



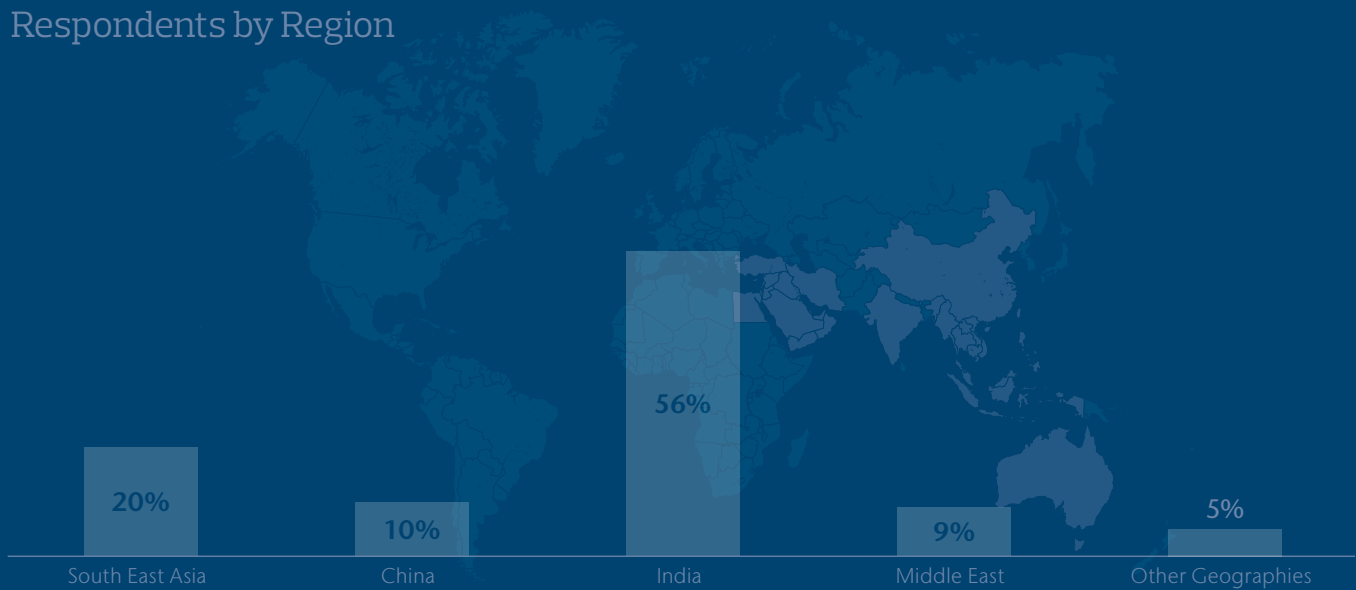
How Talent Data Builds Agile Organizations

Insights from Aon's Talent Transformation Study 2021 Asia Pacific and Middle East

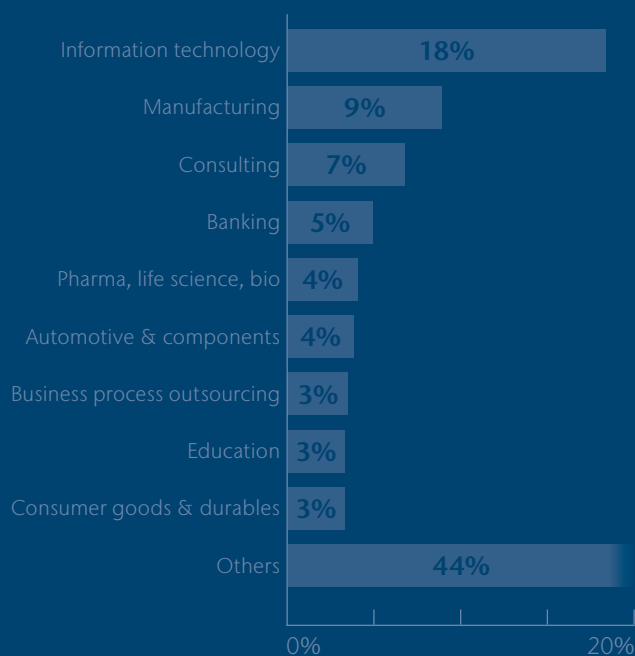


Demographics and Top Priorities

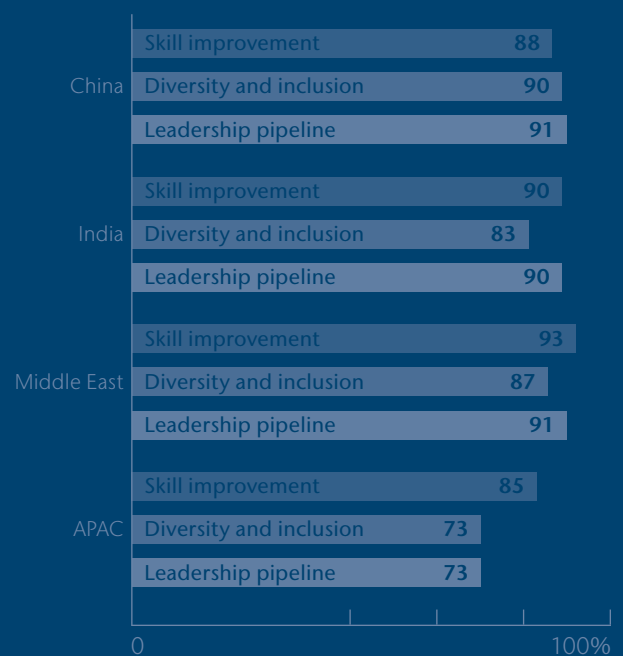
Respondents by Region



Respondents by Industry



Top Priorities by Region

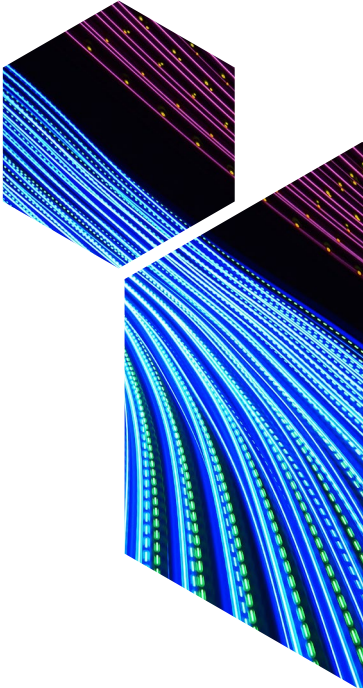


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“Data are just summaries of thousands of stories – tell a few of those stories to help make the data meaningful.”

Dan Heath,
Bestselling Author

Introduction

HR Is Now a Strategic Partner

More than ever, organizations feel the need to be leaner, more resilient, adaptable and profitable in the face of business uncertainty, technological advances and volatility. Building organizational agility can help organizations develop the capacity to constantly evolve. It enables them to accelerate their ability to sense and adapt to the volume, complexity and rate of change that organizations face in today's environment.

While the current pace of change presents challenges, the most successful organizations are addressing them by developing organizational agility through data-driven insights and decision-making.

Our recent research of 922 organizations spanning diverse industries across India, China, other parts of Asia and the Middle East found that 85% of HR departments are fully involved in all change initiatives. This demonstrates the shift from HR being a transactional and administrative function to one that is a strategic partner.

More than 60% of organizations have invested in new technology or platforms to enhance productivity and user experience and better catalogue internal data. While organizations may be skilled at gathering data, using it to inform the way forward is where the opportunity lies. Only 11% of organizations tell us that they are effectively using data and analytics to make sound decisions.

This white paper looks at three major trends that emerged as top priorities for organizations across Asia Pacific and the Middle East. These include **skill development through data-driven insights, activating a diverse workforce through bias-free data and empowering decision-making through talent analytics.**

As organizations prioritize these issues and leverage two important assets — their data and people — they are better positioned to navigate new forms of volatility and uncertainty and unlock greater organizational value.





Leveraging Analytics to Make Informed Decisions



In the digital era, where every company is a technology company to some degree, more organizations are pursuing agility and flexibility within and beyond their IT departments.

Aon's Talent Transformation 2021 study surveyed 922 organizations, cutting across varied industries. The study's objective was to understand how the speed of change affected an organization and how HR can continue to support business and enable them to make better decisions.

There are a number of well-documented examples of organizations using the power of data and analytics to understand their business challenges, identify pockets where they can drive synergies and really create impact with customers.

As businesses increasingly use innovative technology to make decisions, there is an increasing expectation from business leaders for HR to step up its game. That has translated into a change in outlook in HR leadership, and chief human resource officers (CHROs) accept the critical role talent analytics can play for them. They view talent analytics teams as trusted advisors, on hand to help them manage the C-suite with complex people topics.

Are we seeing HR truly playing the role of a trusted advisor and delivering insights backed by people data? With a few notable exceptions, our research suggests that most organizations are struggling to reach their potential.

Key Findings

- 1** Although 60% of organizations have invested heavily in digitization, only 11% use analytics to make effective decisions.
- 2** Despite an increase in the number of organizations with talent analytics resources, only 22% of leaders used talent analytics frequently in the past year and 23% of the organizations are effective at using talent data to inform talent and business decisions.



What Is Stopping HR Functions From Truly Leveraging Data

- Limited investment in specialized skills like data science and psychology for higher order analytics. Most organizations are still at the dashboard and reporting stage of the journey.
- Disparate data sets and functional siloes within HR has created challenges for effective analytics. Without consolidated data sets it becomes difficult to churn out effective insights.
- Few organizations are able to truly enable a data-driven culture. This isn't just within HR – but a large pervasive culture through the entire organizations where all people decisions are made using data.

HR would be responsible for enabling such a culture, collecting and making available the relevant dashboards for decisions. But the end user (business) needs to also adapt.

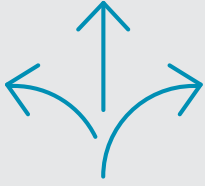
Despite these challenges, talent analytics continues to gain momentum in HR. This 2021 benchmarking report delivers insight into the changes in the state of talent analytics and should be used by HR leaders to inform talent analytics investments and strategies for the coming year.





“Without data
you’re just another person
with an opinion.”

E. Edwards Deming,
American Engineer, Statistician and Author



Reimagining Skills Through Data-Driven Insights

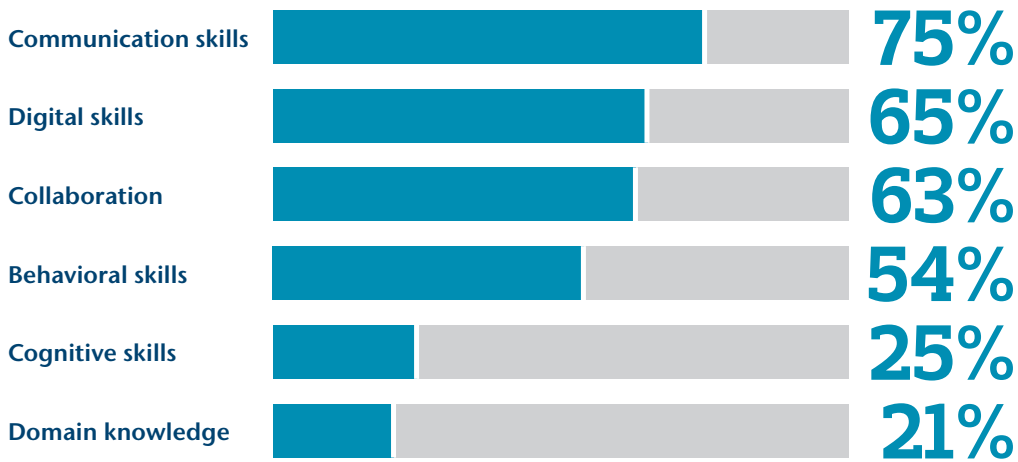


A top priority for HR leaders:
83% of organizations believe reimagining
skills is an important priority for 2021.

Key Findings

- 1** Only 15% of HR leaders are fully prepared for changing skills requirements.
- 2** More than 40% of organizations do not understand the current skills capability of their employees.
- 3** Across all regions, the top three skills to be effective in a virtual environment are communication skills, digital skills and collaboration skills.

Top Skills Required to Be Successful as a Virtual Worker



Source: Aon Talent Transformation Study 2021 Asia Pacific and Middle East, with responses from 922 organizations

Today's Problems

Traditional ways of predicting future skills organizations will need from their talent are not working. Employees need varied skills for every job, and many of those skills are new. What is more, many employees are not learning the right new skills that will benefit the organization, as well as their own personal development. **Fifty percent of all employees will need reskilling by 2025. Sixty-seven percent of firms are focusing on reskilling and upskilling their workforce to be future ready.**

Only 33%

of companies use scientific tools to measure skill capability



120 million

workers are expected to be reskilled over the next three years

Employees' Quotes

"I have never worked virtually before and I'm now managing a remote team."

"I have had new responsibilities added to my plate because we are short staffed, but I don't have experience with these tasks."

"My company is training us on different roles in case a colleague becomes ill or everyone can't come in at the same time."

"I am not sure where to start and which skill I need to focus on."

◆ Client's Quote

"Business priorities are changing to the extent that businesses expect employees to align themselves with them constantly. Thus, learning and development is no longer expected to operate as a separate silo but has to align with changing business priorities."

Veena Deshpande, Senior Director at Capgemini

Take a Dynamic Approach to Reskilling

In order to identify and close the future skills gap, employers need a dynamic approach to reskilling and redeploying talent. This approach involves all impacted stakeholders working together to shift skills needs and find ways to develop skills as needs arise. Only 21% of HR leaders say business leaders in other functions share accountability or partner with HR to determine future skills needs.

1. Identify current skill DNA

Acknowledge and structure current skill DNA – Create custom layers and expand model to comprehensive skill taxonomy, structuring and containing entire content (Success profile, competencies, e-learning data, leadership value, JDs, skill library)

2. Evaluate and benchmark current skill level

Organizational survey, identifying current skill level and expected upskilling needs based on comprehensive taxonomy (Skill level and upskilling need by hierarchy, region and business line)

3. Define the future

Derive future skills requirements from business vision. Identify key upskilling requirements (Visionary interview, workshops, surveys)

4. Design future skills taxonomy

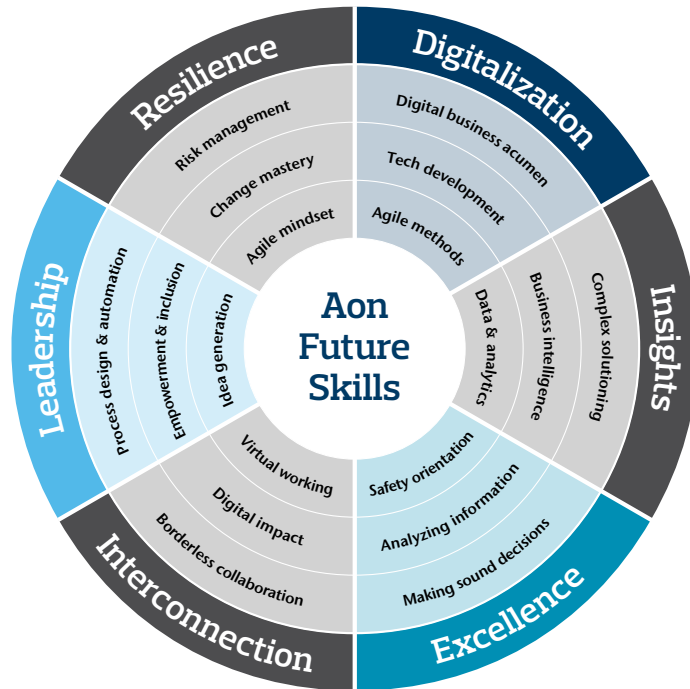
Design custom future skills taxonomy, providing direction and structure for re- and upskilling strategy

28%

of companies are planning new initiatives to identify future skills gaps



Aon's Future Skill Framework



Our framework allows us to work with clients to develop consistent definition and reporting standards. The framework was created by bringing together research from global think tanks, client insights and our own rewards surveys – all combining to provide a sound structure and definition of future skills.

 **Aon Enablers**
• [Future of work solution](#)



Case Study – Supporting a Global Bank Securing Future-Ready Skills on Its Digital Journey

◆ The Challenge

- The client's workforce had future skills hidden beneath competencies or buried in job descriptions.
- The firm needed a baseline view of which skills existed in current employees.

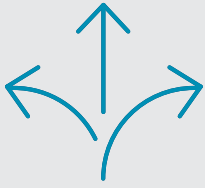
◆ The Solution

Aon's Human Capital team identified and quantified those future skills which challenged the business. Our client already had access to a wealth of data, but it was held in different places, creating a challenge to merge this data. As with many organizations, the firm lacked any market context or peer comparison.

The organization worked with Aon to bring together a new combination of fully mobile-enabled assessments of vocational interests and abilities, attitudes, learning styles and cognitive abilities as well as an indicator of willingness to change. Once completed, the employee receives a report highlighting the top three best matches between their own interests and those identified as a future skill for the organization. It also offers development action suggestions and recommendations to acquire new skills.

The employee is then able to request an in-depth feedback session with the employer and apply to join one of the 30 reskilling routes the firm has researched, sourced and will fund.





Activating a Diverse Workforce Through Bias-Free Data



A top priority for HR leaders: 80% of organization believe diversity, equity and inclusivity (DE&I) is an important priority for 2021.

Organizations are strengthening their DE&I strategies and programs. To ensure sustainability, they must adopt a holistic approach and consider four pillars:

- The workforce and talent practices.
- The workplace and an inclusive culture.
- The organization's relationship with suppliers and partners.
- The organization's investment in the community by addressing underserved communities.

What Our Research Indicates

Organizations use any scientific assessment instrument to mitigate biases



Employees demonstrate a commitment to create an inclusive environment



Organizations do not have any training programs to drive more inclusive efforts



HR leaders believe it is important for them from both a talent attraction and development point of view



Source: Aon Talent Transformation Study 2021 Asia Pacific and Middle East, with responses from 922 organizations

Organizations Lack Diversity

Only 34% of employees say they trust their organization's leaders and managers to navigate a crisis well. Confidence and trust in leadership is also undermined by the lack of diversity. **Forty-one percent of organizations have not trained employees on the importance of diversity.**



Employees' Quotes

“Our industry is very perceptive. How can we attract the best talent?”

“How do I ensure I have enough exposure to senior leaders?”

“How is my team currently spanning boundaries?”

“How can we foster interaction, better conversations and effective collaboration between departments in a hybrid workforce environment?”

◆ Client's Quote

“At Lowe’s, our commitment to diversity, inclusion and belonging form the foundation of our culture and extend to every area of our organization. We are not all the same, and that’s our greatest strength. We draw on the differences in who we are, what we have experienced and how we think because we believe in celebrating our differences and valuing every associate makes all of us better. We combine our differences to achieve greater results.”

Vidya Munirathnam, Director, Learning and Diversity at Lowe’s India



New Demands: Prioritize Diversity Agendas

Assessment plays a key role in enabling DE&I as demonstrated below. However, it is one piece of the strategy. What you need is a strategy at various stages.

Attract Employee's Journey	Develop Employee's Journey	Retain Employee's Journey
Candidate-centered recruitment journey, including job-relevant assessments , that enables bias-free and inclusive hiring .	Identify high potential or hidden talent using robust, scientific assessments.	Democratize career development and learning opportunities linked to interests and business needs.
Location and talent availability strategy to expand the diverse talent pipeline.	Evaluate risks and opportunities based on attrition, retention and career mobility patterns for diverse employees.	Identify career and talent mobility options for diverse candidates along with their growth journey to build a diverse talent succession pipeline .
Communicate and bring to life diversity and inclusion as a key pillar of the business strategy during sourcing.	Identify pay equity risks by analyzing quantitative data and deploy practical remediation measures for both the short and long term.	Track and monitor pay equity in alignment to the compensation and merit cycle.
Establish a competitive and equitable compensation structure for salary and incentives.	Assess existing culture and create an inclusive environment via focus groups and/or interviews and training.	Evaluate benefits, including parental leave programs, to drive inclusion.

Aon Assessment to Support DE&I Initiatives

As your workforce evolves, so should your talent strategy in order to reflect the needs of a more diverse workforce. Below are six actions to consider in order to bring your talent measurement and DE&I strategy to the next level.

- 1** Identify Future Potential
- 2** Measure Inclusive Mindset
- 3** Uncover Psychological Barriers
- 4** Use Data Continuously
- 5** Adopt Human-Centered AI
- 6** Embed Strategic Skill Analysis



Aon Enablers

- [Aon vidAssess](#)
- [Aon learning BEI program](#)



Case Study – Leading Retail Chain Solving for Diversity, Equity and Inclusion

◆ The Challenge

A leading retail chain wanted to identify and hire a diverse talent pool who would act as the future digital disruptors in the business.

◆ The Solution

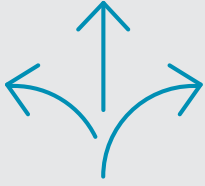
Aon introduced a new selection process that used the future potential model to assess agility, curiosity, and learnability in future hires, as well as an AI-scored video interview followed by an assessment center.

◆ The Outcomes

After the introduction of a new selection process, the retail chain was able to:

- Select a higher caliber of candidates who attended the assessment center.
- Hire a more diverse cohort – with a 50/50 gender split.





Unleashing Decision-Making Through Talent Analytics



A top priority for HR leaders:
78% of organizations believe creating
a healthy leadership pipeline is an
important priority for 2021.

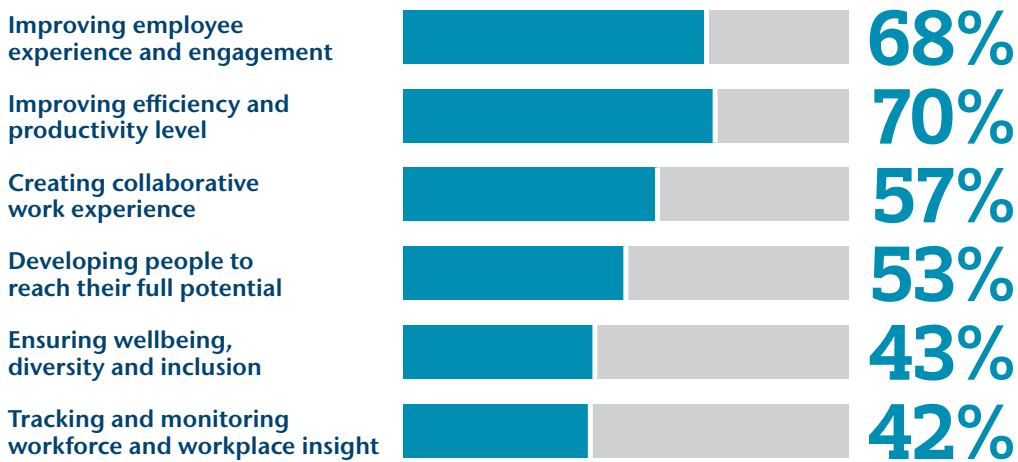
What Our Research Indicates

Sixty percent of organizations are investing in new technology and tools to increase productivity. Sixty-eight percent believe it helps improving employee experience and engagement, but only 11% of overall organizations are using data effectively.

Only 11%

of overall organizations are using data effectively

Areas That Are Driving HR Technology Decisions in the Organizations



Source: Aon Talent Transformation Study 2021 Asia Pacific and Middle East, with responses from 922 organizations

Implementing Data-Driven Decisions

Though data is readily available, 47% use it for demographics overview and 45% for talent cost analysis. Only 19% of organizations use any form of analytics for succession planning agendas or any other people-driven agendas.

Employees' Quotes

“Our succession management processes don’t yield the right leaders at the right time.”

“We struggle to develop effective mid-level leaders.”

“Our first-time managers are struggling to adopt to this new world.”

“Our promotions are dependent on managers’ feedback.”

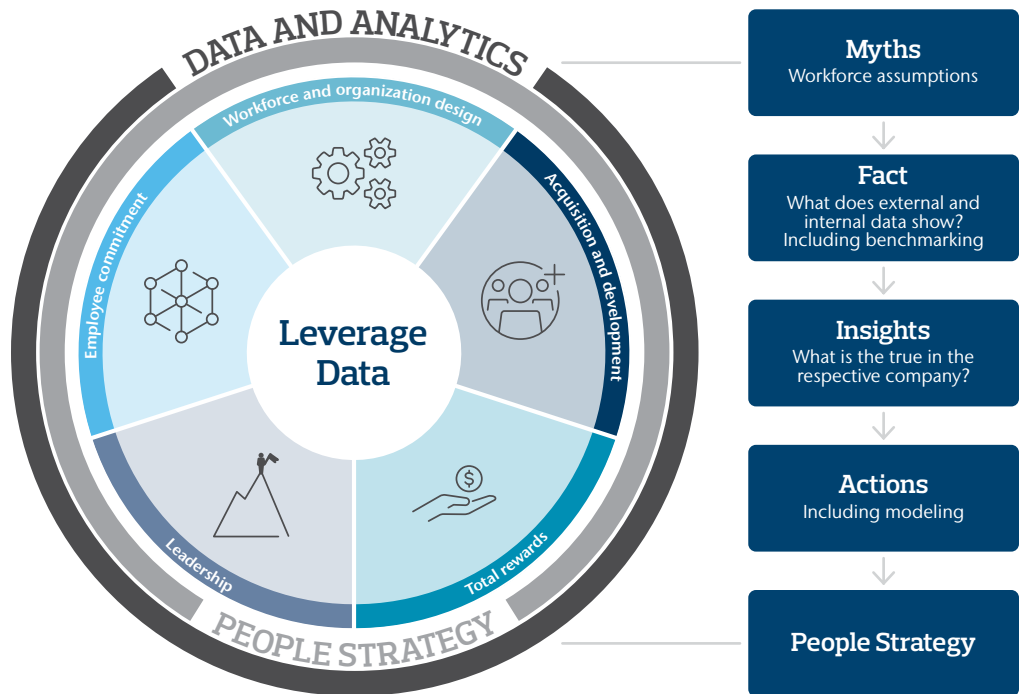


◆ Client's Quote

“As organizations rapidly alter their course to pursue growth opportunities in a shifting business landscape, these changes are leading to the creation of new leadership roles that need to be filled. We must ensure that our leadership programs deliver a strong succession plan by aligning both current and future leadership requirements to continually evolving work environments. At DHL Express, we believe that succession management must be able to respond to changing organizational needs.”

Shriram Ramaswamy, Talent Acquisition and Analytics Lead, Asia Pacific at DHL Express

How Can Leaders Leverage Data?



Analytics is about asking the relevant questions and using data to answer them. Forming the hypotheses that is going to be tested is one of the most important steps in any analytics project. It is important that the questions or the hypotheses are aligned with the people strategy and is helping the organization solve real people challenges.

Each organization will have its own unique challenges which would make the hypotheses differ – some of the common questions we have observed organizations solving through talent analytics are:

Acquisition and development

- Are we attracting the right capabilities for future growth?
- What is the image of our company by potential candidates?
How do potential candidates evaluate us on social media sites?

Total rewards

- Are we investing in the right reward elements?
Are we enabling performance with rewards?
- What is the impact of pay on turnover and engagement?
- Does our job architecture and the way we value jobs reflect the needs of an agile organization?

Leadership

- Do we have the right leadership capabilities?
- What is the readiness of leadership to lead change?
- Do leaders retain and engage the key talents?
- Are leaders able to lead the digital change?

Employee commitment

- Is your workforce engaged?
- What are the key capabilities that have an impact on business success?
- How can I drive higher employee engagement? Where should the focus lie?

Workforce and organizational capabilities

- Is the workforce ready for the disruptive change?
- Do we have the capabilities required to achieve our business objectives?
Especially in our critical roles?
- What is the impact of digitalization/technology/disruption on the required capabilities?
Which capabilities we may not need in the future?

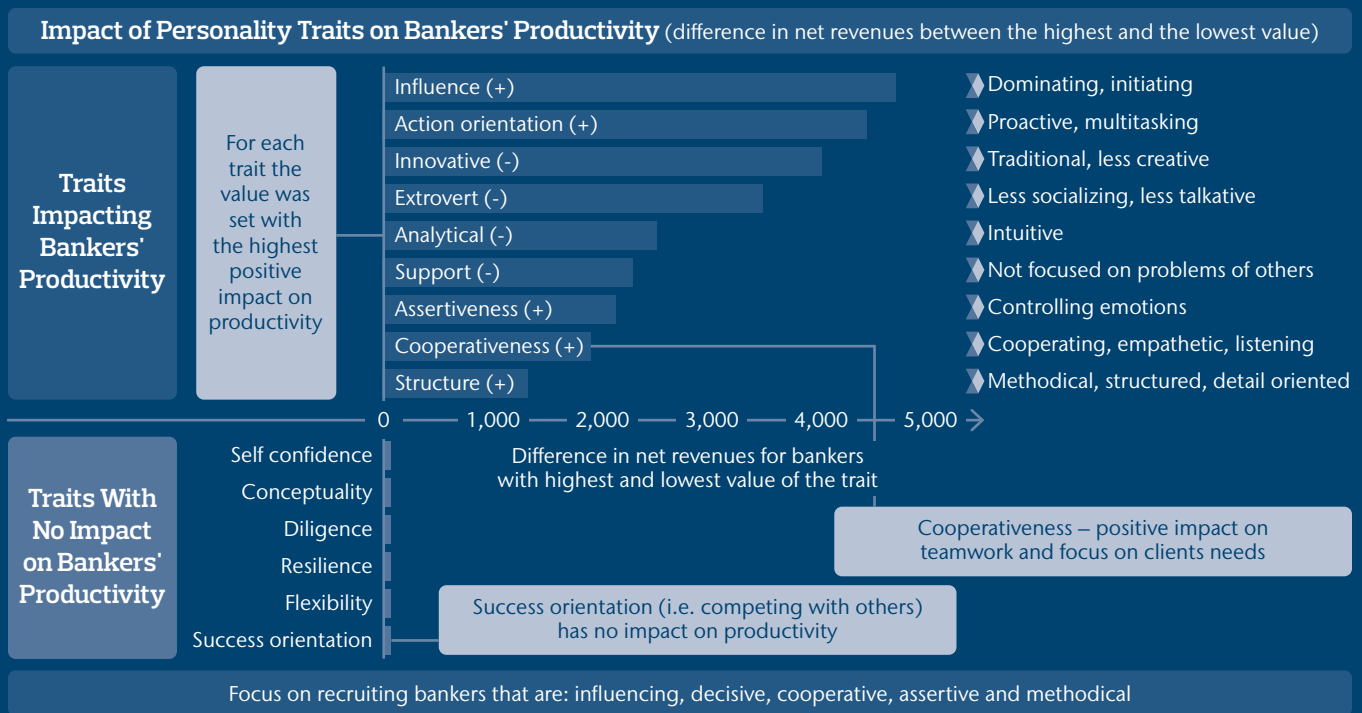
While this list of questions is by no means exhaustive, it provides a glimpse of the value talent analytics can add to an organization.





Case Study – Supporting a Bank Identifying Important Personality Traits

A bank was trying to refine its selection process and identify which personality traits have the biggest impact on productivity for their bankers.



◆ The Outcomes

- Personality traits like 'influence' and 'action orientation' had a positive impact on productivity.
- There were other personality traits like 'extraversion' and 'innovative' – where a lower score (e.g., bankers who are less creative and less social) tended to be more productive.
- This data provided the bank with extremely useful insights to refine their selection process.

Case Study – SATORP

Better Succession Planning

SATORP started operations in June 2014 and has become one of the most advanced refineries in the world. The environmentally-friendly Jubail Refinery produces a high proportion of white products from heavy crude oil.

◆ The Challenge

- The firm needed to improve succession planning and targeted development; however, it lacked objective data to inform decision-making.
- There was also a lack of structure around succession lines and clarity as to where to target macro development initiatives.

◆ The Solution

Aon assessed the high-performing talent (as identified by the client) using valid and objective online psychometric assessments administered through mapTQ. The top 78 performers advanced to the next level (now classed as high potentials) and were assessed across various business simulations using the Panorama virtual platform. Talent analytics were combined with assessment data and internal business metrics to create 9-box grids and an objective ranking list of all participants.

◆ The Outcomes

- The client has objective data to inform mobility and future leadership decisions.
- Participant reports providing narrative on key strengths and development areas.
- The project has opened up discussions around external talent acquisitions to achieve broad preparedness around succession planning.



Aon Enablers

- [Panorama platform](#)



It's Time to Get It Right



For many HR decision-makers, HR analytics is a skill that exists out of their control or remit.

This viewpoint may have been true years ago based on a more limited role of HR; today, it's an outdated mode of thinking. In reality, analytics is a set of techniques and technology that's readily accessible and could be extremely influential in making the HR function more strategic.

To encourage the evolution of HR as a strategic voice and to initiate a data-driven business culture, it is important that the department makes analytics an integral part of its decision-making processes.

In conclusion, analytics enables HR to:

- Drive productivity and efficiency
- Reduce cost
- Build trust in leadership
- Eliminate workforce discrimination
- Enable faster, better workforce decisions
- Promote employee engagement and wellbeing



“By bringing together multiple reliable data sets, we can unlock the exponential value of data. Our approach transforms how talent strategy can be built by combining data that is typically looked at in isolation.”

Tarandeep Singh,
CEO, Assessment Solutions, Aon

Research Links

Forbes, Building Agile Organizations: Adapting Faster

<https://www.forbes.com/sites/forbescoachescouncil/2018/09/21/building-agile-organizations-adapting-faster/?sh=7d7731196313>

McKinsey & Company, Organizing for the age of urgency

<https://www.mckinsey.com/business-functions/organization/our-insights/organizing-for-the-age-of-urgency>

people matters, Taking a global approach to Diversity, Inclusion, and Belonging

<https://www.peplematters.in/article/diversity/taking-a-global-approach-to-diversity-inclusion-and-belonging-30520>

people matters, The Era of Self-Directed Learning: HR's new role and strategy

<https://www.peplematters.in/article/training-development/the-era-of-self-directed-learning-hrs-new-role-and-strategy-24348>

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About Human Capital Solutions

Aon's human capital business provides leaders with a powerful mix of data, analytics and advice to help them make better workforce decisions. Our team, spanning 2,000 colleagues in more than 30 countries, includes the firm's rewards, talent assessment and performance & analytics practices.

About Aon

Aon plc (NYSE:AON) is a leading global professional services firm providing a broad range of risk, retirement and health solutions. Our 50,000 colleagues in 120 countries empower results for clients by using proprietary data and analytics to deliver insights that reduce volatility and improve performance.

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