THRIVING IN A DISRUPTED WORLD

MAY 21, 2018

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Career, Mercer

THRIVING IN AN AGE OF DISRUPTION

MERCER
MAKE TOMORROW, TODAY
AI, Robotics and technological advances such as 3D printing are disrupting industries and redefining value chains.

**DISRUPTION IS STEALING THE HEADLINES**

Employment outlook across job families 2015 - 2020

Source: Future of Jobs Report, World Economic Forum

<table>
<thead>
<tr>
<th>Growth (Thousands)</th>
<th>Decline (Thousands)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business and Financial Operations</td>
<td>-4759</td>
</tr>
<tr>
<td>Management</td>
<td>-1609</td>
</tr>
<tr>
<td>Computer and Mathematical</td>
<td>-497</td>
</tr>
<tr>
<td>Architecture and Engineering</td>
<td>-151</td>
</tr>
<tr>
<td>Sales and Related</td>
<td>-109</td>
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<tr>
<td>Education and Training</td>
<td>-40</td>
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<tr>
<td>Office and Administrative</td>
<td>+492</td>
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<tr>
<td>Manufacturing and Production</td>
<td>+416</td>
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<tr>
<td>Construction and Extraction</td>
<td>+405</td>
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<tr>
<td>Arts, Design, Entertainment, Sports and Media</td>
<td>+339</td>
</tr>
<tr>
<td>Legal</td>
<td>+303</td>
</tr>
<tr>
<td>Installation and Maintenance</td>
<td>+66</td>
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</tbody>
</table>
SEISMIC SOCIO-CULTURAL SHIFTS ARE UNDERWAY

- The traditional family is fast becoming atypical
- Rapid acceleration in longevity
- Shifts in migration, racial and ethnic diversity
- Changes in fertility and parenthood
- The rise of the Free Agent
- Importance of our digital identity

THESE CHANGES ARE RAISING CRITICAL QUESTIONS

**BUSINESS LEADERS**

- How can we build for an unknown future?

**HR**

- How can we attract & retain tomorrow's workforce?

**EMPLOYEE**

- What does career success mean in today's world?
THRIVE IN AN AGE OF DISRUPTION

THE OPPORTUNITY

Redesign the world of work

Build a better talent engine

Contribute to a new HR Agenda

THIS IS A HUMAN STORY
SU-MEI

Senior professional, Married, no dependents
GM of AsiaPac Product Development
Goal: Executive position, Board experience
Tenure: 20 years with company, 5 years in role
Retention Risk moderate, Burnout Risk high

JAMES

Young Professional, 2 young children
Sales Executive - including travel
Goals: success in new role, balance
Tenure: 3 years with company, just promoted to team lead
Retention risk low, burnout risk moderate
% Female in Professional & Above Levels, 2015–2025

- **Current 2015 Representation**
  - Global: 35%
  - Asia: 25%
  - Europe: 37%
  - Latin America: 36%
  - US & Canada: 39%
  - Australia & NZ: 35%

- **Projected 2025 Representation (Baseline)**
  - Global: 43%
  - Asia: 33%
  - Europe: 41%
  - Latin America: 50%
  - US & Canada: 49%
  - Australia & NZ: 45%

- **Additional Opportunity**
  - Global: 40%
  - Asia: 28%
  - Europe: 37%
  - Latin America: 49%
  - US & Canada: 40%
  - Australia & NZ: 40%

**Mercer Thrive Research**

- 800+ Participants
- 57 Countries
- 26 Industries

52% “My organization is committed to creating an environment where employees are able to Thrive”

48% “My organization is not yet committed to creating an environment where employees are able to Thrive”
HOW TO THRIVE: REGIONAL DIFFERENCES

TOP 10 GLOBAL THEMES IN TERMS OF WHAT MADE A DIFFERENCE IN TERMS OF THRIVING

<table>
<thead>
<tr>
<th>Theme</th>
<th>Global</th>
<th>Asia</th>
<th>EU</th>
<th>LatAm</th>
<th>NA</th>
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</thead>
<tbody>
<tr>
<td>Career &amp; development opportunities</td>
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</tr>
<tr>
<td>Learning opportunities</td>
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<tr>
<td>Strategic workforce planning</td>
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<tr>
<td>Flatter structures</td>
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<tr>
<td>Fair assessments</td>
<td></td>
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<tr>
<td>Analytics Driven Actions</td>
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<td></td>
<td></td>
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<tr>
<td>Equity in pay and rewards</td>
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<td></td>
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<tr>
<td>Enablers for efficiency</td>
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<td></td>
<td></td>
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<tr>
<td>Positive working environment</td>
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<tr>
<td>Flatter Structures</td>
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<tr>
<td>Connected/purposeful leaders</td>
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</table>

NOTABLE REGIONAL DIFFERENCES FROM GLOBAL RESULTS:

**ASIA:**
- Career & development opportunities: +5.7%
- Strategic workforce planning: +3.2%
- Analytics Driven Actions: -4.3%
- Work life balance: -3.4%

**EUROPE:**
- Analytics Driven Actions: +4.1%
- Employee involvement: -3.8%

**LATIN AMERICA:**
- Flatter Structures: +8.2%
- Career & Development Opportunities: -10.7%

**NORTH AMERICA:**
- Connected & Purposeful Leaders: +3.3%
- Fair Assessments: -4.0%

CONFIRMATION OF THRIVE DIMENSIONS

Key Drivers Rank Ordered by Statistical Impact

<table>
<thead>
<tr>
<th>Category</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trust</td>
<td>I trust senior leadership.</td>
</tr>
<tr>
<td>Contribution</td>
<td>My work gives me a feeling of personal accomplishment.</td>
</tr>
<tr>
<td>Agility</td>
<td>My organization responds effectively to changes in the business environment.</td>
</tr>
<tr>
<td>Career Paths</td>
<td>I like the possible career paths for me at my organization.</td>
</tr>
<tr>
<td>Trusting Environment</td>
<td>There is a climate of trust within my organization.</td>
</tr>
<tr>
<td>Societal Impact</td>
<td>My organization takes a genuine interest in the well-being of communities in which it does business.</td>
</tr>
</tbody>
</table>

Confidence in the Future
Job Enthusiasm
Willingness to Recommend
I would stay at my Organization
Confidence and Advocacy 79% explained
ENERGY AND AUTHENTICITY DRIVE COMMITMENT

IMPACT ON SATISFACTION & COMMITMENT

<table>
<thead>
<tr>
<th>High Authenticity</th>
<th>Low Authenticity</th>
</tr>
</thead>
<tbody>
<tr>
<td>15%</td>
<td>23%</td>
</tr>
<tr>
<td>DE-ENERGIZED</td>
<td>ENERGIZED</td>
</tr>
<tr>
<td>50%</td>
<td>12%</td>
</tr>
</tbody>
</table>

A NEW MANDATE: THRIVING IN AN AGE OF DISRUPTION

THRIVING ORGANIZATION
- Success Redefined
- Resilient and Agile
- Positive Societal Impact

THRIVING WORKFORCE
- Diverse and Adaptive
- Inclusive and Growth Focused
- Committed to Wellbeing
- Psychological, physical, financial

THRIVING INDIVIDUAL
- Growing and Contributing
- Empowered and Connected
- Healthy and Energized

Where will you focus your efforts this year?
WHERE ARE YOU FOCUSING YOUR EFFORTS TODAY?

(a) Designing agile work structures  
(b) Hiring for an ‘adaptive’ mindset  
(c) Ensuring pay/promotion equity  
(d) Improving health & well being  
(e) Enabling flexible working

4 STEPS TO GET STARTED

PEOPLE STRATEGY  
CRAFT A FUTURE-FOCUSED PEOPLE STRATEGY

VALUE PROPOSITION  
CURATE A COMPELLING VALUE PROPOSITION

WORK ENVIRONMENT  
CREATE A THRIVING WORK ENVIRONMENT

DATA-DRIVEN MINDSET  
CULTIVATE A LAB MINDSET
ARE WE HEADING IN THE SAME DIRECTION?

WHAT’S CHANGED

RAPIDLY CHANGING

AGILE WORKFORCE TRANSFORMATION
- Med-long term planning
- Future work model
- Integrated people planning

TRADITIONAL WORKFORCE PLANNING
- Short-Med term planning
- Existing talent structure
- Size & Capacity focus
ONE COMPANY’S STORY

Swift downfall after sustained performance

External factors
- Digital disruption
- New competitors

Internal factors
- New products/services
- Marketing campaign

HUMAN ELEMENT MISSING

WHAT DID WE LEARN

ALIGN VISION
- Org Capabilities
  - Leadership & Culture
  - Skills & Knowhow
  - Work Model & Capacity

DEFINE FUTURE

DETERMINE STRATEGY
- Structure
  - Perf. Mgmt & Pay
  - Wellbeing

DESIGN SOLUTIONS

DRIVE PERFORMANCE

Design Future Focussed HR Processes
Take an integrated approach

Design Solutions For Real People
Invest in change management
ONLY 2 IN 5 EMPLOYEES SAY THEIR COMPANY HAS A COMPELLING DIFFERENTIATED VALUE PROPOSITION

A WORKPLACE FOR ME

Give me a chance to contribute to a greater purpose

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

A tale of two workforces

CORE WORKERS

- BENEFITS
- CAREER
- TRAINING
- INCENTIVES
- SECURITY
- CULTURE
- COMMUNITY

FLEX WORKERS

- FLEXIBILITY
- CONVENIENCE
- MOBILITY
- VARIETY
- SELF-SERVICE
- TRANSACTIONAL
Translate your EVP into an IVP
Use personas. Take relevant action

Use Technology to Stay Connected
Listen and learn

SHOW ME THE WAY: In a career ambiguous future, helping employees to feel empowered to drive their career forward is a smart strategy

FINDING: Those who feel they can drive their career forward were 8x more likely to feel energized at work
The diagram illustrates the difference between those who feel they can grow and those who do not. It highlights aspects such as:

- **Promotes collaborative working**: 42% vs. 75%
- **Actively supports innovation**: 37% vs. 73%
- **Provides me with coaching and development**: 29% vs. 69%
- **Focuses on my health & wellness**: 34% vs. 69%
- **Fosters an inclusive work culture**: 33% vs. 68%
- **Offers me flexible work options**: 35% vs. 67%
- **Encourages internal mobility**: 29% vs. 65%
- **Enables quick decision making** (e.g., through simplified approval chains): 25% vs. 63%
- **Rewards a range of contribution** (beyond just financial and activity metrics): 25% vs. 64%
- **Understands my unique interests & skills to help me find the best job match**: 22% vs. 63%

These differences are significant, with career empowered employees being twice as likely to rate their company as thriving.
CREATE A THRIVING WORK ENVIRONMENT

Prioritize Career Pathing & Coaching
Stay on the pulse with employee feedback

Simplify the Employee Experience
Embrace technology that enhances interactions

Where do most people have their creative insights/aha moments?

(a) At work  (b) Over breakfast  (c) In the shower  (d) Traveling to/from the office
RESPONSIVE & INNOVATIVE WORK ENVIRONMENT

DATA-DRIVEN MINDSET

IT’S A MINDSET NOT A TECH THING

Leverage Data for Insight
Commit to behaviour change

Invest in Innovation
Create appetite for experimentation

LAB MINDSET
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Evolving to meet the needs of tomorrow’s customers

MAKE TOMORROW, TODAY
CREATE A THRIVING WORK ENVIRONMENT

ENGAGING: CONNECT WITH ME AS AN INDIVIDUAL

“I get it”
It’s simple. This experience feels as modern and familiar as the consumer tools/sites I already use

“I’m confident”
I have what I need to do my job and I know where to find people/information to help me take action

“I feel appreciated”
I know how to contribute and I can see the value of working here -both now and in the future

EMPOWERING: SUPPORT ME DO MY JOB SMARTLY

CONSUMER GRADE EXPERIENCE
PRIVATE AND SECURE DATA
CONVERSATIONAL SYSTEMS
RELEVANT CONTENT

ENABLED BY A DIGITAL PLATFORM

WORK ENVIRONMENT

WARREN: YOUR 24/7 FRIEND
Where do most people have their creative insights/aha moments?

(a) at work  
(b) over breakfast  
(c) in the shower  
(d) traveling to/from the office