

Rise of the relatable organization

Technology industry insights

A Global Talent Trends companion report



Outlook for the technology industry in 2022

The intense demand for tech talent is prompting a revamp of strategic programs to attract and retain employees.

As the COVID-19 pandemic forced fundamental shifts in the decentralization of work, tech companies — including software, IT services, e-commerce, digital/social media, hardware and semiconductor organizations — quickly adapted to the changes and accelerated digital investments.

Despite these investments, the impact of the pandemic, social unrest, and worker fatigue were cited in surveys as top reasons for talent departures. Workforce challenges will continue as unemployment rates drop and global vacancies reach an all-time high. Employees will continue to look for employers that provide personalized and flexible total rewards packages, continuous learning opportunities, customized career journeys and more (and different types of) pay.

Industry leaders are accelerating a people-centric approach that elevates the employee value proposition (EVP). Employee experience, engagement and culture top the priority list for employees, and all of these must be underpinned by diversity, equity, inclusion and belonging (DEI+B) as a foundational element.

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Top HR priorities for 2022 in the technology industry

1

Improving workforce planning to better inform buy/build/borrow talent strategies

2

Improving total rewards packages

3

Putting sustainability/ESG at the heart of the transformation agenda

4

Designing talent processes around skills

5

Developing human-centric decision-making

The rise of the relatable organization

As companies seek better ways to engage and retain talent, employees are scrutinizing the value they create through their work. Both acknowledge that 2022 will be a year of doing things differently — figuring out how to work, learn and laugh together. In an era of increased accountability and responsibility ushered in by the accelerated digitalization and disruption of 2021, making this transition is critical. Mercer's Global Talent Trends research brings commentary from more than 10,910 executives, HR professionals and employees on the talent challenges companies face and how they plan to make progress on their people agendas.

Last year, winning companies *led with empathy*. This year, our research shows that relatable companies are leading the way. They are constantly *resetting for relevance*, seeking to *work in partnership* with talent, working hard to *deliver on total well-being* and *building for employability* to *harness the collective energy* of their people. This report focuses on the challenges and opportunities in the technology industry. To learn more about the five global talent trends, refer to the full 2022 report.

Industry leaders lean into the seismic shifts

1

Demand for tech talent is out of control. One in two tech employers indicates that new competitors for talent have affected their ability to recruit the right people.¹

2

The workforce continues to decentralize, with 80% of tech companies expecting workers to be remote at least 25% of the time. This will force companies to create an employee experience without confines.²

3

Stopping the talent exodus is a priority. Voluntary turnover has increased 55% from pre-COVID-19 levels.³

4

Personalized career journeys and on-demand, inclusive digital benefits in total rewards strategies shape the foundation for attracting and retaining key talent.⁴

5

Distributed work models and digital acceleration have created unprecedented cybersecurity concerns. Data security risk is the number-one concern (71%) for tech in the next three to five years.⁵

¹ Tech industry data from Mercer's *Pandemic Spot Poll Survey* series.

² Ibid.

³ Tech industry data from Mercer's *2021/2022 US Compensation Planning Survey*.

⁴ Insights gathered from Mercer's Total Rewards Leaders Roundtable.

⁵ Tech industry data from Mercer's *Pandemic Spot Poll Survey* series.

Meanwhile, mission-critical tech roles have transcended nontraditional companies. This has led to an "every-company-is-a-tech-company" mentality as new competitors for tech talent emerge. As the need for tech talent in nontraditional roles changes, companies will be required to invest in reskilling and upskilling their employees to meet current and future business needs. This requires a forward-looking view for proactive skill development to stay ahead of customer demand changes. It also creates organizational agility to allow people to obtain the skills and experiences needed to support the business.

Demand is also changing for specific tech roles. For instance, software engineers and data scientists are in high demand

in retail, banking, automotive and healthcare companies as well as in technology organizations. People with skills and experience in developing and using AI, robotics and data analytics to drive the business forward are also highly sought after.

Additionally, both internal and external cyber threats are forcing companies to invest in emerging technologies and talent to safeguard their intellectual capital and protect their workforces from digital threats.

These transformational talent shifts will continue to evolve in 2022, with people at the center of the new skills currency.

Top 10 tech job roles ranked by increase in demand across all industries

1*Data analysts and scientists***2***AI and machine learning specialists***3***Big data specialists***4***Digital marketing and strategy specialists***5***Process automation specialists***6***Business development professionals***7***Digital transformation specialists***8***Information security analysts***9***Software and application developers***10***Internet of things specialists*

Insights

Leaders are focused on actions that create the best workplace environment to retain talent

In response to the rampant demand for critical tech talent, the C-suite has realized the need for personalized experiences that enhance the employee journey. Eighty-five percent of tech leaders plan to get hyper-personalized to ensure total rewards and benefits drive employee retention in 2022. As a result, the turnover rate is on the rise, as reported by Built In,¹ with turnover costs ranging from 1.5 to 2.0 times annual salary per position. Executives know retention impacts the bottom line.

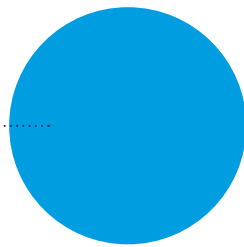
The number-one priority for HR in 2022 is to provide information and support for financial, physical, social and mental well-being. This priority must be woven throughout the organization, starting with the EVP,

and driven through the company's culture and every facet. Diversity, equity and inclusion (DEI) will heed the need to belong (DEI+B). This, too, must become a unique selling point of the company, accomplished authentically by listening to the voice of the employee. On-demand learning and professional development will assist in the reskilling and upskilling of the workforce and should be personalized in ways that help employees grow their careers while staying at the company. In addition, internal mobility programs will lead to greater employee satisfaction, thereby increasing tenure. The attention on environmental, social (including DEI+B) and governance (ESG) issues will continue as a critical factor in attracting or deterring talent. One in four executives indicates ESG/sustainability is driving transformation plans, and the area of cyber risk and data security is the number-one influence on three-year business plans.

Plans for promoting long-term employee well-being

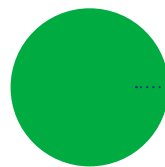
75%

of companies experienced a loss of talent due to the pandemic, social unrest and worker fatigue



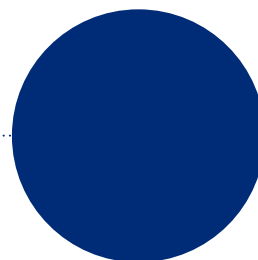
50%

of all employees are considering leaving their organizations in 2022



80%

of employees feel at risk of burnout in the next year



¹ Heinz K. "The True Costs of Employee Turnover," February 10, 2022, available at <https://builtin.com/recruiting/cost-of-turnover>.

Companies need to create personalized employee experiences

Providing personalized and inclusive benefits, including well-being experiences and career journeys, can increase retention rates and job satisfaction. Improving total rewards packages by offering inclusive benefits and empowering employees to design their career journeys is the number-two priority for HR executives surveyed. Creating an environment in which employees can quickly move within an organization to gain new skills and capabilities will set the foundation for retaining top tech talent. The need to reskill/upskill the workforce to provide those mobility opportunities plus continuous learning and development will help shape the workforce of 2022.

Diversity, equity and inclusion + belonging (DEI+B) will pave the way

DEI+B struggles continue at the top, as only 33% of executives surveyed report having DEI+B goals, down 3% from last year. Yet employees remain vigilant in pursuing companies with DEI+B goals, including pay equity and

inclusive benefits. Eighty-nine percent of tech companies report that employees say their workplace has a diverse and inclusive culture where different opinions and ideas are valued. In 2022, there will be increased demand from the top leadership to provide people analytics tied to DEI+B.

Cyber and data security has risen to the top of the C-suite agenda

The protection against external cyber threats and data security, both inside and outside organizations, is the number-one concern of the C-suite. Trust in employers and employee confidence that companies will not disclose confidential information increased 6% from last year. In 2022, there will be a greater focus on vendor and third-party security threats and the opportunity to outline policies, guidelines, training and analytics to this audience. In addition, the digital acceleration, coupled with necessary tools and training around cyber and data security threats through onboarding efforts and ongoing sessions, will help create more awareness to protect personal and company privacy and data.



Recommendations

The technology industry will continue to be at the forefront of innovations in digitalization, reimagining the employee experience through total rewards updates and articulating the EVP. Labor scarcity will require creative ways to find the right talent, with a full-fledged effort to retain and engage the current workforce. The remote workforce transformation is here, and executives need to shift their perceptions about the need to be in the office.

Meanwhile, employers and HR departments have been creative in developing the employee experience without confines.

Skills, not jobs or competencies, will emerge as the currency of 2022.

Recommended actions for the technology industry in 2022

Reimagine the employee experience. Labor scarcity will continue to be prevalent. Companies must partake in the reimagination of the employee experience to engage the hybrid workforce in a personalized way that will attract and retain talent.

- Audit the employee journey, including the career website experience.
- Identify key opportunities for increasing engagement through networking and mentoring activities.

Create personalized and inclusive global benefits. The design of compelling career experiences as part of the total rewards offering needs to be personalized and inclusive. An on-demand learning and development tool should also be part of the total rewards package as it creates an environment of “always learning” and aids in the reshaping of the current and future workforce.

- Conduct an audit of benefits packages, and revamp them in a personalized and inclusive manner to meet the needs of a global workforce.
- Identify opportunities to balance burnout.

Tech companies led the charge into remote work

The pandemic forced a fundamental shift in how companies operate. This required a complete reset around work, the workforce and the workplace — and it paid off.

91% of employees feel their companies support people with flexible work arrangements.

90% of employees feel their performance is measured on results, not on hours worked.

87% of employees feel their team collaborates well while some employees are onsite and others are remote.

1.3x Employees are 1.3 times more likely to feel remote work gives them a stronger sense of belonging to their company.

Foster internal mobility and skill development.

Generate internal mobility to help decrease the talent exodus and retain tech talent. Offer the ability to create an individualized career journey, with integrated professional development tracks that enable ongoing upskilling and reskilling opportunities to meet current and future business needs.

- Analyze current employee data to map career journeys and identify chokepoints in the retention process.
- Design a compelling EVP to address unmet employee needs and increase job satisfaction.

Make DEI+B a priority. To hold the executive team accountable for progress, DEI+B needs to be instilled with goals and measurements. The EVP reinforces the DEI+B elements with the creation of employee resource groups, mentoring programs and people analytics management.

- Develop an EVP that ties into the mission and vision of the company, including specific initiatives to align with and deliver on business strategies.

- Benchmark what disruptive companies are doing in the tech space to accelerate DEI+B plans.
- Promote transparency around DEI+B initiatives.

Be vigilant about cyber and data security. Mitigate risks by providing ongoing cyber and data security training, and include third-party companies and vendors.

- Conduct an audit of vendor and third-party ESG policies to ensure alignment with cyber and data security best practices.
- Review compliance and training initiatives to align with evolving domestic and global regulatory changes.

For more insights or recommendations, please see the full [2022 Global Talent Trends](#) report.



