

Member Forum

19th September 2019



Empowering Workforce Agility, Resilience & Performance

Aon Human Capital Solutions

In the “room” today...



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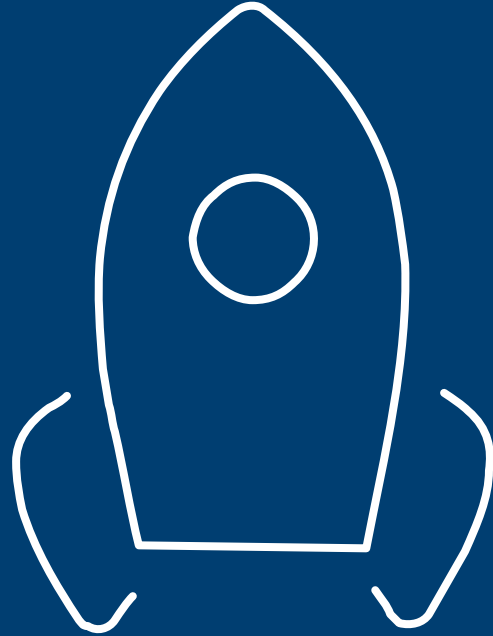


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Accelerating the velocity of change is every company's goal.

The key is enabling humans to keep up.

Demystifying the buzz words

What does “digital” mean?



Its been around for a long time...

The benefits are now really starting to be realized...



Great!



But...

- 01** It is a popular but nebulous subject
- 02** **Digital is not a business model**
- 03** It has a variety of different meanings

Digital is a mindset

Which requires change...

...which makes it **much much harder to implement** than the technology needed to support it



Statements we hear...

“

We need to change

We need data science

We need coders

**We need to be more like a
tech firm**

”



What can we learn from
Technology firms...

**They are
young**

**Capable
of
change**

**Good at
Tech**

**Client
Centric**

**Brand
Focused**

People & Culture...

And therefore Human Capital Driven

Still wanting to be a tech firm...



Demographics



Education



Health & Wellness

Everything is changing so what needs to be done?

**Build workforce agility,
resilience and *drive*
performance**

Why?

These are holistic approaches to business no matter whether **responding to disruption or business as usual**

- 01 Agile:** The ability to respond to external events and innovation is core to “being agile”
- 02 Resilience:** The process of testing and refining will be core to business model change
- 03 Performance:** Quick to respond to opportunities, risk and trends will drive performance

The problem with the future of work...





It requires you to
predict the
future...

Some facts...

The jobs of the future can only be imagined now but the **risk of not being able to change** are clear...



So...

- 01** Change is happening quicker than we think
- 02** It requires planning & long term thinking
- 03** It is about people not technology
- 04** It impacts everything
- 05** How we respond to change will provide competitive advantage

Our framework for delivering change...



- 01 Quantify Change
- 02 Plan for Change
- 03 Develop Change
- 04 Implement Change
- 05 Drive Change

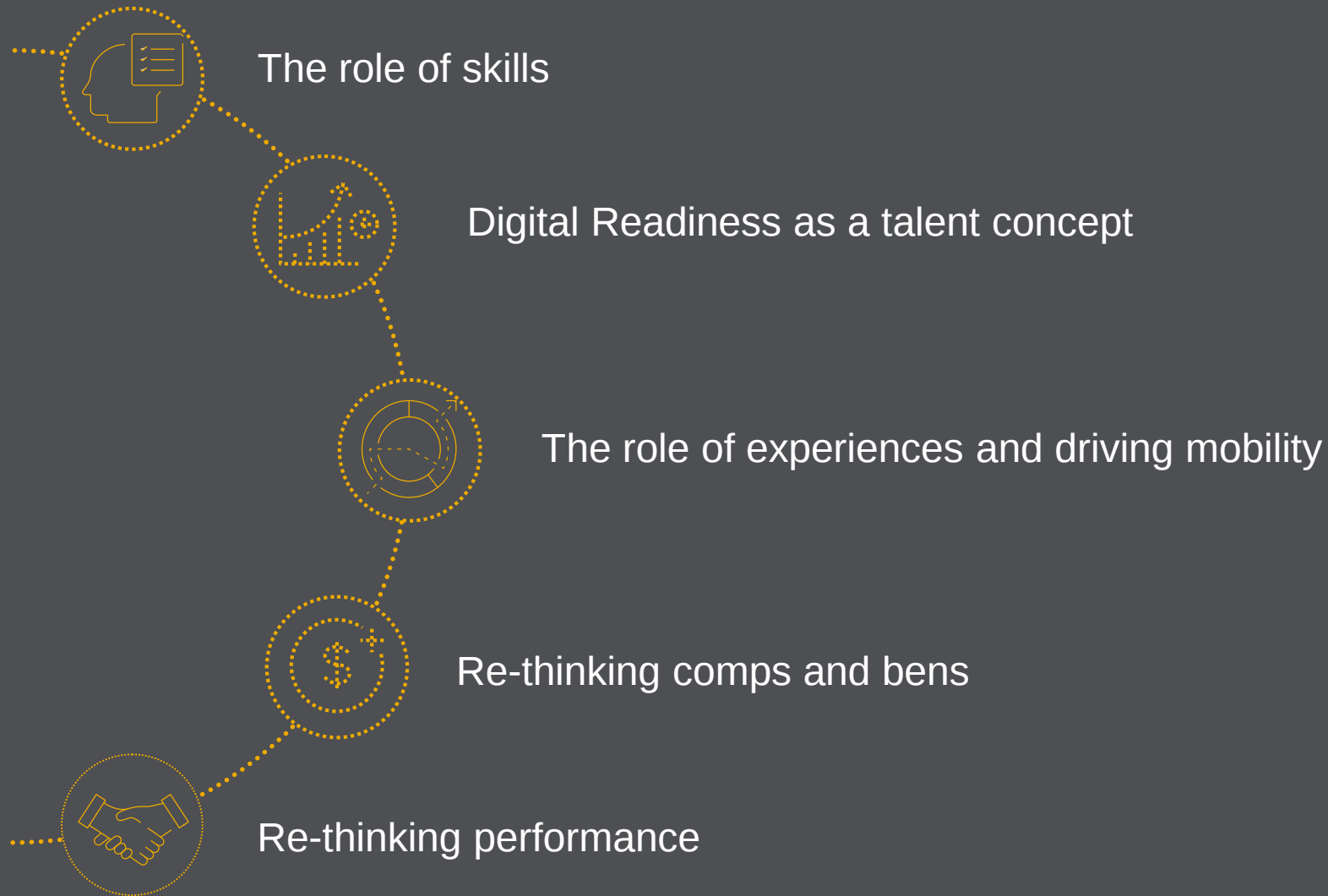


Plan for Change

Assess & Identify: digital assessment delivers tools and solutions to clients to assess workforce resilience, digital readiness and agility.

We provide clarity on the organization's propensity to deliver change.

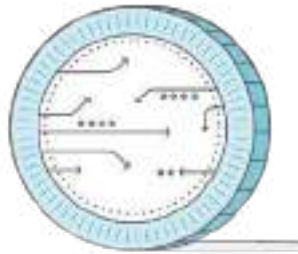
Future-proofing our workforce



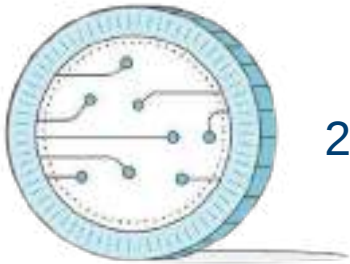
What do these companies all have in common?



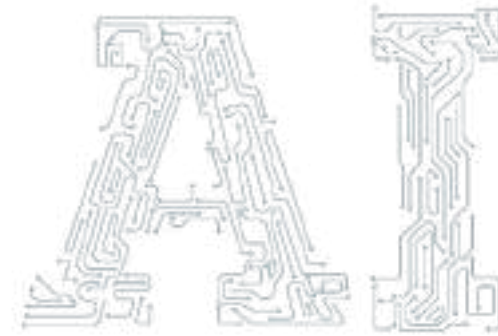
Your Talent Strategy: Understanding Skills



1. Transferability of Skills



2. Likelihood of Automation



3. The dual role of AI

Your Talent Strategy: Beyond Skills - **Digital Readiness**

Learnability, Agility and Curiosity are the foundational competencies to understand **future-readiness** in ourselves.

- 01 Learnability:** Seeking continual self-improvement
- 02 Agility:** Flexibly adapting to changing situations
- 03 Curiosity:** Being curious and open to change and novelty

Case in point: Delivering Agile @ scale



Agile Transformation



Delivering assessment process for global bank, undergoing Business Transformation, to move technology group into an Agile work environment and ensure minimal disruption by identifying key risk areas in staff

Solution

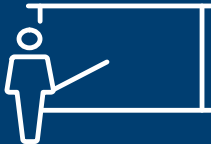
As part of a development center, participants complete:

- Agile chatAssess, our real-time instant messaging style questionnaire, created specifically for transitioning to an agile environment
- Behavioral style surveys
- Interviews

Outcomes

- ✓ Composite output of the three completed assessment activities
- ✓ Feedback and coaching session with each participant and their manager, identifying key strengths and development opportunities
- ✓ Personal development plan to aid transition, ensuring participant is best positioned to engage with new Agile framework

 **900%**
increase in people voluntarily
participating in learning and training
in agile

 **92%**
of participants will have or will
update learning plans & explore
new agile career opportunities



Implement Change

Attract, Retain & Retrain: we provide organization health scorecards, reward benchmarks, incentive design frameworks and help drive internal mobility.

Access the right tools and advice as needed to develop a robust plan to deliver change.

Key Trends in Total Rewards of the Future

> Reimagining Total Rewards to reflect agile careers and to leverage the latest technology <

- > Special focus on career development opportunities and flexible work arrangements
- > Skill-based pay as opposed to a job-based system?
- > Using AI to refine rewards offerings and customise rewards communications on an individual level



Orchestrating a new talent value proposition tailored to the needs of a workforce that moves in and out of roles, as well as the organisation, as required. This should include giving all workers the ability to build a **portfolio of agile rewards and benefits.**

Learning from Tech



Make big bets on people

- o 50% of turbocharged companies target 60th percentile cash or higher for technical jobs
- o 30% target 75th percentile or higher!



Think beyond the money

- o 3x more likely to provide a shuttle to work and to allow your dog to come to work
- o 2x more likely to offer on-site childcare

Remove the obstacles

- o 80% of new hires in turbocharged companies get equity grants vs. 30% in broader tech
- o 93% of turbocharged companies offer sign-on bonuses vs. 72% of broader tech companies



Sharing the wealth when the company does well

- o On average, turbocharged companies are paying out 108% of target funding under the formal bonus plan vs. 95% on average for broader tech
- o This amounts to 30% of global operating income vs. 17% in broader tech

Bigger salary increases to fewer people

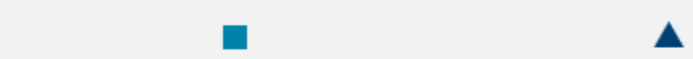
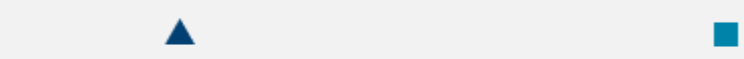
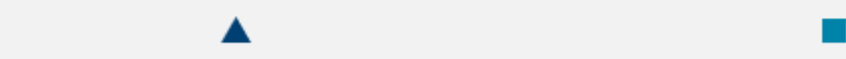
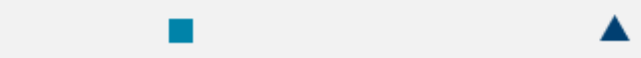
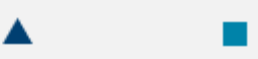
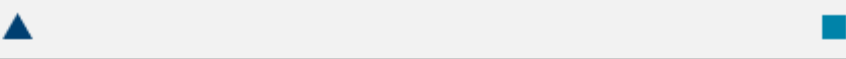
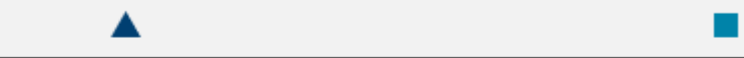
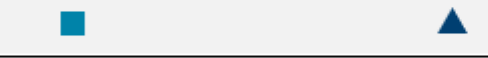
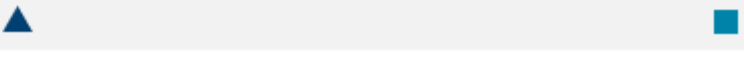
- o Overall salary budgets of 4.5% vs. 3.5% for broader tech
- o Only 74% of employees get a base salary increase vs. 88% in broader tech



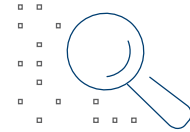
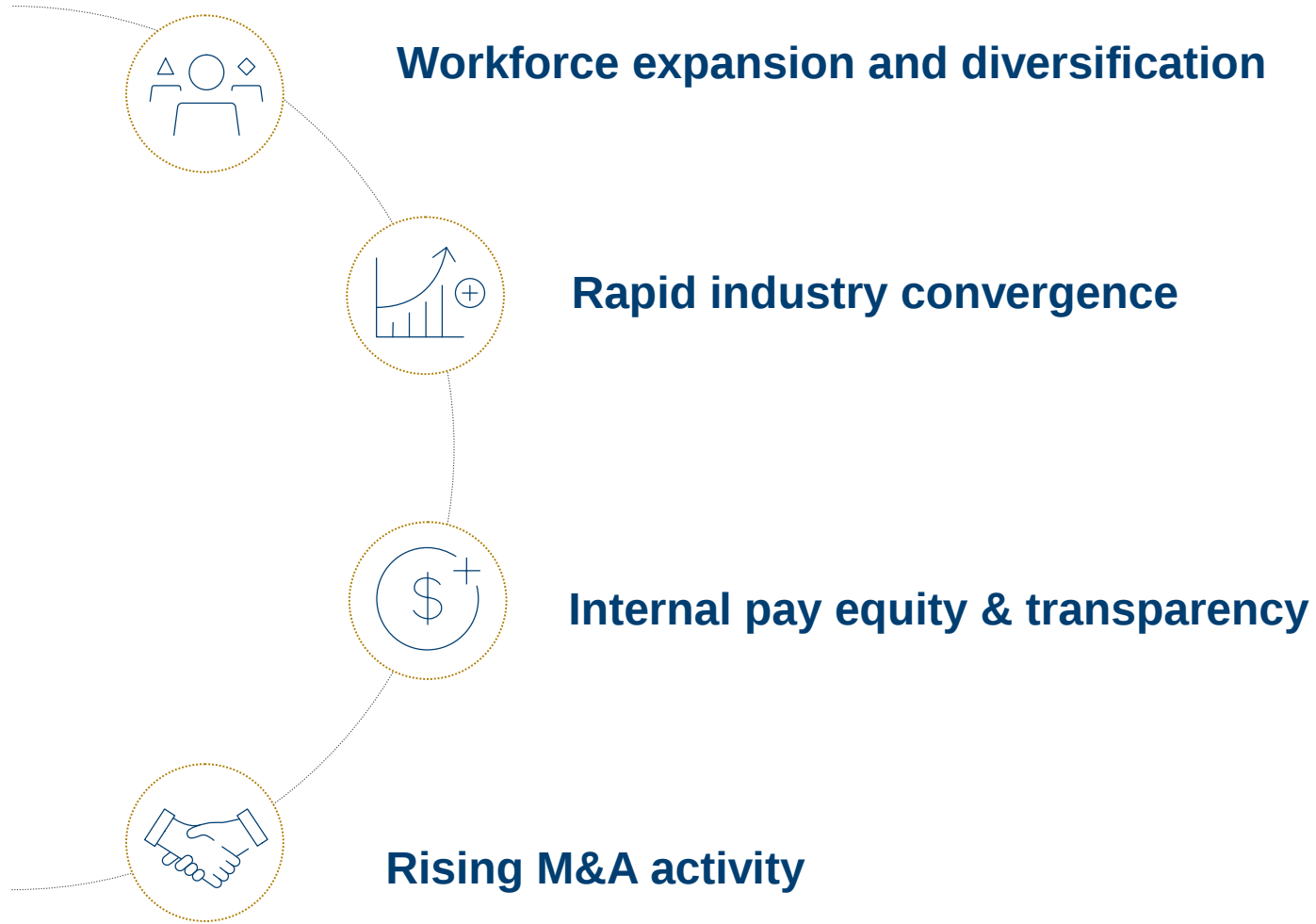
Redefining promotions and maximizing their impact

- o They promoted 13.6% of their people last year vs. 9.6% for broader tech
- o 3x more likely to provide a promotional increase for a lateral move

Understanding the spectrum...

Feature	Spectrum		
Attrition	Low Attrition		High Attrition
Titles	Consistent		Not Consistent
Campus Recruiting <i>Internships</i>	Not Prevalent		Prevalent
Performance Management Practices	No Use of Numerical Performance Rating System		Use of Numerical Performance Rating System
Selection Assessment Use	Assessments Used at Select Levels		Assessments Used Across Levels
Categories to Advance People Analytics	No Defined Objectives or Not Using		Defined Objectives for Using Analytics
Bonus Vehicle Prevalence by Level	Cash		<u>Other</u> Vehicle
Bonus Targets	Targets		No Targets
Bonus Plan Pay-out Measures / Weighting	Formulaic / Target Based		Discretionary
Bonus Pay-Out Frequency	Monthly		Annually
Retention Bonus	Less Prevalent		More Prevalent
Equity Eligibility	Title-Based		Compensation-Based
Equity Vehicles	Options / SARs		Restricted Stock / Deferred Cash
Malus / Clawback Features	Less Prevalent		More Prevalent

Rethinking Job Architecture in the Market

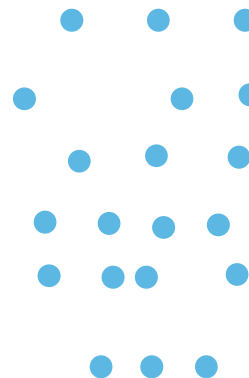
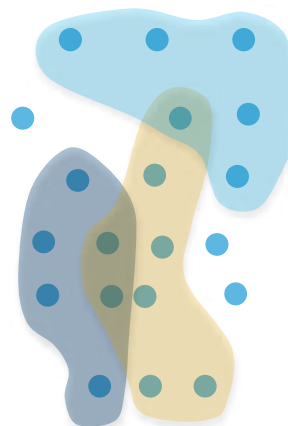
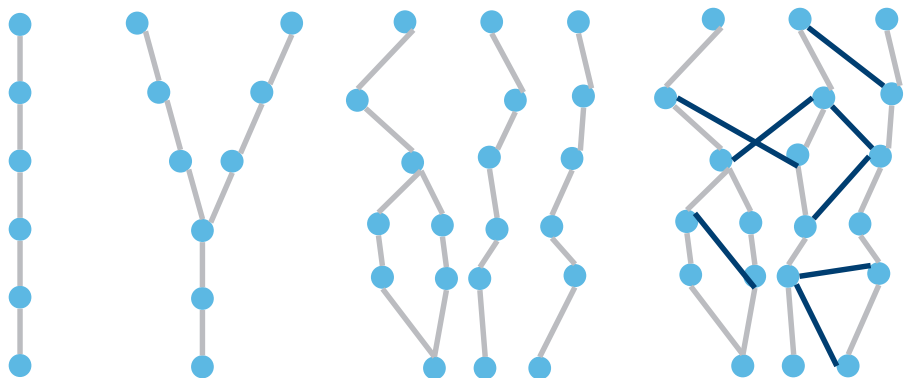


Nearly
60%
of leading technology
companies are
contemplating or have
already
re-evaluated their job
architecture

Considerations for true career mobility

Today

The Future



Climb the Ladder

One dimensional, upward progression

“Y” Ladder

One or two dimensional managerial or technical progression

Career Paths

Progression within a function

Career Maps

Progress within and across functions

Career Patterns

Grouping of roles that encourage career movements across functions to build depth and breadth

Open Market

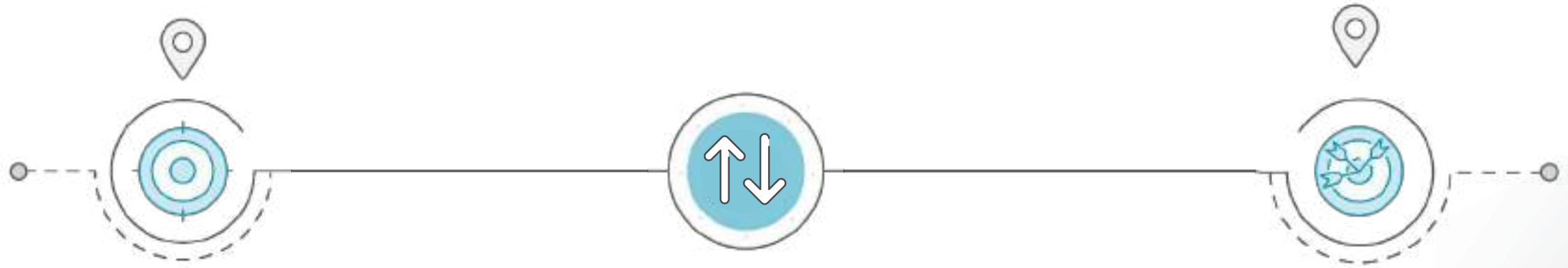
Movement throughout the organisation driven by employee!!

The career development of the future looks more like a **rock-climbing wall** than a ladder or path.

Employees are offered a wide selection of areas to explore and an almost unlimited combination of moves in all directions – toward their own version of career success.

Case in Point: Experienced Based Development

Goal: Integrate a growth mindset & career mobility



Current State

- o Roadblocks inhibited growth
- o Resistance to talent sharing
- o Negative perception of a horizontal career movement
- o *Employees focused on what to do to get to the next level.*

Change Process

- o Interview managers, pivotal roles and key employees
- o Capture stories of
 - o great experiences,
 - o important themes, and
 - o differentiators across levels

End Result

- o Tool to drive a discussion around what career experiences are needed to be great.
- o Create connections across functions to increase mobility and craft a path for growth that isn't up a ladder.

A close-up, grayscale photograph of a hand hovering just above a circular button. The button has a metallic, reflective rim and a dark center with the words 'FUTURE' and 'START' in white, bold, sans-serif capital letters, separated by a thin horizontal line. The background is a dark, textured surface, possibly leather.

FUTURE
START

Where to start?

It is a cycle, so just start...

Making change accessible... start by **quantifying change**



Digital Readiness

How ready are you for change?



powered by
FÆTHM

Impact Analysis

What is our exposure & opportunity of change?



Workshop

How do I build a roadmap for change?

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Registered office:

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