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Workforce Trends

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Talent Trends

Proactively planning for workplace disruption

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Automation. Digitalization. Gamification. Globalization. All of these are disrupting how, when and where work gets done, and the full impact is yet to be known. These forces are already driving significant change in organizations globally. The World Economic Forum is predicting significant shifts, not only in industries that are expanding and contracting due to this disruption, but also in the core and specialist skills needed to compete. The WEF predicts that by 2020, more than one-third of the core skills that will be required are not yet considered critical (WEF, Future of Jobs) and are not being taught in universities and colleagues today.

However, this disruption also presents opportunities. We believe that any insight into the challenges and opportunities ahead must be seen through the lens of both the Future of Jobs and the Future of Talent. Together, they will form the Future of Work and determine what will be required of organizations and their talent strategies to compete in this new world. These issues were explored in a recent global survey conducted by Mercer that gathered the perceptions of C-suite Executives, HR leaders and employees across 37 countries and 20 industries (Mercer Talent Trends Survey, 2017).

Four key trends emerged from the survey:

1 Growth by design. Companies are being bold about how they plan to redesign their organization and design future jobs. Fully 93% of surveyed executives will make organization design changes in the next two years. However, only 15% of HR leaders see organization design as a top priority. This disconnect must be addressed.

2 A shift in what we value. This year's findings on what matters most to employees revealed a sharp focus on the contractual aspects of the employment equation—97% of employees want to be recognized and rewarded for a wide range of contributions (not just financial results or activity metrics). Pay competitiveness, benefits, and job security will be even more important factors for people when deciding whether to stay with an organization or deciding where to go next.

3 A workplace for me. Employee experiences are getting personal. This means companies are moving beyond segmented pay and benefits to a more nuanced value proposition—one that responds to individual interests and is brought alive through technology. In particular, employees want flexibility in terms of when and where their work gets done.

4 The quest for insight. Companies believe workforce analytics will be a key player in winning the war for talent. Yet, despite an increase in the volume and quality of talent data, many are struggling to derive meaningful insights to inform decision making.

How are progressive organizations addressing workforce planning challenges?

From the trends above, a common thread is how organizations plan and execute—at the individual and organizational level—to meet their future needs. On the macro level, strategic workforce planning has become more important as organizations are faced with challenges related to growth and expansion, scarcities of critical skills in the labor market, constant demands for profit improvement, insufficient pipelines for critical roles, and other challenges brought on by this rapidly changing business environment.

One way to understand this concept is by thinking about how workers "flow" into, out of, and within the organization. This is called an Internal Labor Market (ILM) analysis. It can help an organization to identify those levels within an organization where growth is needed, and can also identify "choke points" based on gender, function, race/ethnicity, etc. where people are exiting the organization in higher proportion due to limited opportunity.

The data currently available in most organizations can be presented in ways that illustrate all levels of employees in a new and powerful way so that key people initiatives can be addressed. Armed with the "big data" collected, companies can continue to get smarter about deriving insight and taking action. •
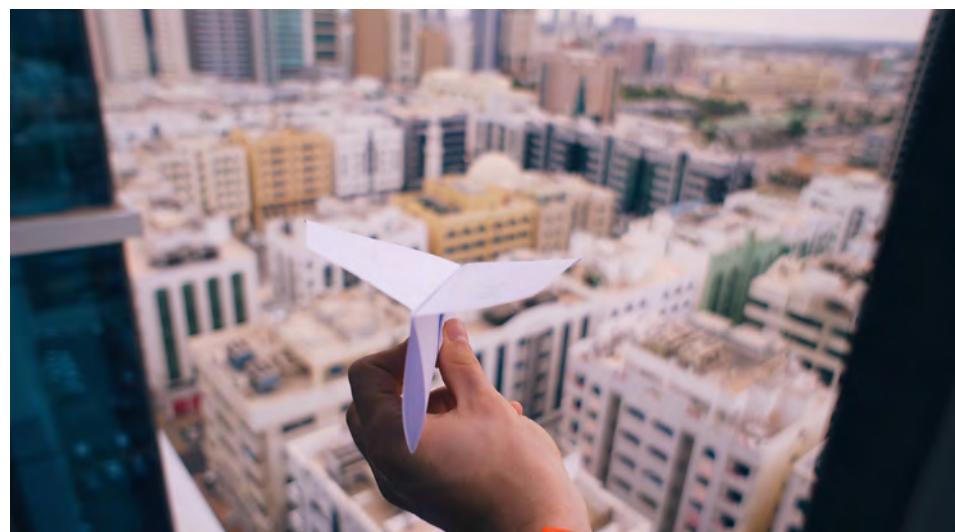
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*Dan Lezotte was chosen as a speaker for the upcoming Research Series.