

HEALTH WEALTH CAREER

HR2025

TALENT, TECHNOLOGY AND TRANSFORMATION

HR CHANGING GEARS: THE FUTURE WORKPLACE

PEOPLE PARADIGM: DESIGNING THE AGILE ORGANIZATION

BUILDING A THRIVING WORKFORCE FOR THE FUTURE

THE REWARDS EXPERIENCE REDEFINED

ENGAGEMENT: THE GENERATION GAME

NEXT-GEN CAREER FRAMEWORKS

DISRUPTING HR: A DIGITAL UPGRADE

MAKE TOMORROW, TODAY

 MERCER



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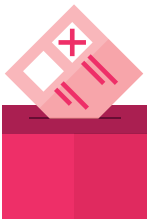
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HR CHANGING GEARS:

THE FUTURE WORKPLACE

In 1931, Winston Churchill wrote, “The scientific achievements of the next 50 years will be far greater, more rapid and more surprising, than those we have already experienced ... But this is only a beginning.” The same is true for the future of work, which will take new twists as the pace of change quickens. Drawing on the results of Mercer’s 2019 Global Talent Trends Study,¹ we look at five factors shaping the workplace and explore how HR gets from insight to action.



82%

OF EMPLOYEES
SAY THEY
WOULD
CONSIDER
WORKING ON
A CONTRACT
BASIS



73%

OF EXECUTIVES
PREDICT
SIGNIFICANT
DISRUPTION
IN THE NEXT
THREE YEARS

ACCELERATED REINVENTION

Technological upheaval is driving the need for a change-agile culture. The thriving businesses of tomorrow will be adept at organizational (re) design to imagine new business models, while remaining mindful of the environmental and social impact of these models. Indeed, according to Mercer’s latest research, 73% of executives predict significant industry disruption in the next three years – up from 26% in 2018.² The organization of the future will be less rigid, and teams will be streamlined and nimble in response to evolving strategic priorities.

Action:

As talent moves between teams that ramp up – or wind down – quickly, HR systems will have to be as agile as the business itself. Organizational design expertise will be essential for HR, but the ability to form – and reform – both teams and cultures is even more critical. Achieving this culture depends in part on hiring people who can adapt and learn, and on cultivating a mindset for experimentation throughout the organization.

PEOPLE PLATFORM

The gig economy is raising expectations of what is possible in the world of work. Some 82% of surveyed employees say they would consider working on a contract basis, partly because of the opportunity to earn more. A platform mentality is taking hold where organizations are the epicenter of a shifting talent ecosystem of core, contingent and crowdsourced workers. Companies will thrive by valuing access to skills (not ownership), by genuinely understanding people’s motives and interests and by fostering connections across their network.

Action:

HR’s horizons are being broadened by the need to accommodate diverse groups of people, evolving skillsets and changing business needs. Data are HR’s best friend in sourcing talent, matching people’s passions to business demands, and indicating when to hire from within or outside. But while analytics can forecast skill gaps and human capital risks, it will be the decisions around future workforce size, shape and skills that will accelerate transformation.

¹ The 2019 Global Talent Trends Study surveyed more than 7,300 C-suite executives, HR professionals and employees globally. The study takes a deep dive into data in nine key industries and 16 geographies on how organizations are preparing for the future of work.

² Mercer. *Global Talent Trends Study*, 2019, available at <https://www.mercer.com/global-talent-trends>



“Thriving in this climate requires greater effort to help people blueprint work schedules that meet their changing needs.”

‘GLOCALIZATION’

Realizing global growth while being agile creates a dilemma. So how will companies stay ahead? Leading firms are aligning change efforts to a few anchor points where they believe future value will be generated – be it new products, new partners, new critical skills, or new operating models.³ Yet tensions remain between the efficiency of global operations and the relevance of local solutions. To square the circle, organizations are striving to develop talent who think globally, encourage an agile workforce and balance global consistency with local needs.

Action:

Companies will increasingly depend on building organizational and employee agility rather than relying on periodic change initiatives. They need the capacity to attract, develop and retain top-notch talent in emerging markets and nimble ways to expose talent to different business models. Online approaches to employee development and cultural immersion will ensure hard and soft skills are learned in context.

MASS CUSTOMIZATION DATA-DRIVEN

Individualization is not a new trend. But the scope and scale of the consumer mentality will transform customization into standard practice. Customers, clients and individuals feel empowered to shape their own experiences. In the workplace, why we work, what we work on, how we are rewarded and how we keep our skills fresh permeate employee views on what they want from the employment deal.

Action:

In this new model, employers and employees engage in dialogue to shape the content of their assignments, goals and even work environments. Thriving in this climate requires greater effort to help people blueprint work schedules that meet their changing needs, and a shift toward personalized experiences that boost physical, financial and emotional well-being. Combining insights from data and personas, HR will guide people toward the benefits most relevant and valuable to them given their lifestyle, life stage and situation.

Our application of data is shifting rapidly beyond description to prediction. Core HR data will not change much. What will change are the vast troves of social data available – such as how employees actually interact, their interests and how they spend their work hours. This will enable HR to test new programs virtually and forecast behavior in very precise ways: HR programs will become more customized, and algorithms will drive more HR decisions.

Action:

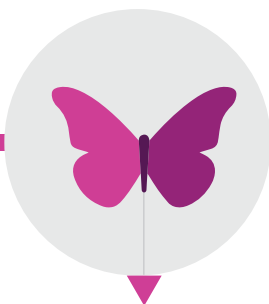
Data-based predictions will refine decisions on career paths and talent development. But it also requires HR to carefully balance data with people’s privacy. The concern of governments about the power of social media giants risks a regulatory regime that will constrain employers from using data in a positive manner to align the interests of the workforce and the company. Organizations will need to bring employees’ interests to the fore to mitigate risk in a big data world. ■

³ Mercer. *Global Talent Trends Study*, 2019.

PEOPLE PARADIGM: DESIGNING THE AGILE ORGANIZATION

Jackson Kam, Principal, Talent, AMEA & IMETA

Ephraim Patrick, Partner, Talent, Career Pacific



30%

OF C-SUITE
LEADERS
DESCRIBE THEIR
ORGANIZATION
AS CHANGE-
AGILE TODAY

The rallying cry from boardrooms is increasingly familiar: agility, innovation and entrepreneurial spirit are the watchwords for growth.

Businesses are alive to the pressures of disruption. The cycle of change — of new products, new channels and new operating models — has shortened dramatically; the iPhone 8 and iPhone X models were released within months of each other, for instance. The well-defined, yet sluggish, organizational model of fixed roles and rigid structures no longer works. Executives face contradictory impulses: to pursue a growth trajectory while simultaneously shaking up the business.

First of all, business units need to be nimble with independent budgets so they can get going, change direction or wind down — quickly. Relatively unbound from the corporate bureaucracy, these small teams monitor change and pivot as required. To support their work while remaining lightweight, these nimble units draw on a set of internal and external platforms, such as cloud services, pools of contingent workers, shared service centers, business partners and outsourcing providers. US-based online retailer Zappos is an example: Structured like a city, people and businesses are self-organizing and act like entrepreneurs.



45%

OF EMPLOYEES
SAY THEIR
COMPANY
MAKES IT EASY
FOR THEM TO
INNOVATE

Mercer's 2019 Global Talent Trends Study found executives are confident they are making good progress on agility as an organizational competence — 30% regard their company as change-agile today, up from 18% in 2018. Yet our conversations with clients reveal a feeling that transformations never feel complete in an age of continuous change. As learnings soak in, new opportunities emerge. A vision of agility is a business imperative — and HR can't sit on the sidelines if that vision is to become reality. But what might a change-agile organization look like?

Viewed from the top, the C-suite takes an investment portfolio approach to managing this dynamic structure as units plug in or unplug. Metrics to assess agility and innovation are part of executives' toolkit for monitoring performance. They are mindful that agility is a game of two halves: Current organizations are adept at generating new ideas and strategies, but execution often gets bogged down. It is therefore important to put emphasis on execution speed and set explicit goals for experimentation.

Job boundaries will blur, at least in part. Armed with a set of objectives,

⁴ Mercer. *Global Talent Trends Study*, 2019.



“Current organizational development roles within HR teams are a start; baking that expertise into a suitable set of HR practices is a smart solution.”

fixed role descriptions give way to small team-based roles. Within these small teams, leaders can redeploy people based on strategic priorities and market demands. The future of work is work, not jobs — although this may face fierce opposition from governments and labor unions. The trend toward team-based responsibilities has already started; for example, China's BAT companies (Baidu, Alibaba and Tencent) have shifted their talent focus toward multidisciplinary talent with high flexibility and learning agility. Many Chinese media and digital businesses are starting to do the same.

The same fluidity will apply to organizational boundaries. Companies will continuously review and shift their approach to managing capabilities in-house as well as through a web of partners, suppliers or joint ventures, where capabilities and outcomes matter more than who does the work, or where the work is done. A recent example from Mercer client experience is an Australian pensions and financial services firm. The company's small number of in-house employees manage an ecosystem of more than 700 people in partner organizations, including financial planners, investment managers and fund administrators, as well as digital marketing and analytics agencies.

Finally, agility is not for everyone. Or, at least, not for every part of the organization. A dual operating model has emerged in many organizations under which some parts move rapidly to a digital business and operating

model, whereas other areas — such as legal and compliance departments — transform at a slower pace to ensure consistency and risk management.

HR AT THE HELM

HR is an important partner in reaching these agility goals. A fast-adapting organization needs HR to develop its own strategic capability, just as business leaders become well-versed in HR implications. Current organizational development roles within HR teams are a start; baking that expertise into a suitable set of HR practices is a smart solution. Processes such as career pathing, performance management and learning and development must all adapt to facilitate change at speed.

The talent profile will evolve, too. An agile structure requires core leaders to shift between stable and nimble business units, turning the company's mission into action and working alongside specialists. Individuals will move around based on ambition, cultivating the skills necessary to take on multiple roles. And training and incentives come into play to encourage a lab mindset — one in which growth fueled by experimentation and where innovation becomes the norm.

A culture of continuous regeneration will help organizations navigate uncertain waters; with executives keen to partner this year, HR is in prime position to steer the way. ■

BUILDING A THRIVING WORKFORCE FOR THE FUTURE

THRIVING ORGANIZATION

Success redefined

Resilient and agile

Positive societal impact

THRIVING WORKFORCE

Diverse and adaptive

Inclusive and growth-focused

*Committed to well-being
(psychological, physical,
financial)*

THRIVING INDIVIDUAL

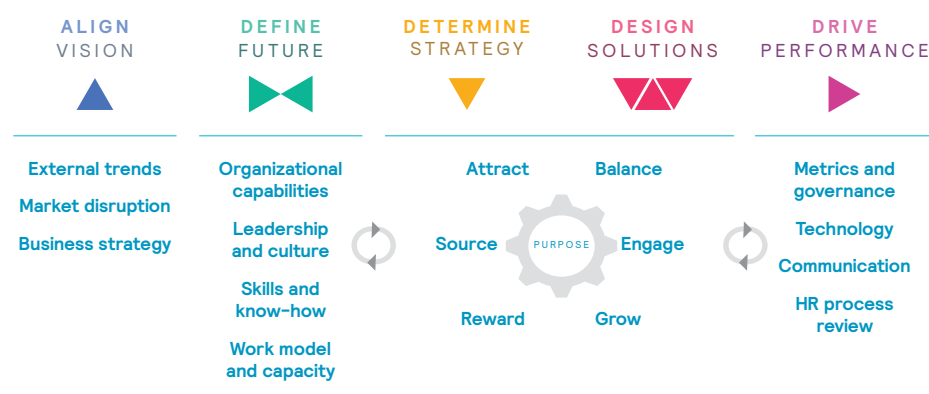
Growing and contributing

Empowered and connected

Healthy and energized

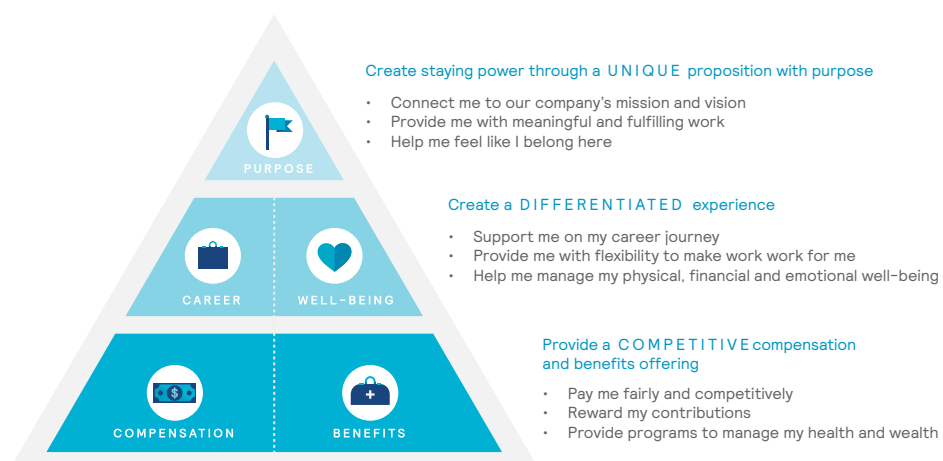
1 ► CRAFT A FUTURE-FOCUSED PEOPLE STRATEGY

A new way forward: Traditional methods of HR strategy and workforce planning no longer meet today's needs. A new approach is needed — one that is agile and adaptive, with room for constant iterations.



2 ► CURATE A COMPELLING VALUE PROPOSITION

Humanize the employee experience: Employees today want jobs that work for them — thriving employees are three times more likely to work for a company that understands their unique skills and interests. And 80% of thriving employees say their company has a strong sense of purpose.⁵



⁵ Mercer. Global Talent Trends Study, 2019.

Every organization has a vibe. In thriving organizations, a perceptible buzz permeates the air — people are genuinely excited to be there. These exceptional workplaces have found ways to transform work into a compelling experience. In fact, energized employees are 45% more invested in their role, according to Mercer research. Here, we look at the four priorities to creating a thriving work environment.

Mercer. *Thriving in an Age of Disruption: Putting People at the Heart of Change*, 2017

3 ► CREATE A THRIVING WORK ENVIRONMENT

Bring out the best in your people: To thrive day-to-day, employees want clear career paths to know where they're going and supportive leaders to help them get there. More than half (56%) of employees want curated learning to help evolve their skills and prepare for future jobs. Meanwhile, 54% of employees said managing their work/life balance is one of the top five things their company can do to help them thrive at work.⁶

TRANSPARENCY



Transparency on what it takes to move/progress

VELOCITY



Velocity with which employees can progress from one level to the next

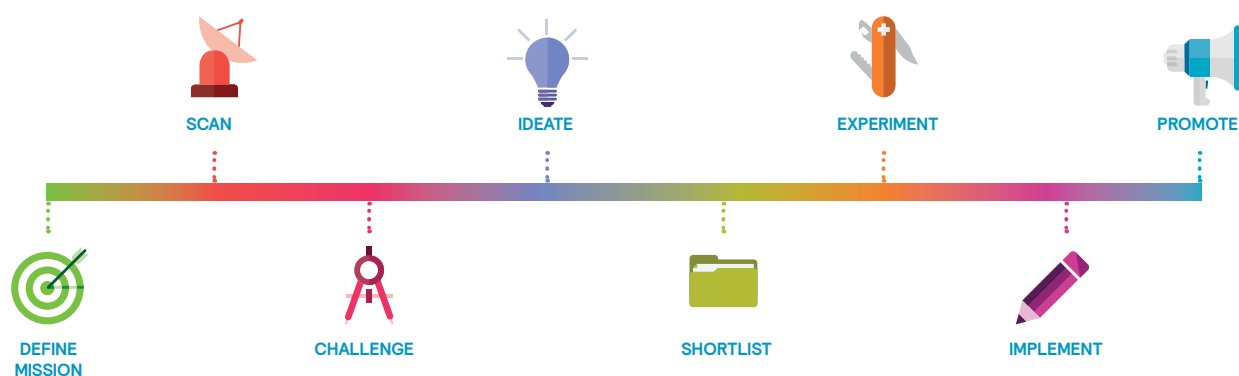
CONTROL



Control over employees' careers and the options available to them

4 ► CULTIVATE A LAB MINDSET

Evolving to stay ahead: Preparing for tomorrow requires a mindset that encourages innovation, experimentation, risk-taking and an unrelenting focus on data-driven decision-making. Yet, while four out of five executives believe their company can lead disruption in their industry, only half (53%) of employees say their company encourages them to try new things.⁷



⁶ Mercer. *Global Talent Trends Study*, 2019.

⁷ Mercer. *Global Talent Trends Study*, 2019.

THE REWARDS EXPERIENCE REDEFINED

WHAT DO
EMPLOYEES
WANT?⁸



79%

TRUST
EMPLOYERS TO
GIVE SOUND,
INDEPENDENT
FINANCIAL
ADVICE



#1

INDIVIDUALS
SAY HEALTH IS
MOST IMPORTANT
FOR A GOOD
RETIREMENT



54%

WANT TEAM
GOALS
(NOT JUST
INDIVIDUAL
GOALS) TO
PROMOTE
COLLABORATION

With talent scarce, it is time for HR to take a leaf out of marketing's book. From promotions to healthcare, we examine the factors that address individual desires and that enable employees — and enterprises — to thrive.

Mary Ann Sardone, Partner, Talent, Career North America

David Slavney, Partner, Transformation, Career US

With technology advancing rapidly, many organizations will cast around to find a formula for success. Thriving organizations will be the ones that recognize and reward one mission-critical ingredient: people.

But with talent in short supply, people need to be coaxed, cultivated and inspired. Organizations that flourish will think carefully about how to create experiences that meet the full range of their employees' needs to drive growth — for both current employees and the new workers joining, who have different experiences.

The current outlook for HR is stormy. Tightening labor markets mean 97% of executives expect an increase in the competition for talent in 2019.⁹ Employees are restless; even 38% of satisfied employees still consider jumping ship because of a perceived lack of career opportunities.¹⁰

The good news is employers have the data to consider a variety of levers to sway retention, engagement and business performance. Organizations typically pore over compensation and benefits numbers. Yet it is

often the actions beyond salary — such as promotions, transfers and healthcare spend — that have a greater impact on business outcomes. Understanding which elements make a company competitive, and which are differentiators, can go a long way in delivering an employee value proposition that resonates.

BROADENING THE REWARDS HORIZON

The new deal will address each individual's desires — a package that enables them to feel healthy, supported and energized, personally as well as professionally.

Traditional contractual rewards (pay and benefits) remain the foundation for attracting talent in a crowded marketplace. But individual components (a program here or there) can become a greater detractor from the entire package. Differentiating on these elements alone is costly and difficult, and may not prove helpful either. Companies that broaden their focus beyond delivery of transactional rewards will reap the benefits of a more engaged and productive workforce.

⁸ Mercer, *Global Talent Trends Study*, 2019; and Mercer, *Healthy, Wealthy and Work-Wise: The New Imperatives for Financial Security*, 2018, available at www.mercer.com/our-thinking/healthy-wealthy-and-work-wise.html

⁹ Mercer, *Global Talent Trends Study*, 2019.

¹⁰ Mercer, *Global Talent Trends Study*, 2019.



Once onboard, employees want rewards that enhance their experiences. On the one hand, exceptional employers will develop employer-curated career paths and guidance, and the more transparent and flexible these options, the better. Employers will be much more involved in employees' non-work lives, too. Thriving organizations will embrace a holistic notion of well-being, providing programs to bolster people's physical, financial, emotional and social health.

Finally, employers must offer emotional rewards. Motivated employees see their work as contributing to a larger purpose,

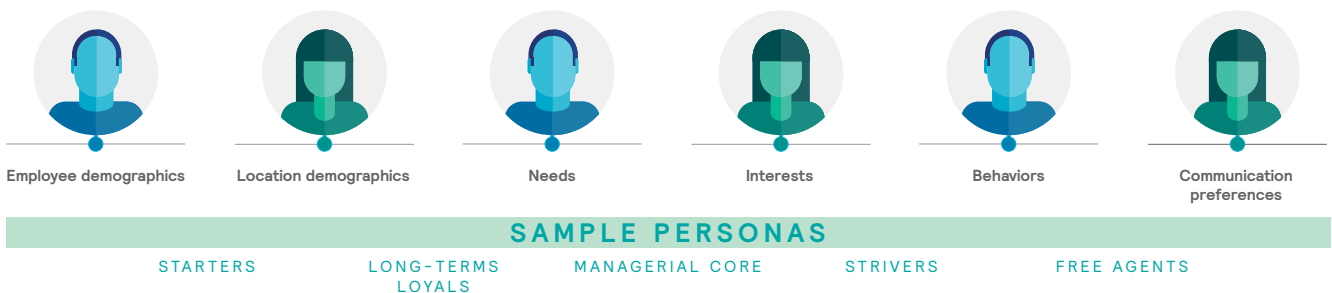
not just as a job. Employers who align business goals with societal goals, who design meaningful jobs or who foster links between employees and company innovators, will nurture a truly unique connection with the organization.

MAKE IT PERSONAL

Above all, the rewards package will need to be bespoke. In this respect, HR will take a leaf out of marketing's book. HR can create unique segments — or personas — by clustering attributes like age, income, life stage, family status, career level and certain preferences, and tailor reward experiences and content accordingly. Technology (from employee portals to digital career-pathing software) will enable individualized choice based on the needs each individual values, without adding undue administrative burden.

The shift in what employees' value and a broader view of well-being are changing the rewards deal. A future-focused HR will reimagine the rewards program and experience to build a workforce for tomorrow. ■

For more information, please see Mercer's recent paper, "Strengthening Your Employee Value Proposition: Unlock the Potential of Your Workforce With an Expanded View of Total Rewards."¹¹



¹¹ Mercer. "Strengthening Your Employee Value Proposition," 2018, <https://www.mercer.com/our-thinking/career/unlock-workforce-potential-with-total-rewards-and-a-strong-evp.html>

ENGAGEMENT:

THE GENERATION GAME

Rhonda Newman, Senior Partner, Transformation, Career US

Patrick Hyland, Principal, Engagement Consulting Services, Career North America

Managing today's workforce is a tall task. Within two years, five generations will be at work simultaneously. Longevity and worries over financial security will keep more people in work, even as younger generations join. And as the corporate ladder turns into a corporate lattice, talent management has become increasingly complex.

Many leaders and managers have more questions than answers on how to engage diverse groups of employees. How often should I recognize my millennials? What's the best way to inspire Gen Xers and baby boomers? What do I need to know about Gen Z and the upcoming Gen Alpha workforce?

FIVE GENERATIONS WORKING SIDE BY SIDE IN 2020



TRADITIONALISTS *Born 1900–1945*

Great depression
World War II

Disciplined
Workplace loyalty

Move to the suburbs
Vaccines



BABY BOOMERS *Born 1946–1964*

Moon landing
Civil/women's rights

Experimental
Innovators

Hard working
Personal computers



GEN X *Born 1965–1976*

Fall of Berlin Wall
Gulf War

Independent
Free agents

Internet, MTV, AIDS
Mobile phones



MILLENNIALS *Born 1977–1997*

9/11 attack
Community service

Immediacy
Confident, diverse

Social everything
Google, Facebook



GEN Z *Born after 1997*

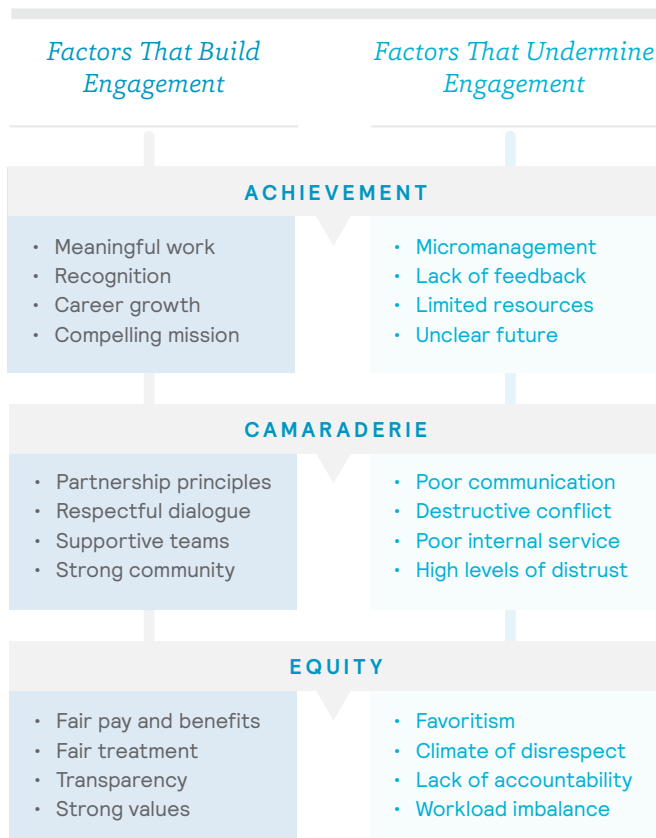
2008 recession
Equality

High expectations
Apps

Internet of things
Tablet devices



Mercer's experience shows that the following model clarifies the critical factors that affect employee motivation, regardless of career or life stage. It provides the C-suite and managers with a set of guiding principles for assessing what employees want when it comes to career, health and wealth.



WHAT DOES A BETTER APPROACH TO MULTIGENERATIONAL ENGAGEMENT LOOK LIKE?

- 1. Start with your leaders and managers:** Effective leaders understand who they are, how they behave and how they influence their team. But with limited resources and even less time, leaders face ever more elevated levels of stress. Overwhelmed leaders provide significantly less recognition and support.
- 2. Integrate your data:** A robust workforce analytics platform can lead to clear insight and action. Whether it be through agile surveying, the personalization of engagement or infused analytics, you will have a clearer (and actionable) picture of turnover, productivity, service, profit, efficiency and stock performance.
- 3. Focus on performance:** Do you know what drives performance in your organization? Through linkage analysis, organizations can identify the critical factors that impact performance.
- 4. Tap into the power of personal engagement:** In most organizations, leaders, managers and HR are responsible for building a culture of engagement. What about employees? Mercer's experience suggests they have a role to play, too.



WHO ARE GEN Z?

Born in the late 1990s, Gen Z are the ultimate entrepreneurs. Digital marketing is a given: They post social media profiles instead of CVs, and do their due diligence on potential employers online. They are also more risk-averse and globally aware. Growing up after the 2008 recession, they value financial security and companies that have a demonstrated positive impact on society.

WHAT GEN Z WANT



56%

Career advancement



47%

Work/life integration



38%

Work culture



34%

Base pay



16%

Mentoring and networking programs



9%

Healthcare benefits



8%

Retirement benefits



5%

Educational assistance

Mercer, Enabling Generation Z, 2017

OUR LATEST RESEARCH SHOWS THAT EMPLOYEES CAN TAKE STEPS TO MANAGE THEIR OWN ENGAGEMENT



Reflect on the impact and value of the organization and the work



Communicate career needs and challenges to leadership



Mentor colleagues at the organization



Manage your energy through personal leave, flexible scheduling and connecting with colleagues



Find new projects and challenges that use different skillsets or with different teams



Model a positive attitude despite the current challenges in the workplace

“In most organizations, leaders, managers and HR are responsible for building a culture of engagement. What about employees?”



WHAT COMES AFTER ENGAGEMENT?

Over the past 25 years, people have realized the importance of engagement. Engagement represents the extent to which employees are psychologically invested in their job and their organization. When employees are engaged, they work harder, stay longer and provide better customer service.

But engagement does not guarantee exceptional performance. In today's VUCA world,¹² success requires a workforce that is adaptive, resilient and evolving. The best organizations focus on expanding employees' skills and capabilities. These organizations don't just create an engaging work environment — they also enrich the personal assets of their employees, helping them build better careers, healthier lives and greater financial security. They create opportunities for employees to improve themselves and the world through meaningful work, compelling missions and a sense of purpose. Organizations with a thriving workforce thrive themselves: Stock performance is 11% to 16% higher in organizations with highly enthusiastic employees.¹³

Mercer's Talent Trends Study highlights one other important finding: Only half (54%) of employees we recently surveyed are thriving.¹⁴ The rest were in dull, draining or depleting jobs. This suggests that when it comes to building a thriving work environment, most organizations have a way to go. ■

¹² VUCA: volatile, uncertain, complex and ambiguous

¹³ Sirota D, Klein D. *The Enthusiastic Employee: How Companies Profit by Giving Workers What They Want*, 2013, available at <http://www.sirota.com/engage-your-employees/enthusiastic-employee>.

¹⁴ Mercer. *Global Talent Trends Study*, 2019 available at <https://www.mercer.com/our-thinking/career/global-talent-hr-trends.html>

NEXT-GEN CAREER FRAMEWORKS

Ilene Siscovick, Partner, Career Frameworks Solution Leader, Global



As any architect will tell you, it is the structures both supple and stable that withstand shocks. The same is true for how enterprises organize jobs.

In uncertain times, career frameworks must be robust enough to link core HR processes (such as recruitment and development) but have sufficient elasticity to accommodate future roles, manage costs and strengthen talent capability over time.

When designed well, a digitally enabled career framework provides organizations with transparency into employee skills,

the control to guide the best talent toward critical roles, and the velocity to prepare top talent and enable organizational agility.

It also acts as a visual guide to disruption. By mapping workers' skills against those most at risk of automation, HR can identify re-skilling opportunities and pick out appropriate new roles for displaced employees. With a career framework in place, an action plan emerges for building a workforce for the future.

Career frameworks will also have to adapt to organizations' new "platform for talent" mindset. Under this approach,

organizations may have only a core set of employees to fulfill roles such as strategic leadership, differentiated intellectual capital know-how and partnership management. Variable staffing models will deliver specific skills. And core employees will manage the system using AI to deploy people around an event, and move on. ■

To find out more, please see Mercer's recent paper, "2020 Is Coming: Is Your Career Framework Ready?"¹⁵

¹⁵ Mercer. "2020 Is Coming: Is Your Career Framework Ready?" 2018, <https://www.mercer.com/our-thinking/career/2020-is-coming-is-your-career-framework-ready.html>

“Predictable requirements from 10 years ago have been disrupted. Employers and employees need to be thinking together about future opportunities and creating a platform to be able to foresee how work is changing. For instance, the role of a ‘digital storyteller’ didn’t even exist five years ago. Organizations are transitioning from being very structured and linear to now creating agile career paths to match employees’ different talents, values and aspirations to business requirements.”

— Anne Fulton, CEO and Founder, Fuel50 CareerPathing

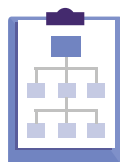
WHAT WILL NEXT GENERATION CAREER FRAMEWORKS LOOK LIKE?



Tapping into talent ecosystems to access employees, contingent workers, bots and knowledge hubs



Empowering employees to contribute wiki-style content to evolving jobs



Using human resource information system (HRIS) cloud migration to enable templated, enterprise-wide approaches to job architecture to reflect current jobs and jobs of the future



Sourcing, selecting and deploying teams using skill-identification technology

DISRUPTING HR: A DIGITAL UPGRADE

Antonis Christidis, Partner for Career in the US, and Sarah Charlesworth, a Partner for Technology Solutions, share insights into how HR can boost its impact in a digital world.

Q: WHAT ROLE DOES DIGITIZATION PLAY IN HR?

Antonis Christidis: Digitization is a means for organizations to compete more effectively. Many current discussions focus on technology-led efficiencies. As the technology — and our understanding of it — progresses, we will shift to digitizing and upgrading the employee experience. For years, companies honed in on EVP, working conditions or communication. It is only recently that HR has embraced the concept that employees are also consumers, and they seek high-quality experiences at work.

Today, we are in a transition period of exploring what technology can do for our customers and

employees. There are a lot of promising early stage technologies available; the goal is to link them into one integrated ecosystem. The future of work will certainly be exciting if we embrace technology as an amplifier of productivity rather than a FTE-reduction mechanism.

Q: HOW DOES TECHNOLOGY SHIFT HR'S POSITION IN THE BUSINESS?

AC: Technology in itself is not changing the role of HR. To experience a real shift, we need HR leaders who can contribute to the digital transformation of their business and its people, which means unleashing HR from its silo to help business leaders navigate the complexities of the new era.

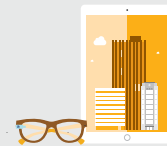
WHAT'S NEW ON THE AGENDA?

VIRTUAL ASSISTANTS



Employees have a concierge to manage their HR experience. The virtual assistant responds to voice commands to answer questions, send notifications and connect workers to a network of support. More than a chatbot, the AI-powered assistant anticipates needs and makes personalized suggestions.

AUGMENTED REALITY



Simulations bring the workplace to life, before employees have even gone to work. Augmented reality tools give greater accuracy to assessments and provide a real-world view of new jobs, difficult leadership situations and what it will feel like to upskill and re-skill for a role.



For more information, please see Mercer's recent paper, "Engaging the Workforce in Digital Transformation."¹⁶

an employee receives a salary increase, for example. Deploying "just in time" technology to shape employee behaviors can benefit HR in all aspects, including pay, healthcare, retirement and much more.

AC: The consequences of automation will be to make premium services standard. Regardless of seniority, a large percentage of jobs today are transactional rather than focused on relationships or expertise. Now, consider when technology will allow us to work in "touchless" departments; for example, when a C&B department no longer needs a person to do pay benchmarking or edit job offers. Gradually we'll start to see HR professionals liberated from standard tasks and redeployed to more creative and relationship-focused roles. You may see premium services offered to more managers that were previously the preserve of the C-suite, for instance.

For example, there is a lot of activity around robotic process automation (RPA). We're seeing businesses identify areas to automate and develop proofs of concept. Yet HR is typically brought in as an afterthought, when organizations realize the implications for jobs. Instead, we've been discussing with clients a playbook for launching RPA technology, and how to develop an A-team from the outset that includes HR to manage the change.

Q: WHERE CAN AUTOMATION ADD VALUE TO HR?

Sarah Charlesworth: Where automation can help right now is in "nudge technology" — in pushing and pulling employee communications. The travel industry routinely sends pertinent reminders at the right time, such as information on flight delays. Automated communications can send out information on increasing retirement contributions if

Q: HOW DO WE ENABLE NEW WORKFORCE MODELS?

AC: We are shifting to a talent demand economy, in which HR relies on access to skills. Total workforce strategies will encompass contractors as well as employees. Technology is an enabler in this ecosystem. Smart companies engage with contractors regularly and proactively, not just when they need them for a project. For the past year, a US cosmetics company has used an app to engage with freelance makeup artists, sending messages and event invitations to make them feel part of their tribe, rather than that of a competitor. The company has found it easier to recruit the best freelancers as a result.

SC: Digital tools enable organizations to staff a diverse work model, but only if there is a commitment to invest. Today's tools are often too awkward to be effective. Slow VPNs, poor bandwidth, security issues — even the small size of screens is not conducive to collaboration within global teams. And we need to go further. Interactions such as brainstorming require a virtual space in which to gather.

Q: WHAT NEW SKILLS DOES HR NEED IN THE DIGITAL AGE?

AC: The most important attribute for HR is a new mindset. Understanding the business, its direction, and the competitive landscape is crucial to designing a new people strategy oriented to growth. As the business changes, organizations will need new types of talent to service that business. This requires skills grounded in curiosity and creativity, overlaid by an appreciation of data. The curiosity to understand the external environment; the creativity to imagine smart solutions and the technology it demands; and the ability to present a compelling case to the C-suite to make data-driven decisions. ■

TECH UNTETHERED



HR processes are freed from the desktop, or even a mobile. There is no single app for everything; rather, online and offline systems integrate seamlessly. Without the need for passwords, employees apply for annual leave or view career paths on the go, with minimal disruption.

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