

# global talent trends

## 2023 highlights

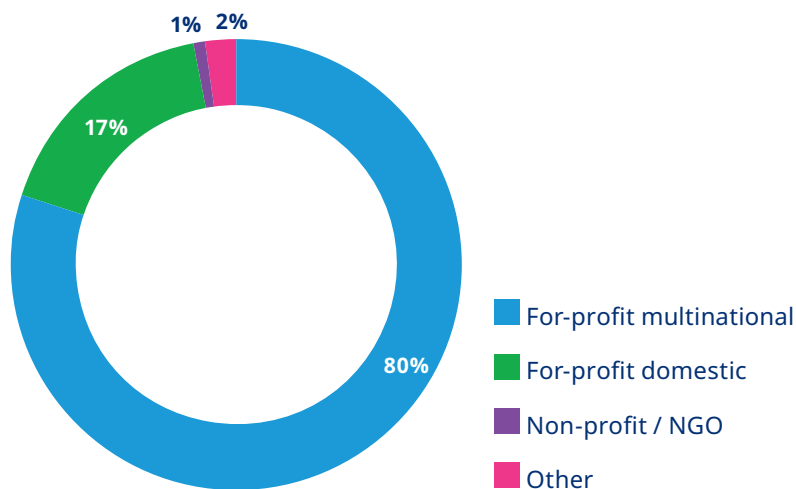
What's top of mind for HR Leaders  
in the Technology sector

Based on inputs from 2,474 HR Leaders, including 305 in the Tech sector  
Survey data collection in October 2022  
A companion to the 2022-2023 Global Talent Trends Study report

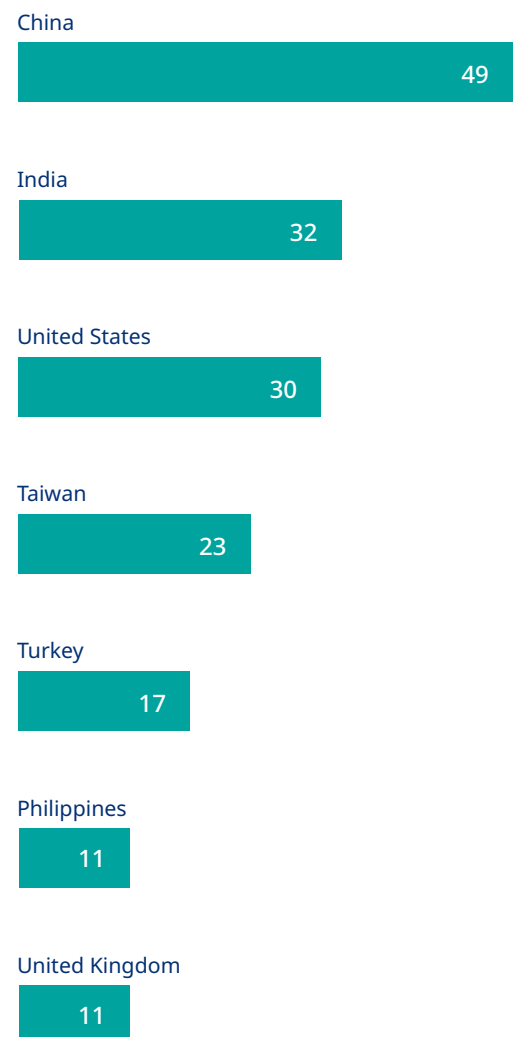
# Global Talent Trends 2023 HR leader pulse survey

Total responses from the Technology sector = 305  
Data collected in October 2022

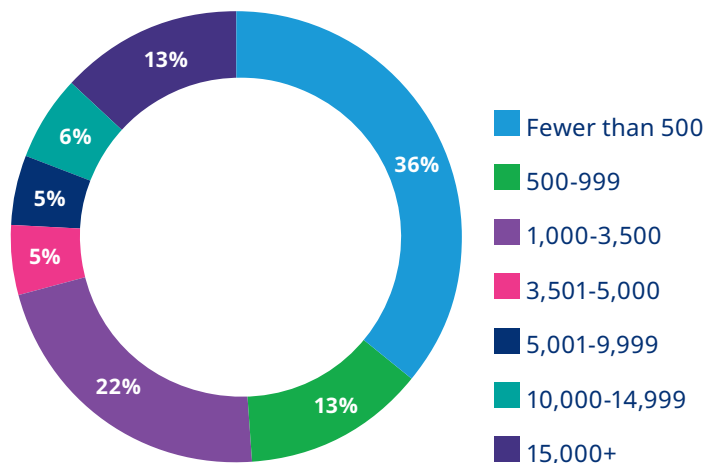
## Organization type



## Country



## Organization size (total number of employees)



\*Includes countries that represent 4% or more of the sample

# Most critical for success in the Tech sector in 2023

2023 will be a defining year as ambitious transformation plans and persistent challenges come face-to-face with new realities. HR will need to maintain energy and momentum to ready itself and the business for what lies ahead.

- 1 Enabling new ways of working (remote, hybrid, gig)
- 2 Focusing on company culture development
- 3 Enabling a skills-based organization
- 4 Upholding diversity, equity and inclusion
- 5 Impacting total well-being outcomes

## Less of a priority for HR in 2023:

Building careers for older workers, Updating employee contracts to outline new work patterns and expectations, and Increasing cyber resiliency and mitigating cyber risk.



Geopolitical instability, economic headwinds, and tightening labor markets have had a profound impact on the People agenda.

The most difficult areas to make progress on are: Addressing workplace fatigue, Redesigning work and/or the organization, and company culture development.

# 2023 priorities for HR leaders vary by industry

## Given the economic climate, where will you be investing in 2023? Top ten results

| Total            | 1<br>EX | 2<br>SWP      | 3<br>Skills   | 4<br>Comp     | 5<br>Total<br>Rewards | 6<br>Reskilling | 7<br>Well-being | 8<br>Work<br>redesign | 9<br>Brand    | 10<br>Diversity |
|------------------|---------|---------------|---------------|---------------|-----------------------|-----------------|-----------------|-----------------------|---------------|-----------------|
| <b>Auto</b>      | SWP     | EX            | Skills        | Total Rewards | Comp                  | Reskilling      | Work redesign   | Well-being            | Diversity     | Human-centric   |
| <b>Chem</b>      | EX      | Skills        | SWP           | Work redesign | Well-being            | Reskilling      | Diversity       | Comp                  | ESG           | Total Rewards   |
| <b>Const</b>     | EX      | Comp          | SWP           | Skills        | Total Rewards         | Well-being      | Reskilling      | Automation            | Brand         | Diversity       |
| <b>CG</b>        | EX      | Well-being    | SWP           | Reskilling    | Comp                  | Total Rewards   | Skills          | Work redesign         | Brand         | Automation      |
| <b>Educ</b>      | Comp    | Skills        | Work redesign | EX            | Reskilling            | Well-being      | Diversity       | Total Rewards         | Human-centric | Flex            |
| <b>Energy</b>    | EX      | Skills        | Total Rewards | Comp          | SWP                   | Reskilling      | Well-being      | Automation            | Diversity     | Work redesign   |
| <b>FS</b>        | Skills  | EX            | SWP           | Comp          | Well-being            | Reskilling      | Flex            | Work redesign         | Brand         | Total rewards   |
| <b>Health</b>    | EX      | Well-being    | SWP           | Comp          | Skills                | Total Rewards   | Brand           | Reskilling            | Work redesign | Diversity       |
| <b>Insur</b>     | EX      | SWP           | Automation    | Skills        | Flex                  | Total Rewards   | Comp            | Well-being            | Reskilling    | ESG             |
| <b>Life Sci</b>  | EX      | Skills        | SWP           | Comp          | Total Rewards         | Well-being      | Work redesign   | Reskilling            | Diversity     | Flex            |
| <b>Logistics</b> | EX      | Total Rewards | Reskilling    | Skills        | Well-being            | Work redesign   | Comp            | SWP                   | Brand         | Automation      |
| <b>Manuf</b>     | EX      | SWP           | Skills        | Reskilling    | Total Rewards         | Comp            | Diversity       | Automation            | Well-being    | Brand           |
| <b>Prof Svcs</b> | EX      | Total Rewards | SWP           | Comp          | Reskilling            | Well-being      | Skills          | Work redesign         | Flex          | ESG             |
| <b>Retail</b>    | EX      | Comp          | Total Rewards | SWP           | Work redesign         | Skills          | Well-being      | Reskilling            | Brand         | Flex            |
| <b>Tech</b>      | EX      | Total Rewards | SWP           | Comp          | Skills                | Well-being      | Brand           | Reskilling            | Flex          | Diversity       |

### Key

1. Improving the employee experience for key retention populations
2. Improving SWP to better inform build/buy/borrow strategies
3. Designing talent processes around skills
4. Rethinking our compensation philosophy and practices
5. Improving our Total Rewards strategies and practices
6. Investing in workforce upskilling/reskilling
7. Delivering on total well-being (mental, social, physical, financial)
8. Redesigning work to improve agility
9. Reimagining our employer brand
10. Ensuring diverse workforce groups are heard and included

ESG = Delivering on ESG and DEI commitments  
 Flex = Evolving our flexible working culture  
 Automation = Implementing automation  
 SWP = Strategic Workforce Planning

Auto – Automotive  
 Chem – Chemical  
 Const – Construction  
 Educ – Education  
 Insur – Insurance  
 Life Sci – Life Sciences  
 Manuf – Manufacturing  
 Prof Svcs – Professional Services  
 Tech – Technology  
 EX – Employee Experience  
 ESG – Environmental Social and Governance  
 FS – Financial Services  
 CG – Consumer Goods  
 Comp – Compensation  
 Flex – Flexible

# The challenge for 2023:

How are companies in the Tech sector becoming more resilient, relatable and ready for what's next?



## Reset for **relevance**

Build resilience by leading with values and an adaptive design

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## Work in **partnership**

Create equitable, transparent and rewarding partnerships

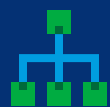
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## Deliver on **total well-being**

Nurture a healthy workforce with benefits that matter

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## Build for **employability**

Meet future work needs with a skills-based organization

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## Harness **collective energy**

Unlock potential with human-centered work environments

These five focus areas are shaping the People agenda this year

# Companies in the Tech sector are resetting for relevance to build resilience and lead with values



The WEF Good Work Alliance advocates for five **Good Work** objectives that, along with their associated metrics, help to deliver a healthy, equitable, and human-centric future of work. With brand and reputation a key driver for retention this year, making progress on a wider range of success metrics that extend beyond profit and return will be critical to ensure a company's multi-stakeholder relevance.

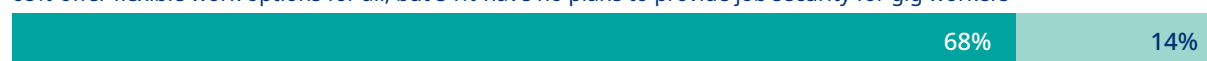
## Promote wage & technological fairness

76% of companies in the Tech sector say that they ensure a living wage for all their employees



## Provide flexibility & protection

68% offer flexible work options for all, but 54% have no plans to provide job security for gig workers



## Deliver on health & well-being

84% deliver a minimum standard of healthcare for all employees in all locations, but total well-being initiatives are less prevalent (36%)



## Drive diversity, equity & inclusion

52% say they take action to ensure their workforce profile reflects the market(s) in which they operate



## Foster employability & learning culture

57% provide access to upskilling/reskilling opportunities to all employees



■ Have in place today

■ Planned for 2030

## ESG activities that have made the most impact for Tech companies



Tying ESG goals to our purpose / making this visible to employees



Building ESG goals into our wider transformation agenda



Obtaining external recognition for progress on sustainability goals



## Companies in the Tech sector are working in partnership to stay competitive in a tight talent market

77% have reset work partnerships in the past year.  
How does this look in practice?



**45%**

Training managers on how to build inclusive and equitable teams



**33%**

Increased transparency in jobs that suit different arrangements



**29%**

Setting new work guidelines to improve collaboration effectiveness



**21%**

Ensuring responsibility for DEI at the individual/team level

# The inflationary environment is putting rewards in focus more than ever before. How are companies in Technology responding to this new market reality?

Implementing a bonus/pay adjustment across the entire workforce  
34%

Using bonuses instead of base salary to increase total compensation without long-term commitments  
28%

Providing a cost-of-living adjustment or other wage increases in most impacted markets  
25%

Adjusting pay or offering cost-of-living adjustments only to those paid below the market median  
15%

Increasing other benefits to avoid increasing pay  
13%

Increasing use of temporary workers to minimize increasing pay for permanent workers  
7%

Reducing other benefits to offset higher costs related to pay increases  
3%





# Companies in the Tech sector deliver on total well-being by focusing on benefits that matter



**73% are focused on how their benefits offerings can better support employee attraction, retention and engagement this year**

## Varied and valued benefits

### Inclusive benefits for all

39% have plans this year to expand benefits to be more supportive of all segments of the workforce

### Practices to create a healthy and supportive environment

42% are redesigning work with well-being in mind (e.g., realistic workloads, no-meeting days, reduced complexity, positive work environment, culture of trust, etc.)

### Help finding and coordinating care

### Support with mental health, resilience and relationship issues

86% currently provide some support for employees' mental health, but only 26% provide crisis management resources following a traumatic event

### Innovations to help address health conditions

### Virtual healthcare

38% currently offer on-demand access to virtual mental health providers

## A caring culture



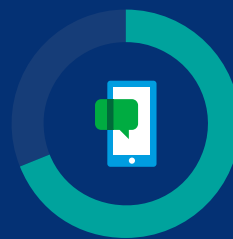
### Meaningful flexibility

53% are better supporting the benefits needs of their mobile workforce (e.g., expats, digital nomads, etc)



### Supportive leadership

69% are aligning their benefits to company values, purpose and culture



### Thoughtful communications

69% are investing more in digital platforms to support benefits admin and comms



### Affordable healthcare

13% are investing in new health & risk protection programs (e.g., adding new lines of coverage)

# Companies in the Tech sector are building for employability to meet current and future skill needs

|  |   |            |
|--|---|------------|
| <b>1</b> Planning<br>Bringing together business plans and strategic workforce plans to meet current and future needs | Have business plans with enough detail to identify future skill needs                   | <b>38%</b> |
|  | Have strategic workforce plans that quantify skills gaps/needs in addition to headcount | <b>38%</b> |
|  | Differentiate which skills can be developed versus bought                               | <b>43%</b> |
| <b>2</b> Assessment<br>Understanding existing internal and external talent supply with a skills lens                 | Understand the workforce skills they have today   | <b>47%</b> |
|  | Use an AI-driven talent intelligence platform   | <b>13%</b> |
|  | Conduct robust assessments of technical skills  | <b>31%</b> |
|  | Use psychometric tools to measure potential   | <b>25%</b> |
| <b>3</b> Development<br>Developing talent and providing reward/recognition for skill acquisition                     | Have an internal talent marketplace to facilitate talent sharing                        | <b>35%</b> |
|  | Are part of an external talent consortium   | <b>4%</b>  |
|  | Include short-term projects, not only expat assignments, as part of talent mobility     | <b>37%</b> |
|  | Make career and pay band information available to all                                   | <b>18%</b> |
| <b>4</b> Deployment<br>Matching the right people to the right jobs/gigs at the right time                            | Understand their talent development needs   | <b>53%</b> |
|  | Have effective up/reskilling programs to prepare talent to move into new areas          | <b>28%</b> |
|  | Nudge employees for learning opportunities based on their job/skill aspirations         | <b>63%</b> |
|  | Have built learning pathways mapped to jobs/skills                                      | <b>37%</b> |
|  | Are able to adjust internal pay based on the changing value of skills                   | <b>36%</b> |



## Companies in the Tech sector harness collective energy to drive human-centered transformation

Employee exhaustion is perceived as one of the biggest obstacles to transformation in 2023.

What else are HR leaders in the Tech sector concerned about?



**43%**

Too many priorities that distract our people



**39%**

Balancing transformation plans with a survival mindset



**34%**

Insufficient budget

## 89% of companies are taking steps to maximize workforce energy this year

Building a culture where people feel comfortable bringing their authentic self to work

70%

Investing in training on effective use of collaboration tools

56%

Being transparent in how we roll out new technologies (including AI/automation)

39%

Redesigning meetings to improve effectiveness

33%

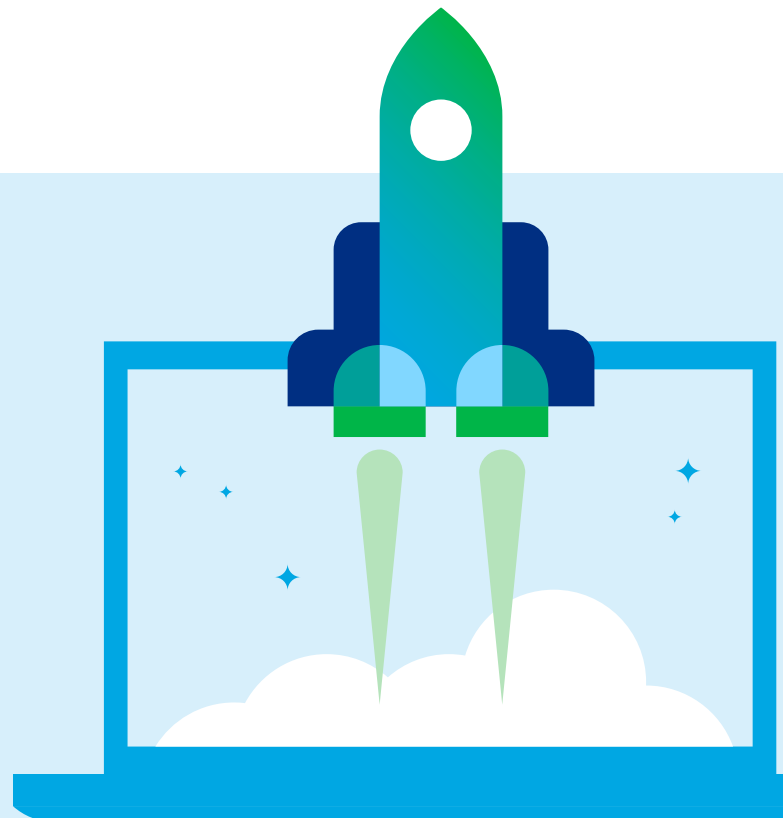
Helping individuals to set boundaries and manage their energy

27%

## HR is critical to the success of the transformation agenda

### Top 3 focus areas for HR functional transformation:

- Ensuring HR has a seat at the table for business strategy and decision making
- Transforming the HR operating model to be more agile
- Accelerating programs and policies that focus on new ways of working





## Relatable organizations will win out in changing times

- ▶ How ready is your organization for what's next?
- ▶ How will you build resilience & agility into your work operating systems?

This is a moment of profound opportunity: to pick up the tools of empathy learned and honed during the pandemic period and carve a new way of partnering that is **more resilient, sustainable and attuned to the new shape of work.**

Leading organizations are redefining how they interact with their workforce and contribute to society. Our Global Talent Trends research shows that **Relatable Organizations** have five things in common: They are constantly resetting for relevance, figuring out new ways to work in partnership, delivering on total well-being outcomes, building for employability, and harnessing collective energy to drive transformative change. Even in the face of sociopolitical and economic uncertainty, these priorities must remain front and center for organizations and individuals to thrive.

For more insights and recommendations to make progress this year, visit [mercer.com/global-talent-trends](https://mercer.com/global-talent-trends)

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