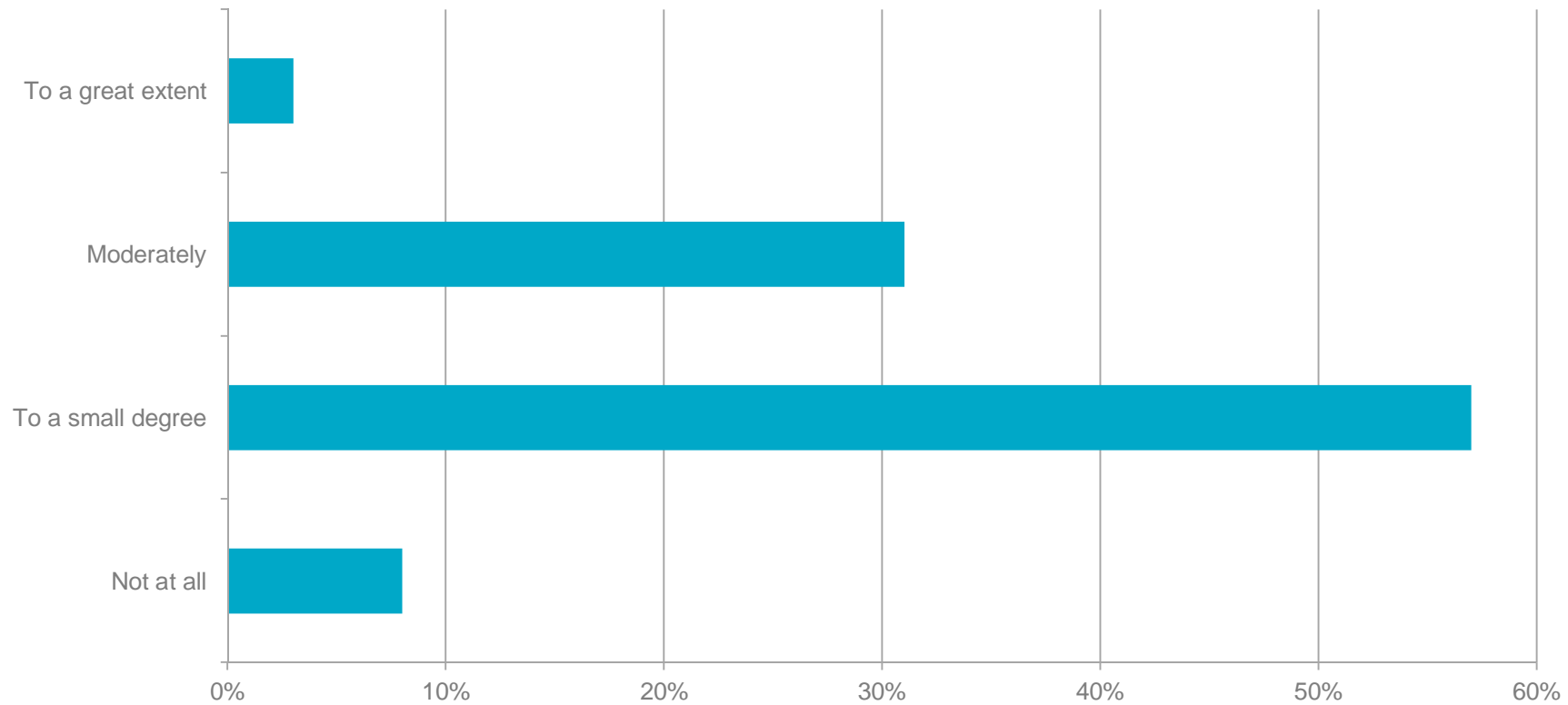
### Managers are at the heart of the equation



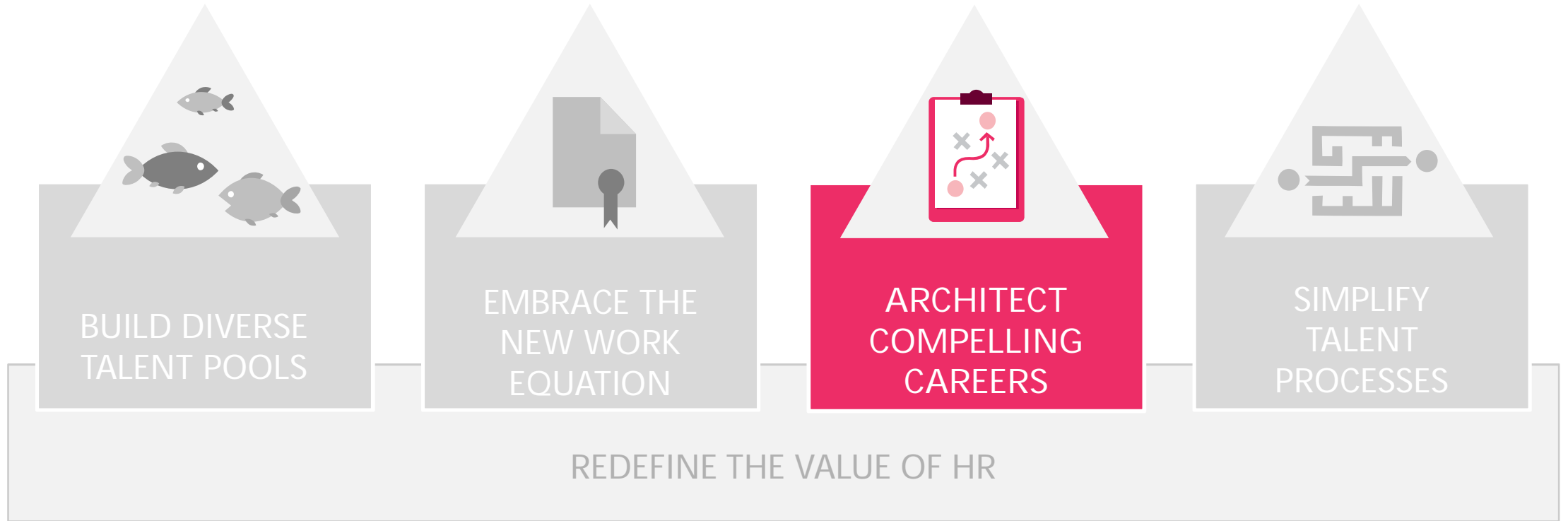
## #2. EMBRACE THE NEW WORK EQUATION

### QUICK POLL: RESPONSES

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



# TOP FIVE TALENT PRIORITIES



# #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

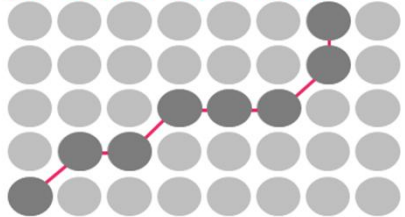
**Career Frameworks are on the HR agenda - but more urgency is needed**

# #3. ARCHITECT COMPELLING CAREERS



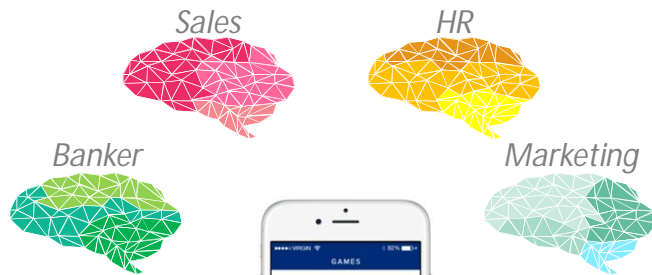
## Use real careers to inform paths

EMPLOYEE PERSPECTIVE:  
VISIBILITY OF OPPORTUNITIES  
AND SUPPORT TO GET THERE

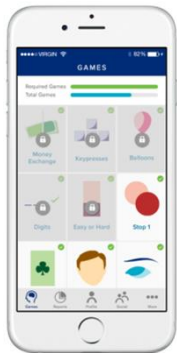


Employees want to explore opportunities to move vertically and horizontally within their organization and know how to realize their ambition.

## Help people uncover their career DNA



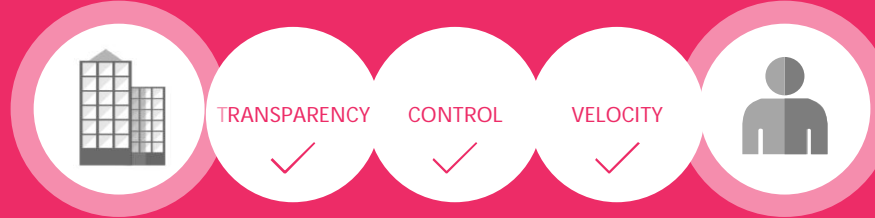
**MAKE  
CAREERS  
FUN!**



Neuroscience  
games embedded  
in Mercer Match

## MERCER INSIGHT

### DESIGN HIGH IMPACT CAREERS

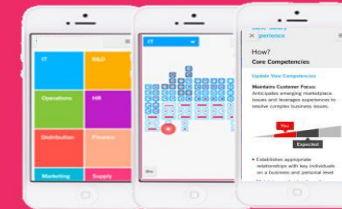


*Define your career philosophy to meet business needs for a ready-now pipeline and employees' needs to feel they are advancing at the right pace*

### INSTITUTIONALIZE A CAREER CULTURE

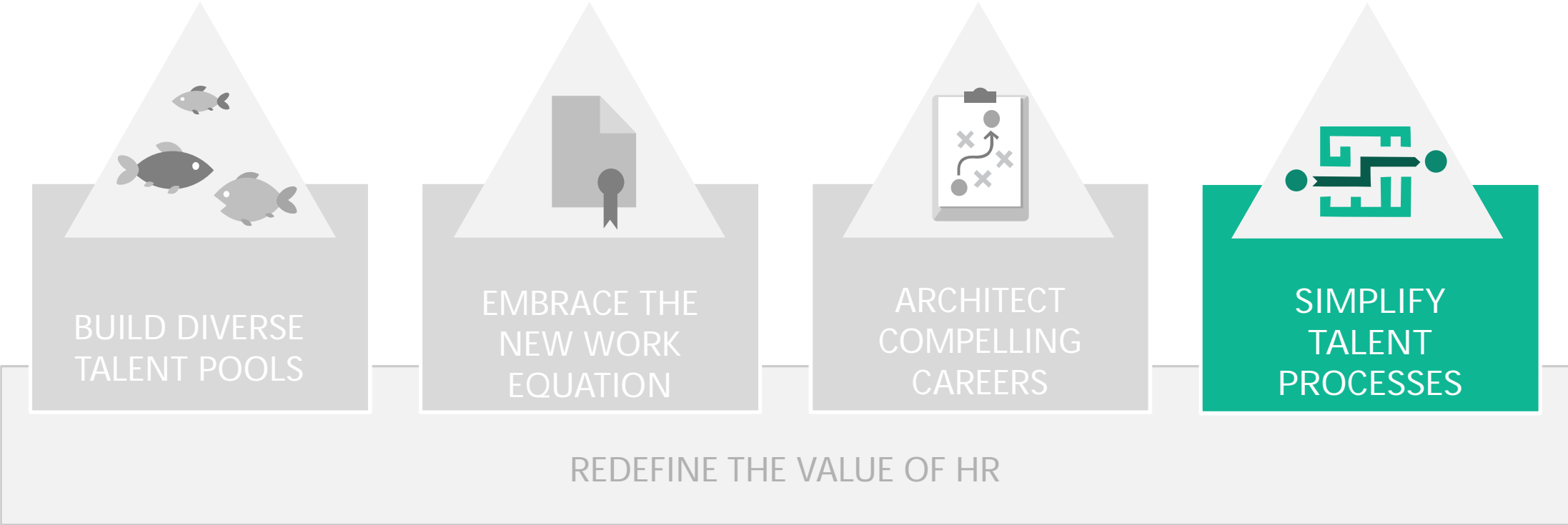
- *Define a flexible career framework related to organisational strategy*
- *Ensure people managers see career development as central to their role*
- *Develop "manager as coach" skills around holding career conversations*

### FACILITATE MOVEMENT AND SKILL PROGRESSION



*Provide accessible career information through technology-enabled communications  
Enable robust assessment to link ambition & aptitude with development & promotion*

# TOP FIVE TALENT PRIORITIES



# #4. SIMPLIFY TALENT PROCESSES



## ORGANISATIONS



*“Our Talent processes need an overhaul”*

Over 80% of HR respondents believe change is needed

## EMPLOYEES



*“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



## 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

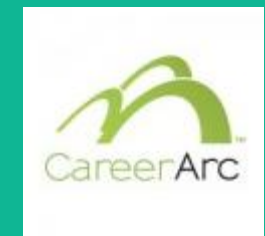
- Step back and re-examine key processes with a view to improving talent decision making
- Build in talent metrics

### REDUCE COMPLEXITY AND FOCUS ON SERVICE OPTIMIZATION

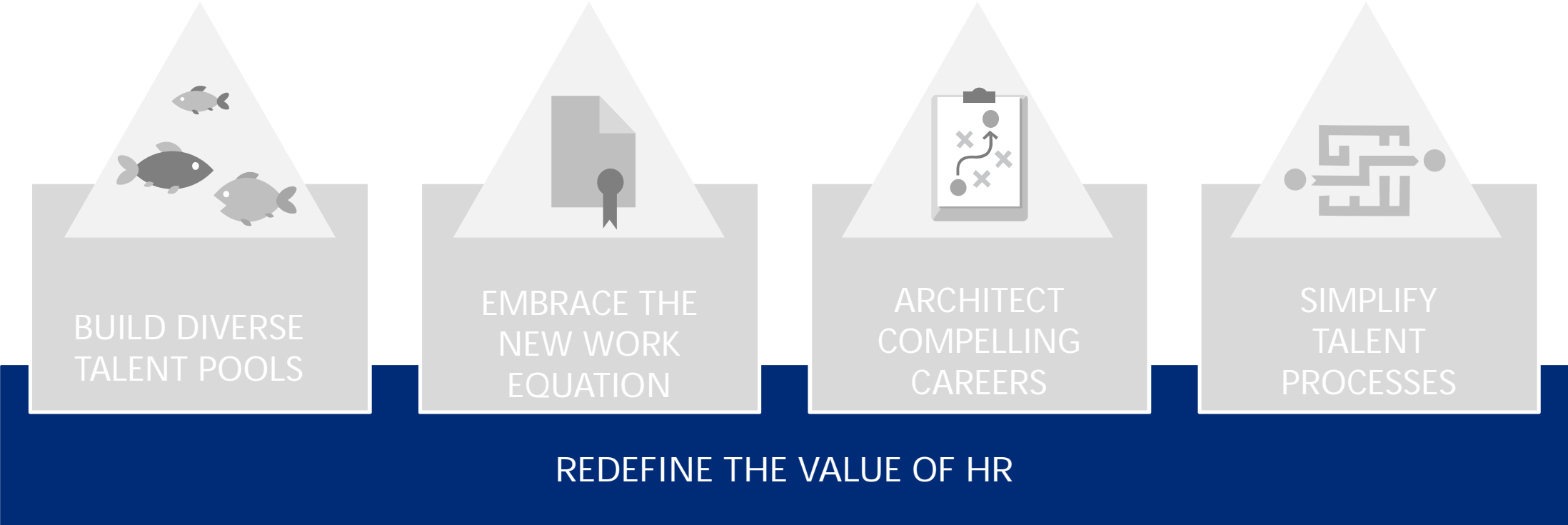
- Evaluate opportunities to reduce duplication, simplify process steps and automate core talent processes
- Focus on purpose, not process, in Performance Management and other processes
- Pace the change – tolerance for process tweaking is wearing thin

### 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



# TOP FIVE TALENT PRIORITIES



# #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

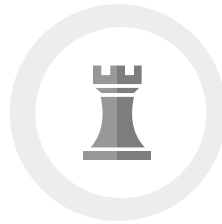
## EMPLOYEES



*“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

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



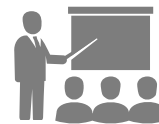
*Shift in what businesses value from HR from static HR metrics and review-based processes, towards dynamic HR insights and future focused activity such as workforce planning and career management*

**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

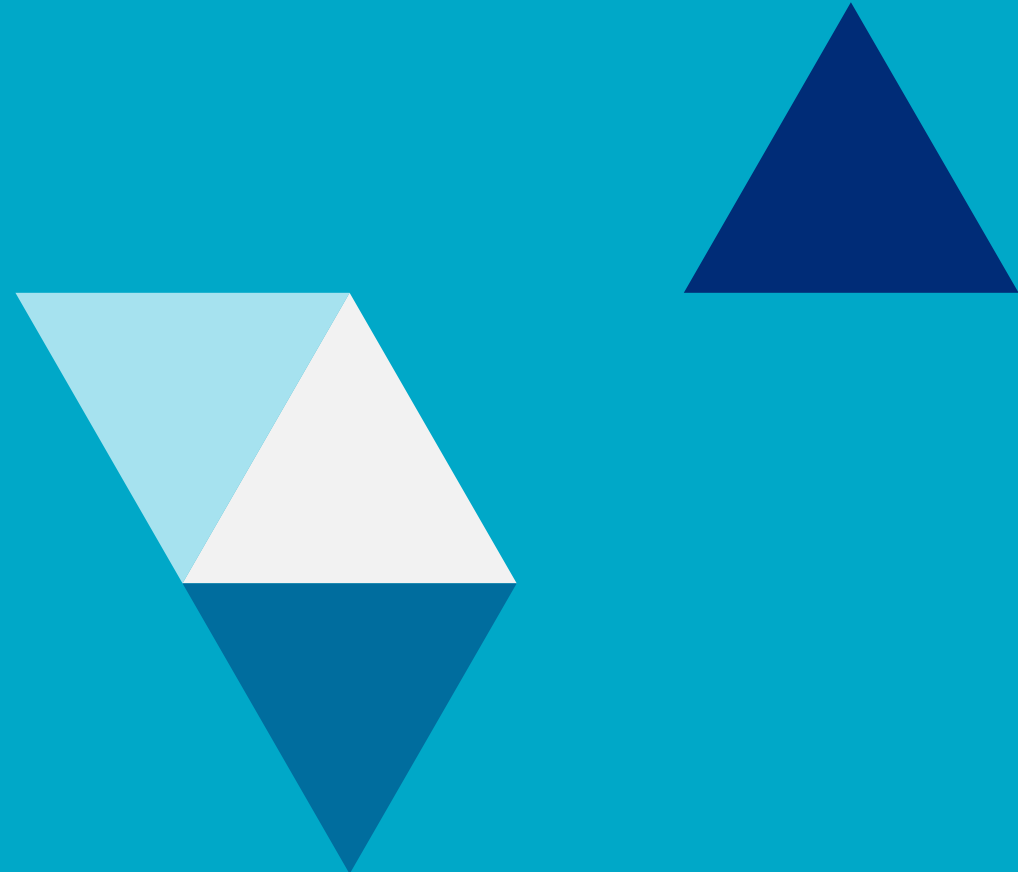
**59%**



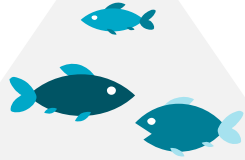
**36%**

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

# IN CONCLUSION



# HOW DO WE ACCELERATE THE TALENT ENGINE?



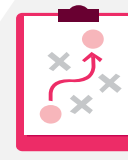
## BUILD DIVERSE TALENT POOLS

- **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 COMPELLING 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

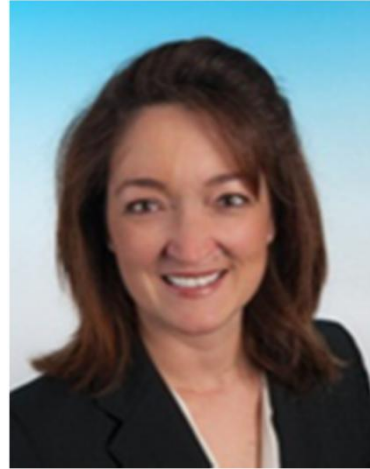
## REDEFINE THE VALUE OF HR

- **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



**EPHRAIM SPEHRER-PATRICK**  
ephraim.spehrer@mercer.com



**NATALIE JACQUEMIN**  
natalie.jacquemin@mercer.com



**DAVID WREFORD**  
david.wreford@mercer.com

### 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"**

### DOWNLOAD STUDY

### 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.

MAKE  MERCER  
TOMORROW,  
TODAY

# ABOUT THE 2016 GLOBAL TALENT TRENDS STUDY

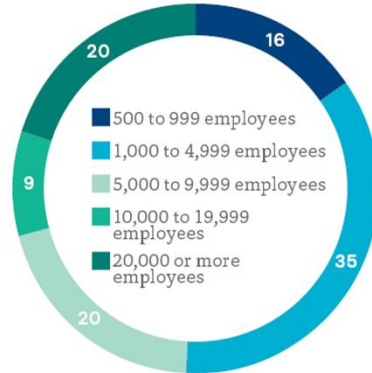
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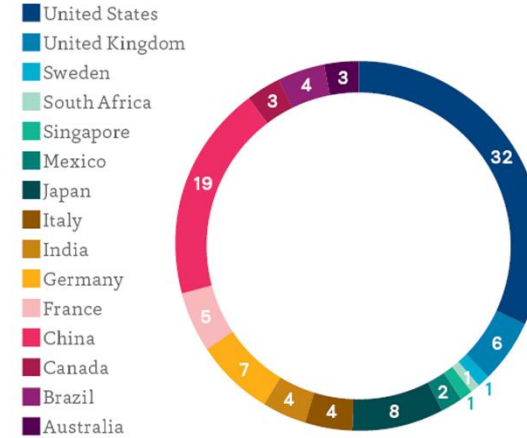
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## ORGANISATION SIZE



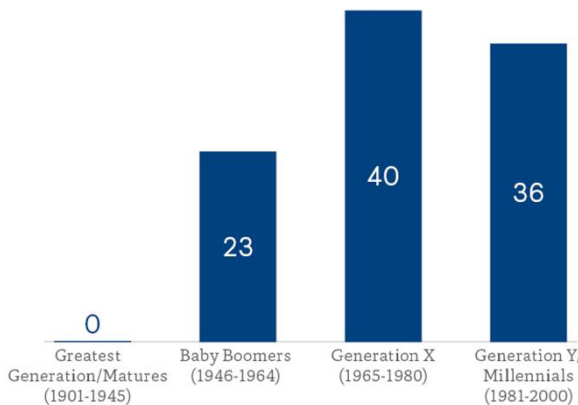
## GEOGRAPHY



## EMPLOYEE JOB LEVEL



## EMPLOYEE GENERATION



## COMBINED INDUSTRY

