



Energy Industry Vertical

Mercer Global Talent Trends 2021

Energy Industry

welcome to brighter



Energy Industry

Key 2021 Trends

Volatility remains

Energy Transition

Digitization (on steroids)

Industry consolidation

How have Mercer's talent trends accelerated in 2020, and how have companies responded?

Focus on **futures**

Work together to ensure people thrive now and in the future

Race to **reskill**

Transform the workforce by reskilling for a new world economy

Energize the **experience**

Inspire and invigorate people by redesigning their work experience

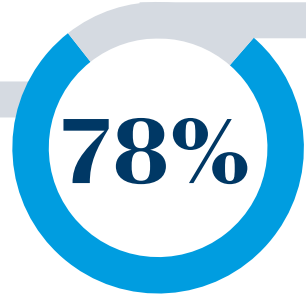
Sense with **science**

See ahead by augmenting AI with human intuition



Mercer Global Talent Trends 2021: Energy

01/ Focus on futures

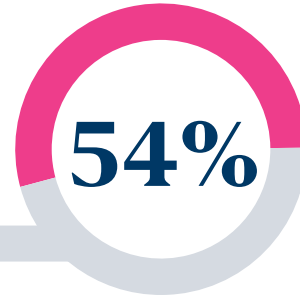


of organizations report ESG (environmental, social and governance) as a crucial focus for 2021

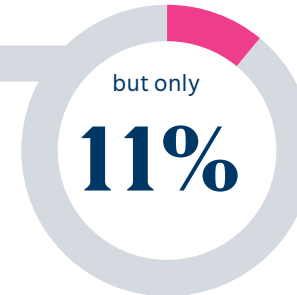


will be reinventing sustainably.

02/ Race to reskill



of organizations are identifying new skills needed for their post-COVID operations,



have started their "pay for skills" journey.

04/ Energize the experience



of companies are planning to invest in reinventing flexibility and fluid careers

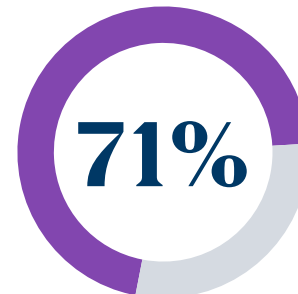


of companies plan to reinvent flexibility — a core part of transforming the employee experience.

03/ Sense with science



help executives balance economics and empathy by sharing data on the impact cost decisions have on health and engagement.



of organizations already use or plan to improve employee health and well-being analytics.

Energy industry top three challenges to transformation in 2021

1



Employee exhaustion given blended work/lives

2



Balancing a focus on survival/lack of budgets

3



Too many priorities distracting people

Focus on futures : Energy

Reinventing with a focus on new ways of working

The pandemic has forced companies to rethink how HR supports the rest of the organization...

- **75%** have dramatically changed flexible working
- **66%** have dramatically changed managing a virtual workforce
- **57%** have dramatically changed onboarding
- **50%** have dramatically changed how they build their culture

as a result transformation objectives have also changed,...

55%



Reinventing
flexibility

51%



Targeting workforce
upskilling/ reskilling

40%



Expanding talent &
learning ecosystem

HR priorities include:

- #1 Accelerating programs/policies enabling employees to adapt to new ways of working
- #2 Redesigning HR processes for a remote / blended work experience
- #3 Transforming the HR operating model to be more agile

and to meet those objectives, Energy companies are prioritizing

- #1 Defining **future workforce needs and/or restructuring**
- #2 Making **upskilling/reskilling** a priority
- #3 Creating a **culture of caring & wellbeing**
- #4(t) Reinventing **sustainably**
- #4(t) Energizing the **employee experience**



Race to reskill : Energy

Building the skills of tomorrow

The pandemic not only affected how companies operate, but also the skills needed to be successful in the future



Energy companies believe the following skills are most critical towards building a more resilient remote & virtual workforce:



Collaboration



Self-management/
prioritization skills

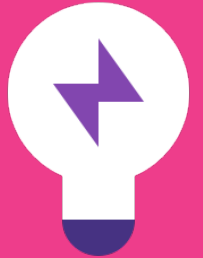


Digital fluency &
complex info
processing

and Energy companies are

1.3x

less likely to have or be
implementing skills-based
talent strategies



What are Energy companies doing to create a more fluid workforce or to accelerate skill development?

- **74%** have or plan on implementing loan/sharing of talent internally
- **62%** have or plan on increasing use of variable/contingent talent pools
- **54%** have or plan on identifying new skills/capabilities for our post-COVID operations
- **49%** have or plan on intensifying the development of remote working skills

Sense with science: Energy

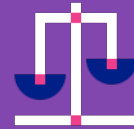
A clear rise in operational-oriented analytics

With AI and big data now permeating even more HR systems and practices, it's even more critical in 2021 for HR to lean into data science and take notice of how it changes decision making

In response to the pandemic some Energy companies leaned into data to make better informed business decisions, balancing economics with empathy:



37% monitored the impact of leader communication during the pandemic



26% revised access to employee data and/or developed ethical collection guidelines



25% assessed the impact of various cost containment measures on employee engagement

The rise of analytics will continue, with the majority of Energy companies making improvements in the following capabilities:

- 1** Learning/skill acquisition analytics (**62%**)
- 2** Strategic workforce planning/modeling (**59%**)
- 3** Performance data related to flexible working (**55%**)

with a small but rapidly growing group planning to use AI and machine learning in 2021 to:

Alert managers to connect with employees at elevated risk of leaving / being less engaged (**From 9% to 27% by EOY**)

Offer an AI – powered benefits enrollment experience (**12% to 32%**)

Utilize machine learning systems that evaluate the changing demand for and/or the value of skill sets (**6% to 28%**)



Energize the experience: Energy

Evolving how companies support & enable their workforce

A differentiated employee experience is critical to attracting and retaining digitally-oriented talent, which is in increasingly high-demand





Energy companies accepting that virtual working is here to stay have begun to redefine their perceptions of mobility...

- **90%** expanded and enhanced flexible working policies and practices
- **79%** increased alignment between structures and culture
- **74%** made it easier to loan/share talent internally

3 in 4

companies indicated the lockdown allowed them to “relinquish central control” of employee behaviors and move toward more lateral and “unsupervised” work arrangement

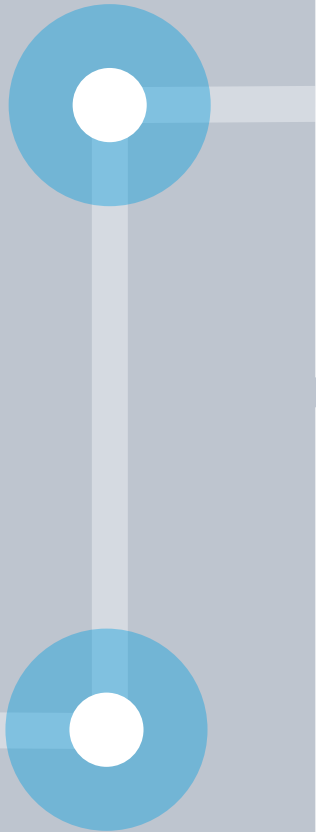
Beyond flexible working, Energy companies are looking to energize employee wellbeing by...

-  Increasing access to remote health and benefit options **(49%)**
-  Re-segmenting the workforce to better tailor benefits to new needs and realities **(28%)**
-  Offering more financial education than before the pandemic **(25%)**
-  Implementing company-specific living wage initiatives **(18%)**

and view the following as being most impactful towards advancing ESG and the multistakeholder business approach...

- Tying ESG goals to the company’s purpose and keeping this purpose visible to employees **(70%)**
- Building ESG goals into their wider transformation agenda **(44%)**
- Embedding select ESG metrics related to goals into executive scorecards **(35%)**
- Clarifying the Board’s ESG roles and responsibilities **(24%)**

What this means for the Energy industry...



Keeping tuned-in to your employees is critical given huge shifts to the way we work and the transformation of the energy industry. **Mental Health & Wellbeing** will be **top priorities**

The **pace of digitalization** will be driven even **faster** by the energy transition. Analytics and technology (AI, machine learning) will evolve **operations** and **employee experience** and **engagement**

ESG (including DEI) is becoming an increasingly important part of the **employee value proposition** as well as linked to **Executive & Senior Leadership KPIs**

Determining **what skills your organization will require** as you go through the energy transition will become critical to reskilling & upskilling. **Fluid talent ecosystems will emerge** as we move from jobs to skills



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