



TIM FLANK
MERCER

We Went Virtual, Now What? Building and Retaining Talent

We Went Virtual, Now What?

How to Reset Your Work Operating System

June 2022



The reset brought about by Covid-19



A pivot to resilience, flexibility and agility from an exclusive focus on growth, efficiency and return

- A portfolio approach to work (automation, gig talent, outsourcing, etc.)
- Agility in flowing talent to work (beyond the frictional cost of jobs)
- Increased decision making from the edges to enable agility
- Greater collaboration between companies to mitigate risk and fund innovation
- The pivot to Web 3.0 and the Metaverse

The great dichotomy

For workers
a quest for certainty
and stability



For companies
the promise of continued
relevance and clarity



The two most pivotal questions for us

1

How will we redesign work to enable talent to flow to it as seamlessly as possible while enabling its perpetual reinvention

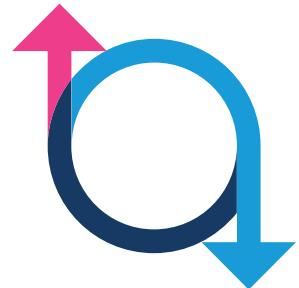
2

How will we re-envision the talent experience to meet all talent where they are and on their terms?

What is the Market saying?

A majority (65%) of organizations indicate that employees will be able to establish their own schedules within the organizational/manager boundaries that have been established as part of their flexible policies.

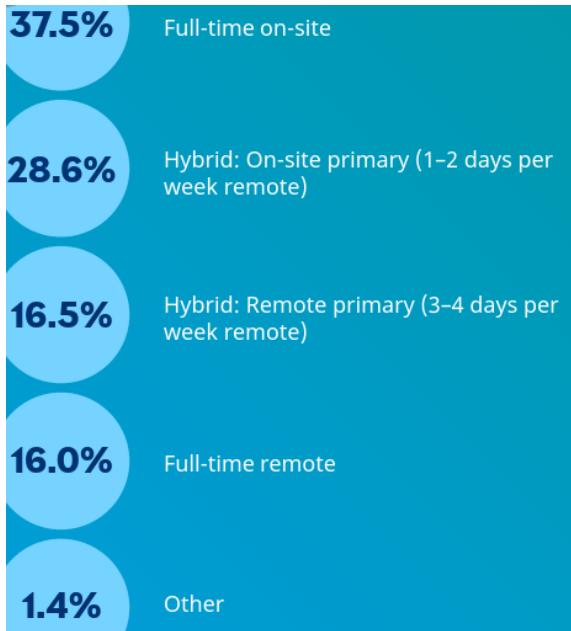
About eight out of 10 workers say a flexible schedule is important when considering taking a new job, according to a new survey conducted by the Harris poll for Fortune of more than 2,000 U.S. workers. And nearly 70% of workers cited a remote work option as important.



Managers will have discretion on the flexible working arrangements for their team, but most align with organizational guardrails that have been established

More external perspectives

Organization anticipated workforce models:



Moving forward, a majority of organizations (71%) anticipate that they will enter into a hybrid model of flexible work with a focus on local offices.

Employees can establish their own schedules within organizational/manager boundaries that have been established

Flexible working

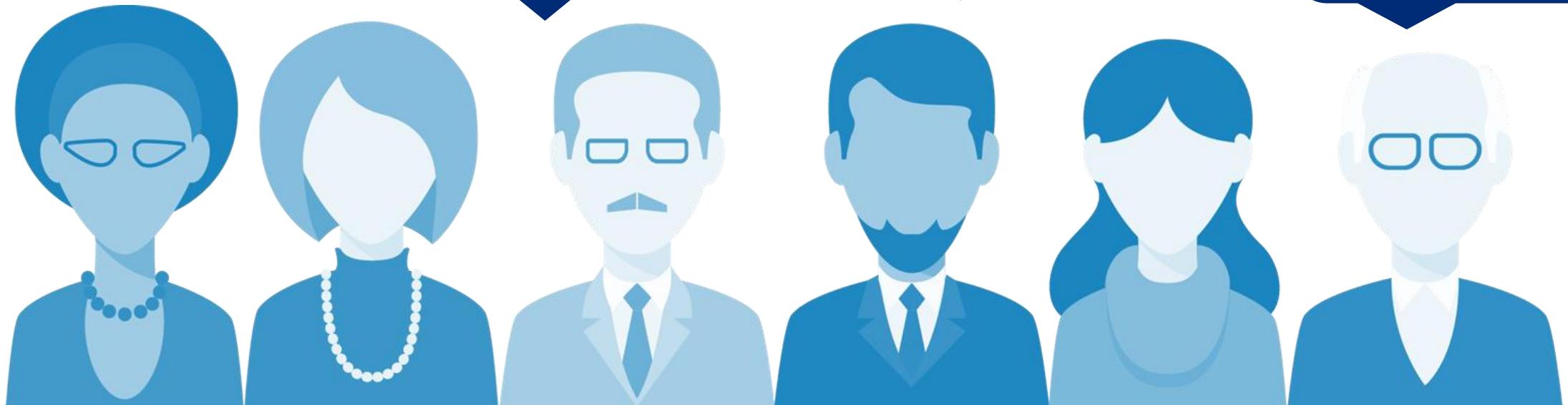
What are you hearing?

How do I ...?

When do we...?

What if ...?

But what about...?



The future of work extends beyond remote working

While we have been focused on the “where” and “when” of work for the last year, the future of work requires us to question all the dimensions of work



 **where**
location & infrastructure

Amir, research associate

“I collaborate with my team a few days a week at the office, but otherwise work from home!”



 **when**
hours and scheduling

James, administration

“I work 40 hours a week, but vary the days and times I work to meet the needs of my family.”



 **how**
scaling, technology

Liz, operations manager

“I work 60 hours per week during busy seasons, but scale back to 30 hours per week the rest of the year.”

 **why**
mission, purpose



 **what**
job content and sharing

Shannon, national consultant

“I share my case load with another manager, and work a reduced schedule to meet my personal needs.”



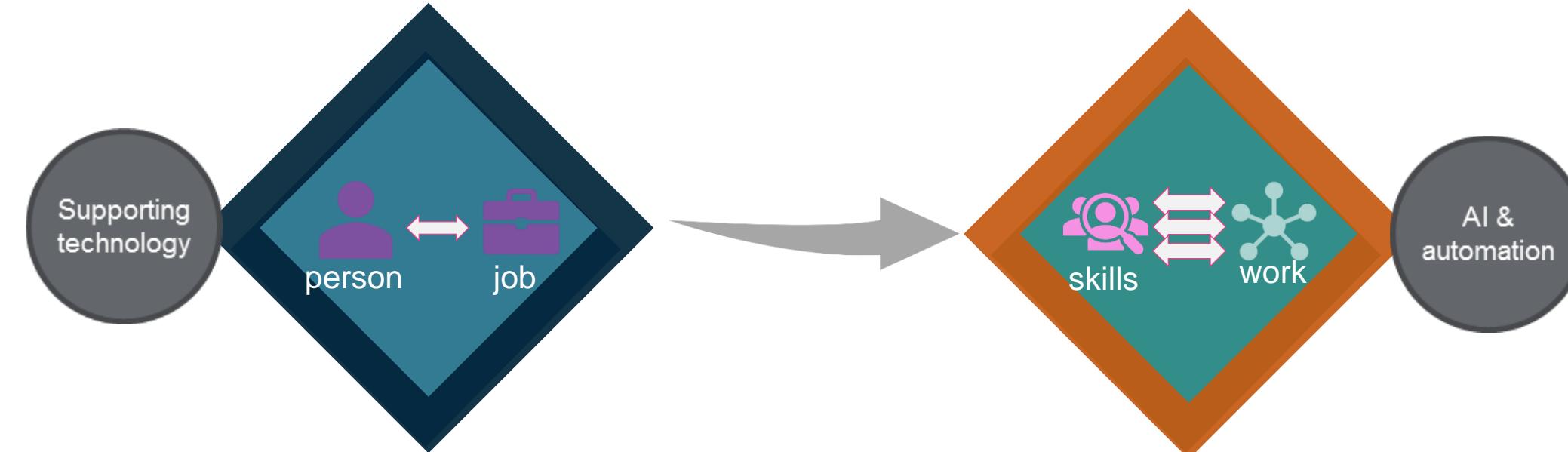
 **who**
alt. workforce, automation

Hannah, political analyst

“I work on demand on projects that fit my interests across multiple employers. I’m my own boss!”

The shifting “job to work” relationship

Work is reconfigured with a new talent supply and demand equation



- Employee
- Single job
- Linear career path/ experiences based on skills required by job (demand)
- Technology built to support people in jobs

- Internal and external talent
- Jobs, work tasks, projects
- Variety of experiences based on skills required for work (demand) and skills and interests of person (supply)
- Automation becomes a “work partner” to substitute, augment and transform work

The New Work Operating System

Leaders need a new operating system for work that better supports the high degree of organizational agility required to thrive amid increasingly rapid change and disruption, and that better reflects the fluidity of modern work and working arrangements.

Four principles of the New Work Operating System:

1

Start with the work (current and future tasks) and not the existing jobs

2

Achieve the optimal combination of humans and automation

3

Consider the full array of human work engagements (e.g., employment, gig, freelance, alliances, projects, other alternative arrangements, etc.)

4

Allow talent to “flow” to work versus being limited to fixed, traditional jobs

Source: *Work Without Jobs*, Ravin Jesuthasan and John Boudreau, MIT Press, 2022

Mercer Point of View

Connecting Talent to work



Source: Jesuthasan and Boudreau, Sloan Management Review, Spring, 2021

Dilemma of a Rewards Manager today...

Rewards Manager



How do I incorporate “skills” into my existing **pay ranges**?

Should I pay **premium** on base pay or have a new set of ranges ?

How do I add skills into my annual **salary review/increment** process ?

What about **internal equity** if I hire candidates with premium skills?

What about **job grades**? Do we stop doing **job evaluation**?

A job has many skills, how do I know which **skill demands** higher pay?

How do I know I need to Pay for skills? And where should I start?

Difference between pay-for-skills and pay-for-job

Pay-for-Job

All job-holders within a discipline receive pay premium

Pay premiums are calculated based on **job-based market data**

Advancement of career and pay is tied to **enlargement of job sizes or performance**

Pay-for-Skills

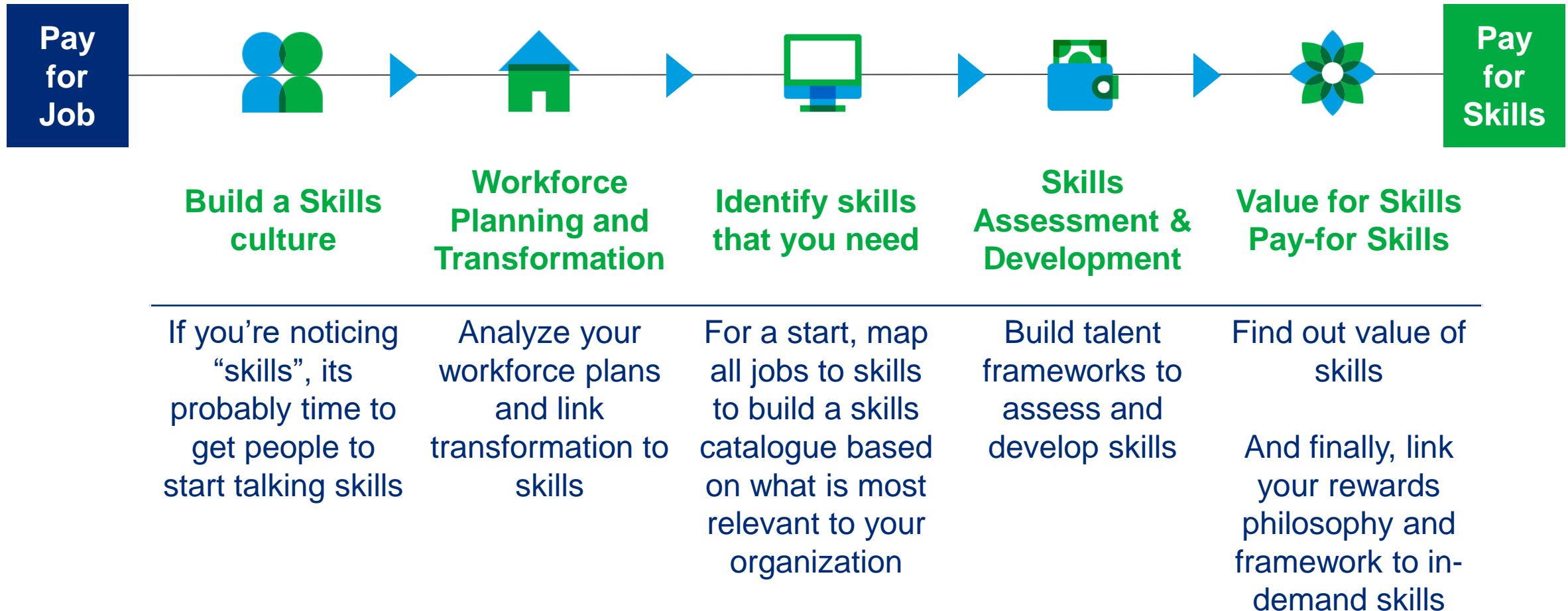
Pay premium is differentiated amongst job-holders based on **individual mix of skills and proficiency level of skills**

Pay premiums are calculated based on **skills-based market data**

Advancement of career and pay is tied to **skills progression**

So where should we start on the journey to skills ?

Take baby steps ! Build a culture of skills before linking rewards



Hybrid work & remote working definitions and scope

Goal is to provide consistency of access to flexible working, regardless of level or situation, taking into account the ability and eligibility of each individual.

Business Imperatives

What are those items that makes the organization thrive and grow in a sustainable way? How are these items tied to the KPIs and organizational routines

Work (When, Where, What)

How can the organization provide guidance to the people leaders for them to ensure consistent and equitable flexibility for the individuals they supervise?

The Individual and Group

There are certain characteristics in each individual that makes them unique; home situation, technology infrastructure, dependents, where they live, etc... There are also characteristics in different groups, regions, etc...

Manager - Employee (Conversations)

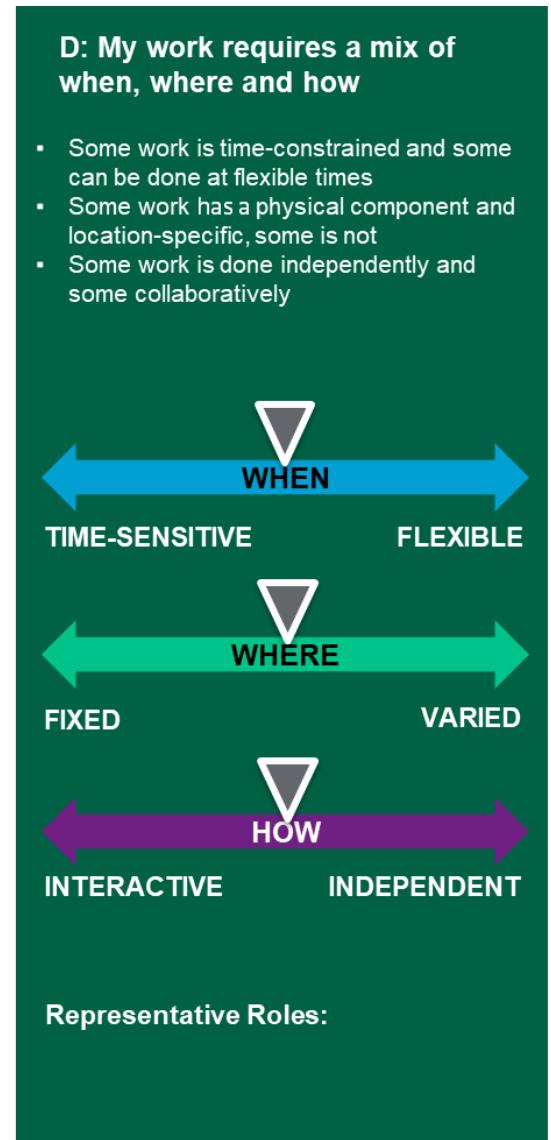
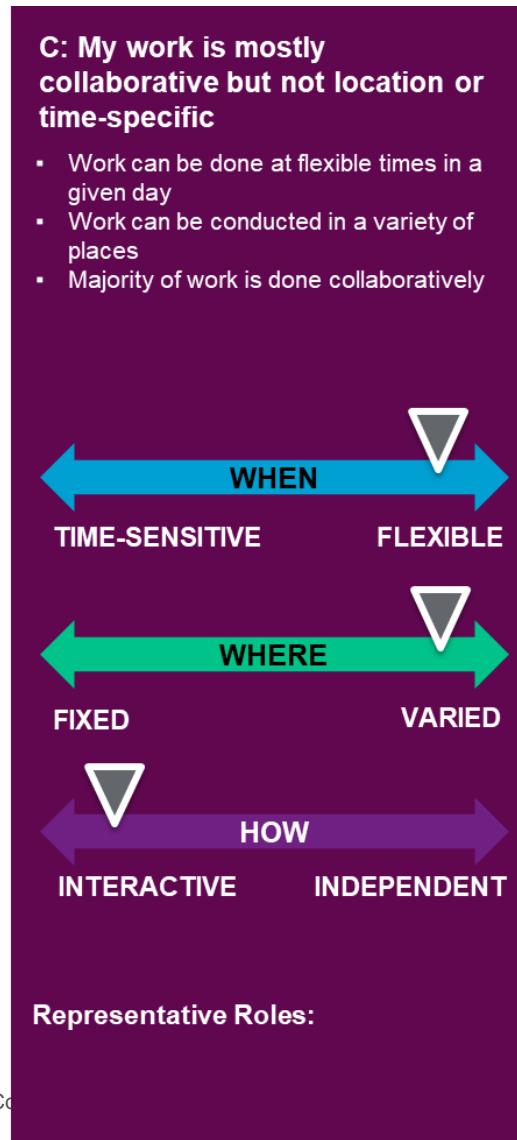
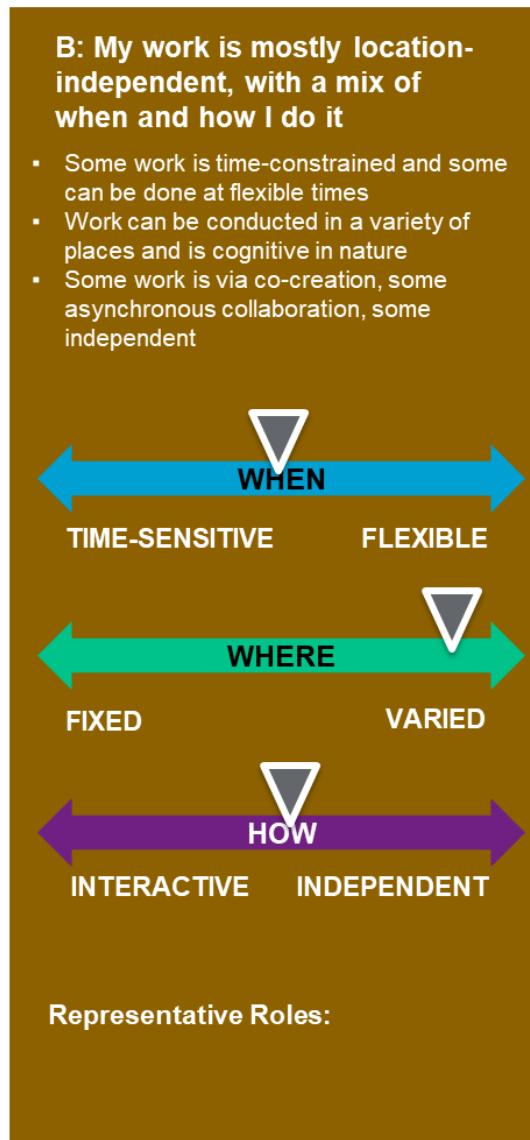
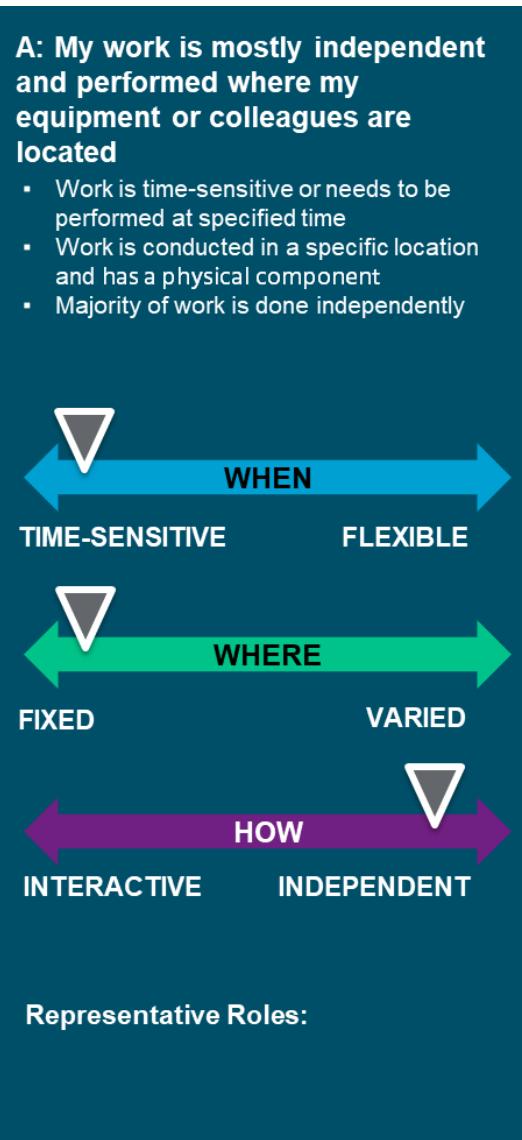
- When the people manager has the conversations with his/her staff or groups and together take the decision of how to face flexibility*
- It should be consistent and driven by the organizational values, the work, culture and trust.*
- They should consider the eligibility and ability of the group or individuals based on the 3 fold aspects of flexibility*

Hybrid work & remote working definitions and scope

Considerations of working conditions



Hybrid work & remote working definitions and scope



Establishing a Hybrid Culture that Works

What hasn't worked...

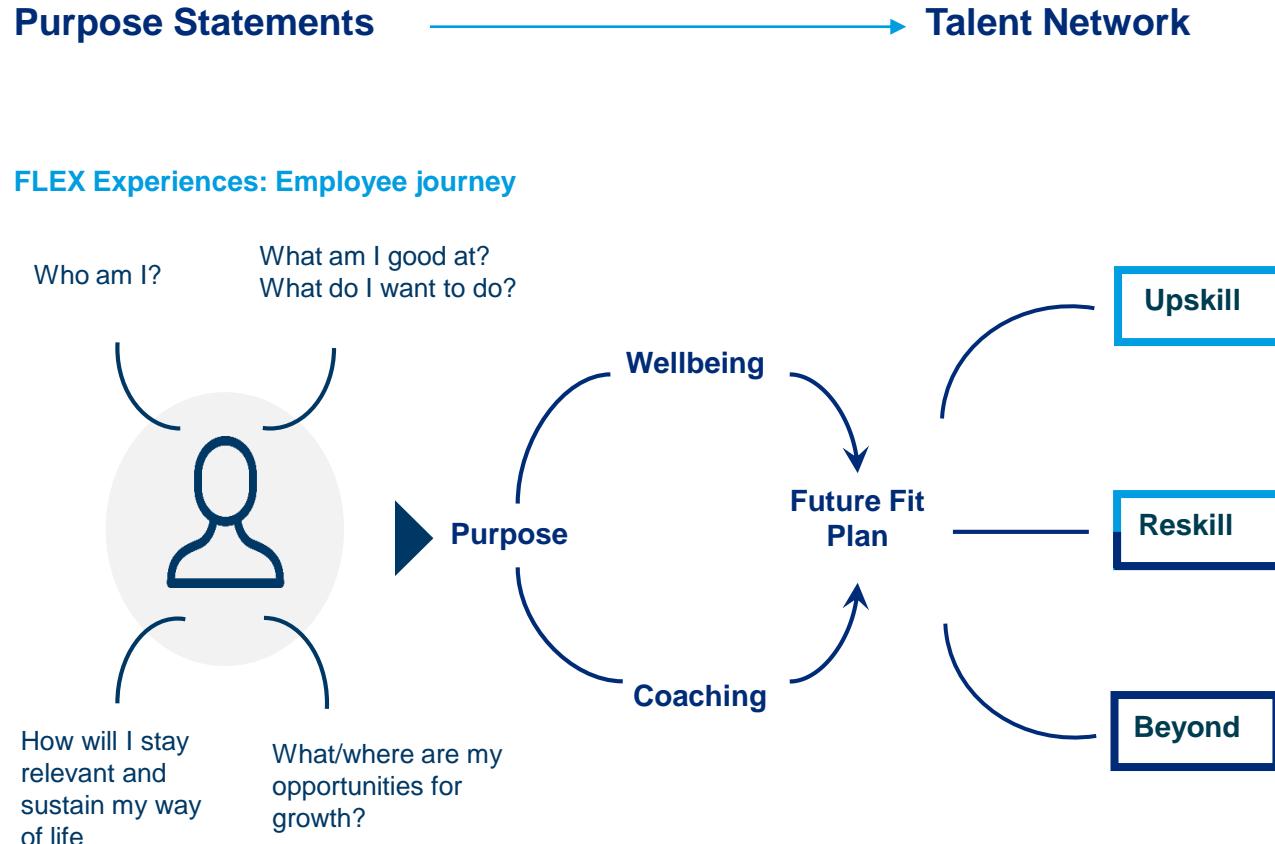
- “Virtual” Happy Hours
- “Open Agenda” Meetings
- Games or forced breakout groups with social prompts

What seems to work...

- Targeted agenda-based meetings (e.g. company’s M&A activity and how it impacts you) or “shooting shop”
- Honest conversations around latest office changes/departures etc.
- Connecting financial results to an employee’s output
- AMA sessions (junior colleagues)
- Equitable EXPERIENCES

Case Study: Unilever

Making Hybrid Work



Source: Unilever, (2019) [Unilever launches new AI-powered talent marketplace | News | Unilever global company website](#)

“With FLEX Experiences, Unilever is redefining the future of work, creating a flexible, networked, diverse and inclusive organisation which attracts the best talent and inspires the passion and commitment of its people. It is part of our vision to nurture a pioneering culture.

We are driving new ways of working to gain rapid access to the best skills and business ideas available both internally and externally. FLEX Experiences helps people to identify opportunities across the business, in which they can develop new skills and gain experiences in a flexible way.

We believe that our people are much more than their job title. If our people thrive, we thrive as a business.”
- Jeroen Wels, Executive VP HR, Unilever *

welcome to
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