THE FUTURE OF JOBS &
THE IMPACTS OF DIGITAL ON HR

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AGENDA

1. INTRODUCTIONS
2. GLOBAL MACRO TRENDS IMPACTING JOBS
3. IMPACT OF DIGITAL ON HR
4. A PATH FORWARD
MERCER IS A FLAGSHIP COMPANY OF MMC

MARSH
$5.8B
28,000+ Colleagues
Insurance broking and risk management

GUY CARPENTER
$1.2B
2,300+ Colleagues
Reinsurance and intermediary advisory services

MERCER
$4.4B
20,000+ Colleagues
Talent, health, retirement and investment consulting

OLIVER WYMAN
$1.7B
3,700+ Colleagues
Management consulting, qualified actuaries, economic analysis and brand consulting

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MERCER SERVICES FOCUS ON SUPPORTING THE HEALTH, WEALTH & CAREERS OF EMPLOYEES

RETIREMENT
- Integrated defined benefit risk management
- High-performing defined contribution plans
- Comprehensive plan management and administration
- Innovative plan design
- Global actuarial consulting

TALENT
- Talent strategy
- Workforce analytics and planning
- Executive and workforce rewards
- Talent management, mobility and leadership
- HR transformation and human capital strategy advisory
- Communication and change

INVESTMENTS
- Strategic investment design
- Defined contribution plan investments
- Endowments and foundations
- Wealth management

HEALTH
- Benefit exchanges
- Benefit strategy, design and financing
- Individual and voluntary benefits
- Benefit plan management and brokerage
- Specialty health and benefits
- Benefits administration

CLIENTS

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MERCER TALENT CONSULTING SERVICES

TALENT STRATEGY
- Workforce Strategy and Planning
- Talent Assessment and Development
- Performance and Career Management

TALENT MOBILITY
- Mobility Strategy and Policy
- Benchmarking
- Provision of Expatriate Data
- Mobility Co-Sourcing and Services

HR TRANSFORMATION
- HR Service Model and Process Design
- HR Talent Assessment and Development
- HR Technology Optimization and HCM System Advisory/Deployment

EXECUTIVE REWARDS
- Board/Management Advisory Services
- Plan Design and Performance Measurement
- Governance and M&A Transaction Support

WORKFORCE REWARDS
- Total Rewards Strategy and Program Design
- Job Evaluation and Career Frameworks
- Data, Insights and Technology

COMMUNICATION
- Employee Communication associated with Health, Wealth and Career programs
- Change Communication associated with HRIS Implementations, Structural Changes and M&A Activity

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THE CHANGING EMPLOYMENT LANDSCAPE

BUSINESS MODEL DISRUPTIONS

IMPACT FELT ALREADY

2017

2018 - 2020

Mobile Internet and Cloud Technology

Big Data

The Internet of Things

Advanced manufacturing and 3D printing

Robotics, Autonomous Transport

Young Demographics

Flexible Work

Longevity and Ageing Societies

Women’s Economic Power, Aspirations

Artificial Intelligence

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Evolving Skills Landscape

Only 50% of skills needed today will be applicable in 2020.

Current stable jobs will require different skill sets in just a few years.

Skills instability will be high for all industries regardless of the employment outlook.

Current roles are already hard to recruit for.
SOME JOBS WILL DISAPPEAR
OTHERS WILL BE CREATED

EMPLOYMENT OUTLOOK ACROSS JOB FAMILIES

JOBS CHANGE IN THOUSANDS, 2015-2020

DECLINE

- Office and Administrative
  -4,759

- Manufacturing and Production
  -1,609

- Construction and Extraction
  -497

- Arts, Design, Entertainment, Sports and Media
  -151

- Legal
  -109

- Installation and Maintenance
  -40

GROWTH

+ Business and Financial Operations
  +492

+ Management
  +416

+ Computer and Mathematical
  +405

+ Architecture and Engineering
  +339

+ Sales and Related
  +303

+ Education and Training
  +66

STRATEGIES FOR MANAGING DISRUPTION ARE SIMILAR

- Invest in reskilling current employees
- Support mobility and job rotation
- Collaborate with educational institutions
- Target female talent
- Attract foreign talent
WE CAN PREPARE FOR THE DISRUPTION

INDUSTRY EXPERTISE
What jobs are growing in your industry?

TRAINING
Are you training/up-skilling your workforce?

RECRUITING
Are you recruiting for skills and knowledge to drive innovation and maintain your competitive edge?

MILLENNIALS
How are you attracting and engaging this critical segment?

WOMEN
What support are you providing female employees to help them advance and grow?

AGEING EMPLOYEES
How are you reskilling them for the future?

FLEXIBLE WORK/MOBILITY
Will your future workforce work the way you want them to?
YOUR ORGANIZATIONS WORKFORCE PLAN

▶ It is about defining the plans that will balance the supply and business demand of talent over time.
▶ It directs talent actions that ensure the right talent is in the right place to drive the right results.

**Supply**
Current and projected supply of talent based on past flows and consideration of alternative actions

**Demand**
Future workforce needs based on business plans, considering alternative growth and productivity scenarios
LEADING COMPANIES ARE SHIFTING TOWARD LEAN AND AGILE OPERATING MODELS

THE ELASTIC WORKFORCE MODEL
Enabling Organizations to flex and grow the variable and contractor workforce
Anecdotes, though less powerful, should not be dismissed. They may hold keys to perceptions and beliefs, and play an integral role in evidence-based strategic consulting.

Our core services are focused on leveraging the predictive power of data to make better people decisions.
Demand for metrics and analytics to understand key roles, talent flows, obstructions to talent mobility and costs of not getting it right from a business and talent perspective is quintessential for the future.

Today, with “digital natives” entering the organization and the proliferation of technology, organisation is embarking on a continuous journey of improvement and enhancement of talent processes.

The demand for continuous, on-demand learning using new digital, mobile and social methods is on the rise. Exponential technology is fundamentally transforming how people access, retain and apply information. The need to create a personalized employee benefit and development experience has never been stronger.

Global and multinational companies struggle with setting global HR policies that can also be locally malleable to meet the needs of local lines of business, regulations and employee expectations.

There is a renewed focus to upskill manager capabilities to effectively coach, mentor and manage the “day to day” HR-type conversations with employees, freeing up HR to build capacity as trusted advisors to line of business leaders on talent and business priorities.

Organizations are taking a close look at how they are perceived in the marketplace – formally and socially – to make sure that they are catering to potential “employee as consumer” expectations around career development, growth and the overall work experience.

Source: Mercer Global Talent Trends Study 2016
HR HAS BEEN TRANSFORMING

HR Functional Silo  HR “HERO”  3-Legged Stool

HR as stand-alone

HR as “Jack of all Trades” – does everything!

HR as Advisor, Administrator and Consultant

FROM  NOW

What’s Next?

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HR has a full range of technology applications to optimize performance and provide value to the business.

**Technology Landscape Within HR**

**Administrating HR Processes**
- Core HRIS
- HR administration
  - Payroll administration
  - Benefits administration
- Workforce Management
  - Time and Attendance
  - Absence management
  - Budgeting
  - Scheduling

**Managing Human Capital**
- Workforce Planning
- Talent Acquisition
- Performance Management
- Career Planning and Development
- Learning Management
- Succession Planning
- Compensation Management

**Delivering HR Services**
- HR/Enterprise Portal
- Self Service and Workflow
- Service Center Technologies
  - Call management
  - Case management
  - Knowledge management

**Supporting Measurement & Decision Making**
- HR Data Warehouse
- Reporting & Analytics
- HR Scorecard

**Integrating Mechanisms: People, Process, and Governance**
TRENDS IN TECHNOLOGY

SOCIAL MEDIA

GAMIFICATION

MOBILE

CLOUD BASED

CROWD SOURCED

BIG DATA

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In an employee’s hand, the right user experience of career frameworks can help his or her career and pragmatically plan how to make it happen.

Employees can explore the organization, understand where their role fits, and identify roles or paths they’d like to pursue.

They can explore what’s required for success in a role and look at and save learning ideas to help them build the capabilities to get to their career goals.
MERCER CAREERVIEW APP
NEW EMPLOYEE PACKS, MANAGER TOOLKITS, AND
CAREER PATH POSTERS
WHAT IS YOUR CAREER DNA?

PREDICTIVE HIRING
COMBINING NEUROSCIENCE, GAMES AND BIG DATA

PLAY GAMES

MATCH TO CAREER AND JOBS
PREDICTIVE HIRING: WWW.MERCERMATCH.COM
COMBINING NEUROSCIENCE, GAMES AND BIG DATA

PREDICTIVE HIRING

Mercer Match is a job matching app that takes a new and scientific approach to sourcing and hiring great talent, making it easy to find candidates who have exactly what it takes to succeed in the roles you want to fill.

Through a series of short & fun neuroscience games, cognitive, emotional and social traits of candidates are thoroughly assessed.

The traits discovered during the games will be used to predict person and job fit.

The process matches candidates to jobs based on traits exhibited by the player and key needs of the job.

1. Identify target candidate pool for assessment.
2. Identify 30-50 existing employees to set profile baseline.
3. Develop benchmark performance profiles of roles and flag high performers.
4. Candidate pool to participate in games and are stacked ranked based on fit within high performer model.

TALENT ACQUISITION
Expand talent pool & increase diversity of hire
Use candidate traits in assessing fit and potential for a position

INTERNAL MOBILITY
Suggest internal openings to employees based on matching traits and assess fit

TRAINING & DEVELOPMENT
Allow for comparison between traits of low and high performers
Identify existing employees with potential to develop and hone key skills

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**TRENDS AROUND THE GLOBE**

**IMPROVED CANDIDATE AND JOB MATCHING REMAINS A TOP PRIORITY**

**SOCIAL:**
Expanding the talent pool; accessibility to candidates

**MOBILE:**
Increased focus on candidate experience

**MACHINE LEARNING ALGORITHMS:**
Better matching between candidates and jobs

**BIG DATA:**
Predictive hiring; data-driven recruiting processes

**DIGITAL MARKETING:**
Introduction of consumer marketing principles; candidate segmentation and messaging

**EMPLOYER BRANDING:**
Predominantly through social media

**DIVERSITY RECRUITING:**
Priority for larger organizations

**GAMIFICATION**
Candidate centric, instant gratification, millions of data points

*Source: CEB/LinkedIn 2015 global recruiting trends*
SUMMARY: PEOPLE STRATEGY
CALL FOR ACTION

BUILD THE STRATEGIC WORKFORCE PLANNING AS A CORE PART OF HR

HR function with strong data and workforce scientists that can partner with strategy and line executives to understand and react to future workforce.

TALENT DIVERSITY

The time is now, no more excuses. – gender, age, ethnicity - advancing workforce parity.

RELENTLESS FOCUS ON DATA ANALYTICS

Mapping of job categories, anticipated redundancies, and changing skill requirements must be a focus.

LEVERAGING FLEXIBLE WORK ARRANGEMENT AND ONLINE TALENT PLATFORMS
SUMMARY: HR TRANSFORMATION
CALL FOR ACTION

HR TECHNOLOGY
- HR Technology Strategy
- HR Technology Optimization Services
- HR Technology Selection Services

CHANGE IMPLEMENTATION
- Change Strategy and Readiness
- Measurement
- Leadership Alignment
- Engagement
- Communication
- Training

HR EFFECTIVENESS
- HR Service Delivery Model
- HR Organization Design & Implementation
- HR Talent Assessment and Development
- HR Shared Services
- HR Process Redesign
- HR Governance

Improve the efficiency and effectiveness of the HR function through structure, strategy and targeted capability building.

Develop ways for HR to better collaborate with business leaders on people strategies.

Build strong decision making models for the HR team, and ensure HR is focused on strategic priorities.

Implement cloud and social technologies that will attract, engage and retain a tech savvy workforce.

Shift manual HR work to new consumer grade technologies.

Ensure effective adoption of new HR plans and programs through effective change management.