Global Talent Trends 2022

The rise of the Relatable Organization

July 2022
The future of work conversation: very often NOT about the future…

Before 2020: can a computer do my job?

2020+: where will I work and why?

This is how engineers teach computers to see

Chihuahua or Muffin?
Will a computer take your job? Right now, no.

Job Vacancies are double historical trends

As At March - average job vacancy ('000)

Job Vacancy to Unemployed Person Ratio
Analysis of collaboration activity across Microsoft 365 tools the past two years. This visualization is based on aggregated data, without personal or organization-identifying information.
What’s the impact on employees?

Field survey of 503 employees in Singapore

**On a normal day, how energized do you feel at work?**

- **Global**: 63%
- **Singapore**: 44%

**How often do you feel like you can bring your authentic self to work (be yourself at work)?**

- **Global**: 73%
- **Singapore**: 51%

**How healthy is your workplace? (Consider both psychological safety and physical health and well-being)**

- **Global**: 55%
- **Singapore**: 42%

**How satisfied are you with your organization right now?**

- **Global**: 50%
- **Singapore**: 36%
This is an opportunity to think differently about how we design and organise work.

- Bureaucracy
  - Top-down hierarchy
  - Detailed instruction

- Silos

- Leadership shows direction and enables action
- “Boxes and lines” less important, focus on action
- Teams built around end-to-end accountability

Quick changes, flexible resources
We can’t make this shift with the same thinking that created the way we work today
Voices that make up this year’s study

10,910 employees, HR professionals, and executives from 13 industries and 16 geographies vocalize the importance of learning to relate to one another in a changing time.

<table>
<thead>
<tr>
<th>930 C-Suite executives</th>
<th>81%: The business agenda and the people agenda have never been more intertwined</th>
</tr>
</thead>
<tbody>
<tr>
<td>30% anticipate less than 3% revenue growth</td>
<td></td>
</tr>
<tr>
<td>48% anticipate 3-9% growth</td>
<td></td>
</tr>
<tr>
<td>22% anticipate 10% or more growth</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>1,736 Senior HR professionals</th>
<th>41%: The fundamental shift in our business required a reset of work, the workforce and the workplace</th>
</tr>
</thead>
<tbody>
<tr>
<td>76% HR leader with HR background</td>
<td></td>
</tr>
<tr>
<td>23% HR leader with non-HR background</td>
<td></td>
</tr>
</tbody>
</table>

| 33% CHRO/CPO |
| 27% Exec/SVP/VP |
| 40% Other |

<table>
<thead>
<tr>
<th>8,244 Employee voices</th>
<th>91%: We strategize more with executives on human capital risk</th>
</tr>
</thead>
<tbody>
<tr>
<td>8% Gen Z</td>
<td></td>
</tr>
<tr>
<td>54% Gen Y</td>
<td></td>
</tr>
<tr>
<td>30% Gen X</td>
<td></td>
</tr>
<tr>
<td>7% Baby Boomers</td>
<td></td>
</tr>
</tbody>
</table>

| 45% Remote |
| 30% Hybrid |
| 24% Onsite |

| 78%: My company empowers me to work with minimal oversight |
| 81%: I feel at risk of burnout this year (up from 63% in 2020) |

8% Gen Z
54% Gen Y
30% Gen X
7% Baby Boomers
45% Remote
30% Hybrid
24% Onsite
81%: The business agenda and the people agenda have never been more intertwined
41%: The fundamental shift in our business required a reset of work, the workforce and the workplace
91%: We strategize more with executives on human capital risk
96%: We intend to make design changes to the HR function
78%: My company empowers me to work with minimal oversight
81%: I feel at risk of burnout this year (up from 63% in 2020)
Workforce challenges weigh heavy on executives’ minds this year

96% feel they are in an employee-centric labor market

63% worry about hiring the right talent at the right price at the right pace

56% worry about lower engagement among certain populations

66% are facing a labor shortage crises

In Singapore - To what extent do you foresee your organization impacted by the following workforce challenges in 2022 (Impacted moderately + to a great extent)

- Digital exhaustion and remote worker fatigue: 78%
- Managing a more cross-border workforce (given increase in remote working): 76%
- Difficulty hiring the right talent, at the right price, quickly enough: 73%
- Lower than desired employee engagement at certain levels (e.g., stagnation, coasting): 73%

Executives see their organization impacted by:

- Digital exhaustion: 88%
- Absenteeism: 87%
- Loss of talent: 89%

In Singapore - Which of the following workforce initiatives would deliver the biggest return on investment in the next 2 years?

- Redesigning work to improve agility: 37% (7%)
- Investing in workforce upskilling/reskilling: 35% (-1%)
- Evolving our flexible working culture: 33% (2%)
- Delivering on new work standards (e.g., living wage, gig/supply chain worker protection, etc.): 33% (3%)
Brand/reputation is the biggest reason that employees join a company, after job security (up from #9 in 2020).

39% would give up a pay increase in 2022 in return for the ability to work a fully-flexible or compressed work schedule (e.g., four-day work week).

Mental and emotional well-being strategies are the most popular action to support long term employee health.

50% of HR teams in Singapore are executing target reskilling and upskilling for expensive/scarce skills.

92% of HR leaders say that they need to build a more trusting company culture as we shift to a hybrid work model.
Which trends will be critical to make progress on?

**Reset for Relevance**
- Make values visible and build a culture of ESG and sustainability
- Build a new work operating system aligned to changing business needs

**Work in Partnership**
- Ensure your value proposition aligns to changing expectations of employees
- Seek to build alignment between executives and employees on new work models

**Deliver on Total Well-Being**
- Take a data-driven approach to ensure benefits are fit-for-purpose
- Ensure total well-being addresses all aspects – physical, mental, social and financial

**Build for Employability**
- Accelerate plans to build a skills based organization
- Deliver on a pay-for-skills strategy to ensure employees are incentivized
- Re-examine work to reduce areas of friction that are depleting employee energy
- Ensure HR models are aligned to deliver the change needed
Relatable organizations have two ears, one mouth and many hands

To learn more about how relatable organizations are staying ahead this year, register for our report online

Globally, employees are feeling much more at risk of burnout...

In 2022, **81%** of employees feel at risk of burnout compared to **63%** pre-pandemic.
In Singapore, the impact on employee wellbeing is particularly pronounced.
### Executives: To what extent do you foresee your organization impacted by the following workforce challenges in 2022 (Impacted moderately + to a great extent)

<table>
<thead>
<tr>
<th>Challenge</th>
<th>Global</th>
<th>SG</th>
</tr>
</thead>
<tbody>
<tr>
<td>Digital exhaustion and remote worker fatigue</td>
<td>59%</td>
<td>78%</td>
</tr>
<tr>
<td>Lower than desired employee engagement at certain levels (e.g., stagnation, coasting)</td>
<td>56%</td>
<td>73%</td>
</tr>
<tr>
<td>High employee sick/absence rates impacting productivity</td>
<td>59%</td>
<td>71%</td>
</tr>
</tbody>
</table>

... they ranked employee wellbeing as **#9 initiative** most likely to deliver the biggest ROI in the next two years; globally executives ranked employee wellbeing as **#2**
What does employee wellbeing mean? How do we embed it and truly drive change?

EVERY COMPANY: We'd like to promote mental health in the workplace.

EMPLOYEES: How about hiring more people so we feel less pressured & increase our pay so we can keep up with the spiraling cost of living so we're not so stressed out.

EVERY COMPANY: No not like that. Try Yoga.
Individual and collective support
Connecting with people and looking for ways to be of service to the community

Prevention and health maintenance
Taking care of your health and building good habits

Financial security
Finding ways to build a secure future

Reduce stress and build resilience
Learning how to manage stress and building resilience to life’s challenges
A caring workplace has a *thriving* workforce

Nine in ten executives are concerned about high employee sickness/absence rates and remote worker fatigue this year.

What we know about *thriving* employees:

- 4x more likely to say their companies are meeting their needs.
- 4x more likely to be satisfied and not plan to leave their organization.

Thriving employees are:

- **7x more likely** to say they work in a healthy workplace.
- **2x more likely** to say their company helps them afford medical care.
- **3x more likely** to say their company takes mental health seriously.
- **3x more likely** to say their company cares about financial well-being.
- **2x more likely** to trust their company to help them prepare for retirement.

So, what is different about how they describe their workplace?

Physical well-being is a priority

Emotional well-being is supported

Holistic approach & culture

The company cares about financial well-being

What we know about thriving employees:

- 7x more likely to say they work in a healthy workplace.
- 2x more likely to say their company helps them afford medical care.
- 3x more likely to say their company takes mental health seriously.
- 3x more likely to say their company cares about financial well-being.
- 2x more likely to trust their company to help them prepare for retirement.

So, what is different about how they describe their workplace?

Physical well-being is a priority

Emotional well-being is supported

Holistic approach & culture

The company cares about financial well-being

What we know about thriving employees:

- 7x more likely to say they work in a healthy workplace.
- 2x more likely to say their company helps them afford medical care.
- 3x more likely to say their company takes mental health seriously.
- 3x more likely to say their company cares about financial well-being.
- 2x more likely to trust their company to help them prepare for retirement.

So, what is different about how they describe their workplace?

Physical well-being is a priority

Emotional well-being is supported

Holistic approach & culture

The company cares about financial well-being

What we know about thriving employees:

- 7x more likely to say they work in a healthy workplace.
- 2x more likely to say their company helps them afford medical care.
- 3x more likely to say their company takes mental health seriously.
- 3x more likely to say their company cares about financial well-being.
- 2x more likely to trust their company to help them prepare for retirement.
<table>
<thead>
<tr>
<th>Statement</th>
<th>Global</th>
<th>SG</th>
</tr>
</thead>
<tbody>
<tr>
<td>I would recommend my employer to a friend</td>
<td>79%</td>
<td>71%</td>
</tr>
<tr>
<td>It is acceptable to say &quot;no&quot; to unreasonable work requests</td>
<td>77%</td>
<td>71%</td>
</tr>
<tr>
<td>I can voice my opinion openly without fear of repercussion</td>
<td>76%</td>
<td>68%</td>
</tr>
</tbody>
</table>
reset for relevance

work in partnership

deliver on total well-being

build for employability

harness collective energy
#2 agenda item for Executives in 2022 is reskilling

Top HR priority for 2022 is to design talent processes around skills

93% of employees recently tried to learn a new skill

97% of HR say their company has significant skill gaps

Organizations and employees need to bridge the gap to build capability and prosperity for all

Source: Mercer's 2022 Global Talent Trend, Singapore datas
What is getting in the way of building a skills-based organization?

What are the top barriers for reskilling in your organisation?
What are the top barriers for reskilling in your organisation?
What is getting in the way of building a skills-based organization?

HR sees a number of barriers to skilling at scale

- Inability to keep up with pace of change/emerging skill needs: 38%
- Not knowing who has most potential to leverage new skills: 37%
- Not knowing what skills we have in our workforce today: 36%
- Inability to specify the actual skill gaps we have: 33%
- Concern that reskilled/upskilled talent will leave the firm: 32%

Employees crave focused reskilling and a visible pay-off

- 84% of employees know what skills will become more important in the future and/or may be at risk of becoming obsolete

Top 2 barriers to reskilling according to employees: not enough time and not sure which skills to focus on for career progress

1 in 5 are not convinced reskilling will improve their chances of promotion

“There has been a five-fold increase in employer provision of online learning opportunities to workers”
What strategies are being used to build a skills-based organization?

What initiatives are you driving to create a skill based organisation?
What initiatives are you driving to create a skill based organisation?

- Development conversations
- Learning leave
- Cross training
- Enhance HRIS
- Alignment to Purpose
- OTJ training experiences
- Digital
- Talent marketplace
- Skills framework
- Skill set of sunrise role
- OJT
- Identifying sunset roles
- AI skill based platform
Incentivizing employability

Strategies HR is using to ensure a ready flow of talent in 2022

- **50%** targeted reskilling/upskilling for Expensive/scarce skills
- **49%** Ensuring talent processes (e.g., hiring, pay, promotion) reward acquisition of new skills
- **45%** Use workforce planning technology that focuses on skills rather than headcount

Flow talent to work using a talent marketplace

Particularly relevant for “stretching” scarce skills and when the skills required for work are changing quickly

- **Joining the company:** Using AI to predict when workers with critical skills will retire
- **My learning & reskilling:** Engaging digital tools to develop skills
- **My performance & recognition:** Assess changing demand and value of skills
- **My career:** Career portal/platform that suggests suitable career paths
- **My value:** Analytics on which reskilling initiatives lead to career progression

Agile companies are more likely to invest in talent marketplace in 2022

Talent Marketplace

Open, Dependable
### Organizational Context

Needed a structured way to recognise market pay premiums across niche jobs

Traditional pay-for-job model at the Agency did not motivate upskilling and reskilling

### Key Solutions Recommended

<table>
<thead>
<tr>
<th>Generics Salary Range (All markets)</th>
<th>Premiums Salary Range (2% above Generics Range)</th>
<th>Critical Salary Range (3% above Premiums Range)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Engineering, Data science, Project manager</td>
<td>Digital Marketing, Legal, Cybersecurity, Solution architecture</td>
<td>IT, Systems integration, Project manager, Cloud design, Cybersecurity, Data science</td>
</tr>
</tbody>
</table>

### Key Learnings

- Integrating rewards and skills development can invigorate focus on L&D – what gets measured and rewarded, gets done

### Key Impact

- The Agency has a way of rewarding niche skills, but also a mechanism to motivate upskilling and reskilling due to the linkages built between skills & rewards
- The shift away from pay-for-jobs meant that employees holding critical positions do not automatically get a higher pay unless they have the right competencies/capabilities

### Considering both market data as well as criticality of jobs to the Agency and actual talent attraction/retention data, arrived at two separate pay ranges that apply to all jobs

<table>
<thead>
<tr>
<th>Competency Required</th>
<th>Recruit Average Market Range</th>
</tr>
</thead>
<tbody>
<tr>
<td>Base: 1</td>
<td>Base: 2</td>
</tr>
<tr>
<td>Base: 3</td>
<td>Base: 4</td>
</tr>
<tr>
<td>Base: 5</td>
<td>Base: 6</td>
</tr>
</tbody>
</table>

| Only employees who have been assessed as having the necessary skills were eligible for merit increment and access to the premium ranges (linking assessments) |

© 2022 Mercer LLC, All Rights Reserved. 28
How can you build your employees’ employability?

Secure the future with skills

Build pathways to prosperity for all

Power up your skills agenda:

- Promote purposeful learning
- Focus on reskilling which impacts career progression
- Celebrate skills-based career moves
- Close the internal/external pay gap with market pricing (skills based pay)
- See ahead on trending skills with AI
welcome to brighter