

Global Talent Trends 2023 highlights

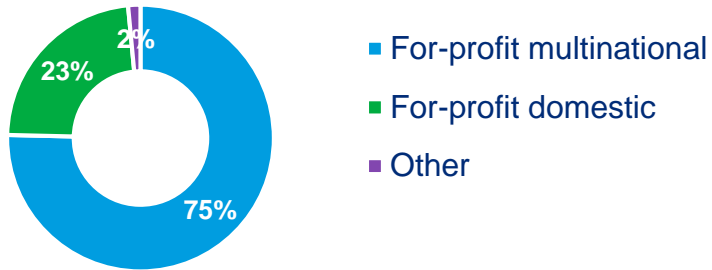
What's top of mind for HR Leaders in the Automotive sector

Based on inputs from 2,474 HR Leaders, including 135 in the Automotive 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

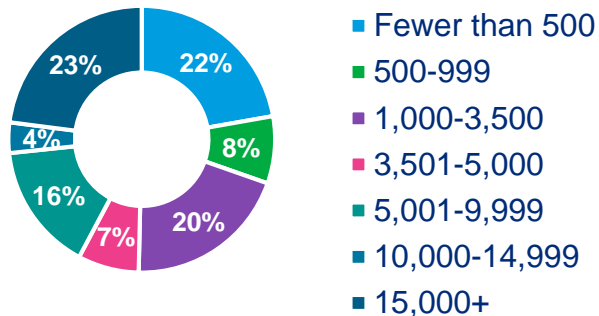
Total responses from the Automotive sector = 135 / Data collected in October 2022

Org Type

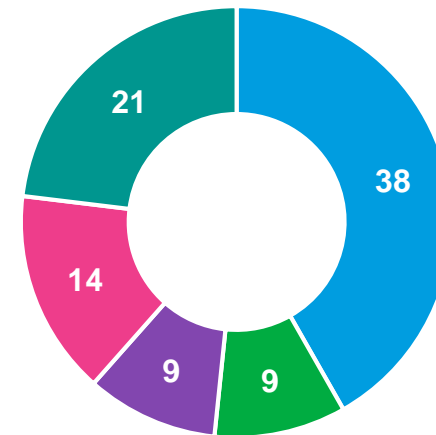


Org Size

(total # of employees)



Country



- China
- Germany
- India
- Thailand
- Turkey

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

Most critical for success in the Auto 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 Focusing on company culture development

2 Increasing our ability to adapt

3 Enabling a skills-based organization

4 Upholding diversity, equity and inclusion

5 Enabling new ways of working (remote, hybrid, gig)



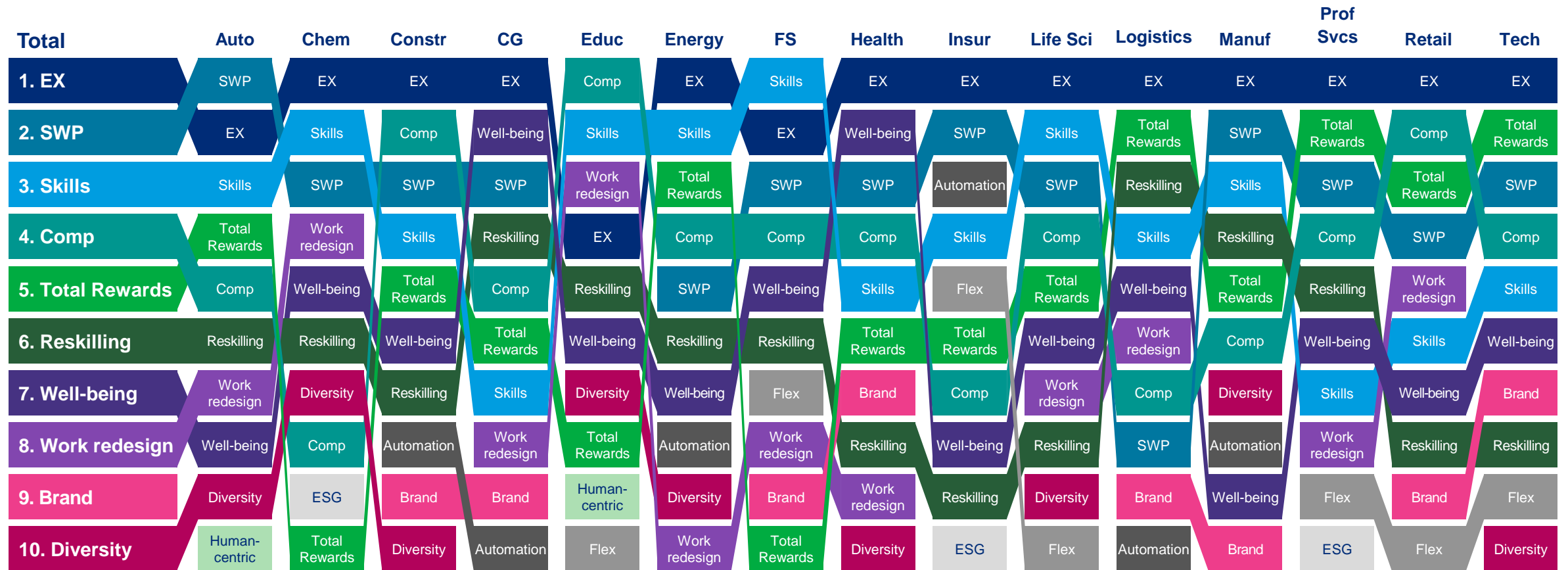
Geopolitical instability, economic headwinds, and tightening labor markets have had a profound impact on the People agenda.

In the Auto sector, the areas that have been most difficult to make progress on are: Workforce fatigue, Company culture, and Organizational adaptability.

Less of a priority for HR in 2023: Building careers for older workers, Updating employee contracts to outline new work patterns and expectations, Increasing cyber resiliency and mitigating cyber risk

2023 priorities for HR leaders vary by industry

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



Delivering on ESG and DEI commitments

Evolving our flexible working culture

Implementing automation

ANSWER 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

The challenge for 2023: How are companies in the Auto sector becoming more resilient, relatable and ready for what's next?

reset for relevance	work in partnership	deliver on total well-being	build for employability	harness collective energy
<i>Build resilience by leading with values and an adaptive design</i>	<i>Create equitable, transparent and rewarding partnerships</i>	<i>Nurture a healthy workforce with benefits that matter</i>	<i>Meet future work needs with a skills-based organization</i>	<i>Unlock potential with human-centered work environments</i>

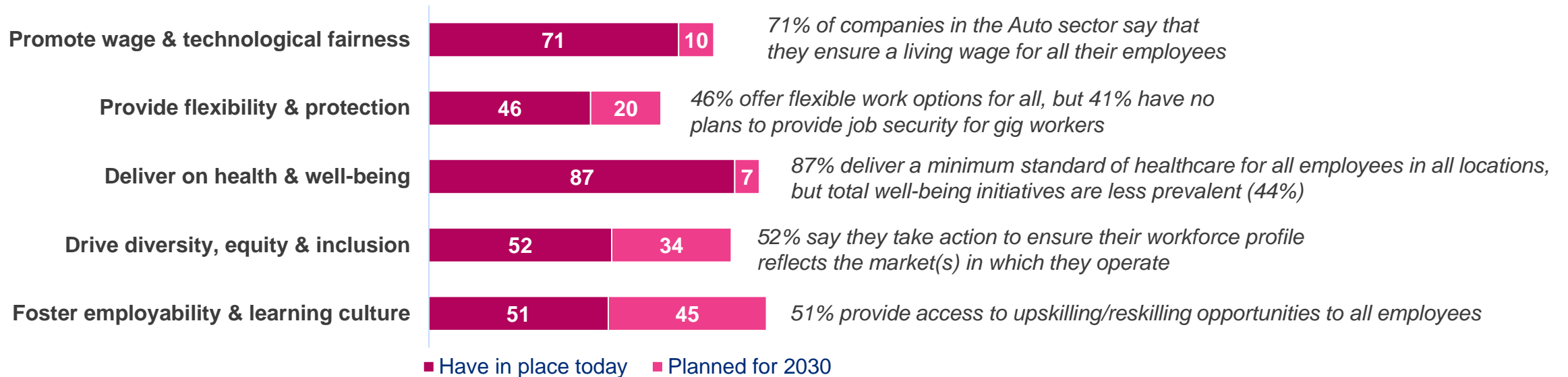


These five focus areas are shaping the People agenda this year

Companies in the Auto 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.



ESG activities that have made the most impact for Auto companies



Companies in the Auto 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?

39%

Training managers on how to build inclusive and equitable team arrangements

35%

Increasing transparency on which jobs suit different work/flex arrangements

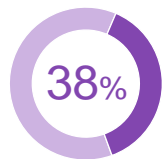
31%

Setting new work guidelines to improve collaboration effectiveness

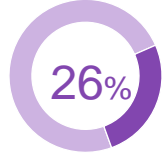
26%

Ensuring responsibility for DEI at the individual/team level, not just at a business unit or enterprise level

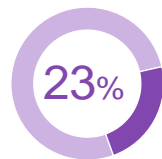
The inflationary environment is putting rewards in focus more than ever before. How are Auto companies responding to this new market reality?



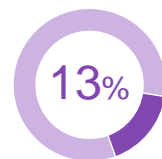
Implementing a bonus/pay adjustment across the entire workforce



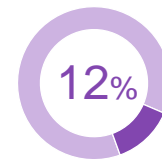
Providing a cost-of-living adjustment or other wage increases in most impacted markets



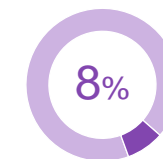
Using bonuses instead of base salary to increase total compensation without long-term commitments



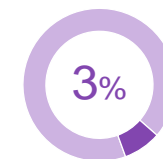
Increasing use of temporary workers to minimize increasing pay for permanent workers



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



Increasing other benefits to avoid increasing pay



Reducing other benefits to offset higher costs related to pay increases

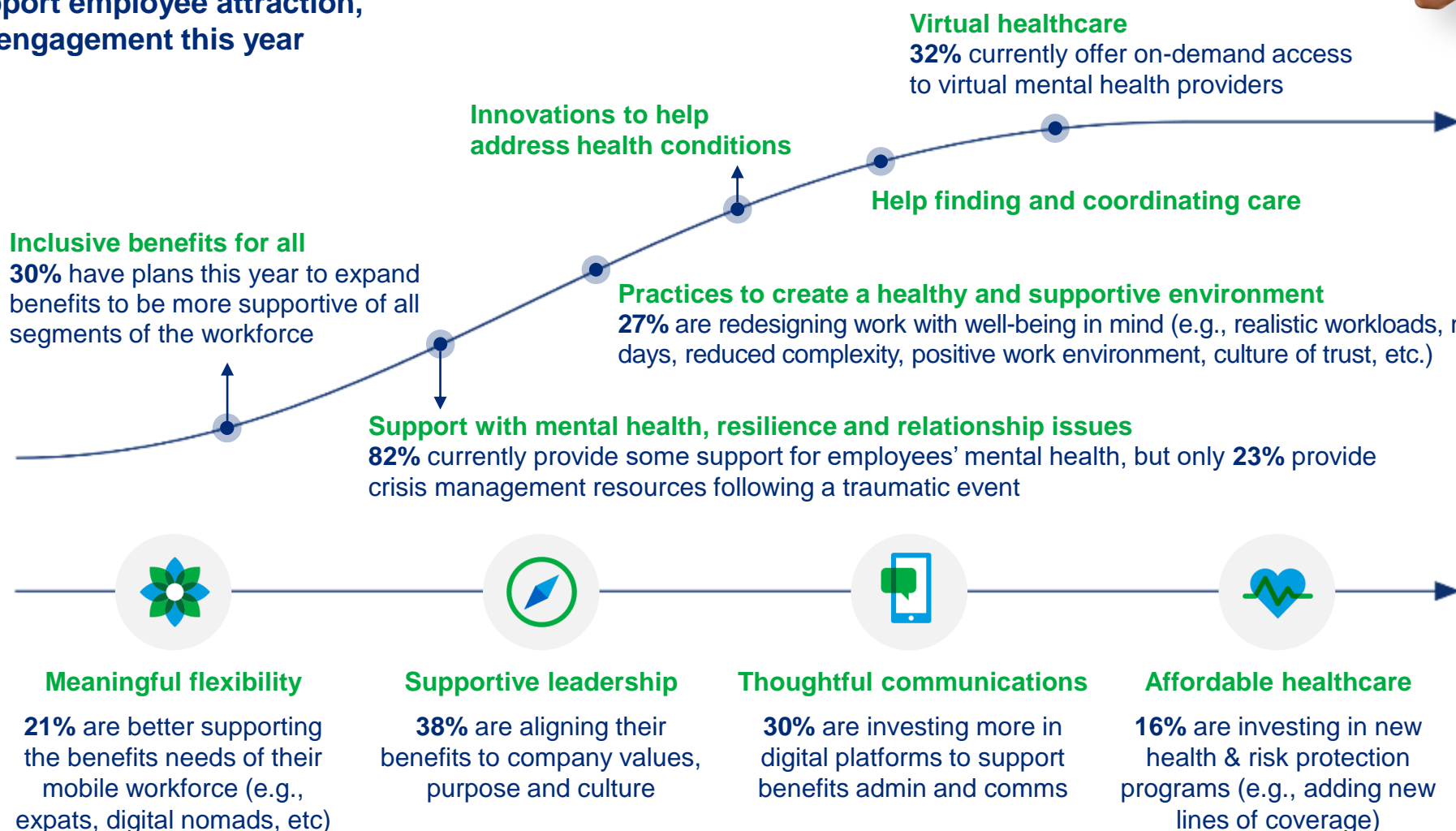
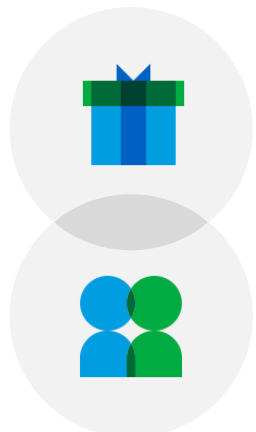
Companies in the Auto sector **deliver on total well-being** by focusing on benefits that matter

69% are focused on how their benefits offerings can better support employee attraction, retention and engagement this year



Varied and valued benefits

A caring culture



Companies in Auto sector are **building for employability** to meet current and future skill needs



- 1**
 - 43% have business plans with enough detail to identify future skill needs
 - 41% have strategic workforce plans that quantify skills gaps/needs in addition to headcount
 - 41% differentiate which skills can be developed versus bought
- 2**
 - 49% understand the workforce skills they have today
 - 14% use an AI-driven talent intelligence platform
 - 23% conduct robust assessments of technical skills
 - 32% use psychometric tools to measure potential
- 3**
 - 44% have an internal talent marketplace to facilitate talent sharing
 - 9% are part of an external talent consortium
 - 46% include short-term projects, not only expat assignments, as part of talent mobility
 - 22% make career and pay band information available to all
- 4**
 - 63% understand their talent development needs
 - 38% have effective up/reskilling programs to prepare talent to move into new areas
 - 59% nudge employees for learning opportunities based on their job/skill aspirations
 - 37% have built learning pathways mapped to jobs/skills
 - 41% are able to adjust internal pay based on the changing value of skills

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

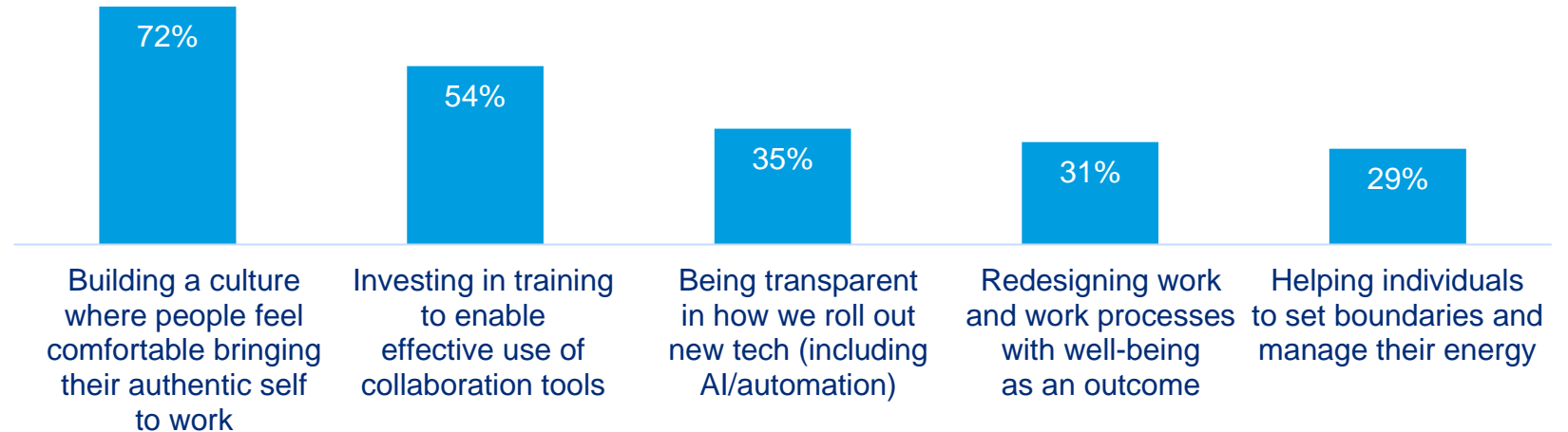
Employee exhaustion is perceived as one of the biggest obstacles to transformation in 2023.

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

- Lack of workforce capability and future skills (46%)
- Too many priorities that distract our people (43%)
- Balancing transformation plans with a survival mindset (39%)

HR is critical to the success of the transformation agenda

92% of companies are taking steps to maximize workforce energy this year



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 HR digital transformation



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 www.mercer.com/global-talent-trends

