Digitalization Begins at Home

Prepare future talent

Talent transformation study 2020, Asia Pacific and Middle East
Study demographics

Respondents by region

- South East Asia: 25%
- China: 9%
- India: 55%
- Middle East: 8%
- Other Geographies: 3%

Respondents by company revenue*

- < 250 million USD: 40%
- 250 million – 1 billion USD: 20%
- 1 – 5 billion USD: 15%
- 5 – 20 billion USD: 11%
- 20 – 50 billion USD: 6%
- > 50 billion USD: 8%

*2019

Respondents by industry

- Technology and outsourcing: 22%
- Manufacturing: 19%
- Professional services: 11%
- Financial institutions: 10%
- Life sciences: 7%
- Education: 5%
- Retail: 4%
- Consumer goods & durables: 3%
- Others: 18%

Source: Aon, survey of 663 organisations across Asia Pacific and the Middle East, 2020
Contents

Introduction ................................................. 4

Chapter #1:  
Designing future jobs ................................. 6

Chapter #2:  
Uncovering new career paths ..................... 12

Chapter #3:  
Guiding talent for success ......................... 18
  Leadership readiness ............................... 19
  Learning culture ................................. 22

Chapter #4:  
Preparing to succeed ............................... 24

By Tarandeep Singh
CEO, Aon’s Assessment Solutions  
Asia Pacific & Middle East

Research Architect  
Pritish Gandhi

Research Contributors  
Abhilasha Hoon, Ben Rooney,  
Mahesh Balasubramanian, Melissa Yeo,  
Rishabh Saxena
Customer centricity
– the aim of digital transformation

Aon’s 2020 Talent Transformation Study surveyed 663 organisations across Asia Pacific and the Middle East. Almost seven out of ten organisations identified customer experience as the primary reason for an organisation’s digital transformation journey.

Reasons for digital transformation and focus areas

Somewhere along the transformation journey, organisations shift their focus to internal factors such as effective processes and automation. Surprisingly, defining new culture norms was critical to only 15% of the participating organisations.
CEOs and CHROs not prepared
Over 70% of organisations fail on the path to digital transformation1. Technology investments certainly help organisations get a jump start. However, increasing customer centricity through cross-functional teams has proved more difficult.

The need of the hour is to focus on inculcating a digital mindset, with a clear culture-anchored change agenda. With disruption in jobs, organisations need to reconfigure how they manage careers.

Our research indicates that barely one in four CEOs and one in five CHROs are rated as fully prepared to drive transformation.

Priorities for talent transformation

1. Shape job architectures to enable agile career paths
2. Assess behaviours to prepare talent for a digital mindset

We recommend three priority areas for successful talent transformation:

Digital priorities are accentuated in a post-COVID era, and we are here to support you on your transformation journey.

“As basic automation and machine learning move toward becoming commodities, uniquely human skills will become more valuable.”

Devin Fidler, Research Director, Institute for the Future

**The changing nature of jobs**

From business architecture to agile methods, organisations constantly try different approaches to move the organisation forward and closer to their customers. With digitalisation and rapid automation, we observe this shift and rise of design-level thinking across all jobs. Value chains have changed from traditional assembly-line team set-ups to multi-faceted broader teams that can work, experiment and learn fast.

Inculcating a customer perspective widely across the organisation shifts its focus from inside-out to outside-in, thus building an understanding of customers’ experience through all their interactions with the organisation. This yields rich dividends to employees, customers and shareholders.
Future jobs

Curators in retail: Personal shoppers were restricted to high-value customers, but technology and analytics gives retail the opportunity for insight into all customers. Curators have their customers’ pulse, understand their needs, and deliver the right products online and offline for them to buy.

Philosophers in banking: Banks are also hiring historians, anthropologists, design psychologists, engineers and lesser-known professionals like ethnographers – those who study the science behind cultures. The expansion of skill sets is one way to make them ‘understand’ the softer side of banking.

Product owners function as the CEOs of their digital products. They steer and track the development of their products and services, making decisions that help their work create business value. They also orchestrate a team of diverse specialists, who come together according to need.

Full-stack architects are generally experienced developers with knowledge of different stacks – or structures – of large software systems. Full-stack architects can link the technical vision to business goals and build solutions that are technically sound and generate business value.

Rise of the chief listening officer: Someone whose job is to analyse communication about the organisation both externally and internally. Internally they listen to the needs of the employees and stakeholders. Externally, they investigate how customers are responding to their brand.

---

How is job architecture evolving?

There are two clear shifts in job architecture. Firstly, there is a shift towards cross functional application in contrast to a siloed application.

Second, career growth happens through multiple experiences in neighbouring jobs, as against deeper experience in the same job family. At Aon, we see a clear shift from “Deep Specialist” to “Generalised Specialists” or the emergence of “Craftspeople”.

As job architectures evolve around Craftspeople, there is downstream impact on team structures and processes. Structures become project-based, teams form and dissolve quickly, and jobs are linked to projects and assignments. In this context, managers need to look again at their own role less as owners of careers but more as orchestrators finding the next gig in line with the ever-charging demands of the internal talent marketplace. Increased linkage of rewards to outcomes will drive short-term behavioural changes, while a shift in culture will sustain the agile workplace.
Our research explored how organisations are currently connecting talent to future jobs. As new relationships are forged in an agile workplace, organisations will have to evolve their philosophy from job enrichment and rigid career frameworks to embracing talent communities and open market-careers.
How do you connect talent with the jobs of the future?

Organisations will also have to cultivate internal and external talent communities anchored around hot skills. These communities are the drivers for knowledge exchange, as well as finding the next role in an increasingly fluid workplace.

Limited manager involvement in connecting individuals to future jobs is already evident. Progressive organisations are simplifying internal talent mobility across the various career stages of an employee.

Case study: New job architectures and career philosophy for leading global software and analytics provider

A leading global software and analytics provider was dissatisfied with its existing talent pipeline. Its career path of business analysts, development engineers and quality assurance was creating deep specialists. However, when such talent entered the mid-level and senior-level roles, they were unable to drive strategic impact.

Through job analysis with a group of high performers, Aon identified the meta-competencies which differentiated the existing paths and contrasted them with those needed for emerging roles.
We then redesigned the talent management approach to drive a shift in five paradigms:

- Performance review to **potential assessment**
- Grade promotion to **role progression**
- Technical focus to **agile mindset**
- Depth of experiences to **cross-functional stints**
- Organisation ownership to **employee ownership**

With cross-function movements embedded from an early career stage, the organisation is seeing increased readiness and availability of internal talent for roles such as solution architects, full-stack developers and portfolio managers.
“In today’s era of volatility, there is no other way but to re-invent. The only sustainable advantage you can have over others is agility, that is it. Because nothing else is sustainable, everything else you create, somebody else will replicate.”

Jeff Bezos, CEO and President, Amazon

Career configurations
The rise of generalised specialists and the continuous disruption of roles makes our current approach to careers obsolete. Gone are the days of ladders and trails where organisations offered clear paths of vertical or lateral movement. The career development of the future looks more like rock-climbing.
HR leaders will have to grapple with the challenges of hiring, engagement, performance and development in this new paradigm. As an example, customer-centric or product-centric organisations may require flatter, cohort-based structures. Accompanied by reducing the numbers of levels and titles, wider pay bands can completely transform employees’ experience.

By shifting HR’s focus from control and structure to entrepreneurial ways of working, companies can promote a flexible, problem-solving and team-oriented culture. In this open market, it is critical for organisations to take employee-centric career decisions. With the half-life of skills decreasing rapidly, current performance and even potential, may not be a holistic consideration for career transition. The digital future requires a new set of skills, behaviours and ways of working.

**Three critical factors for career paths of the future**
Aon’s research into digital jobs has identified three critical aspects.

- **Learnability** – continuously seek opportunities for self-improvement
- **Agility** – be flexible in changing situations
- **Curiosity** – enables openness to change and novelty
Which of the following traits do you currently assess for as part of digital readiness?

While organisations appreciate the relevance of these factors, a fraction of organisations measure all of them together. Most surprising was the fact that only one in five organisations across the region currently assess for curiosity. In the constantly evolving digital era the value of curiosity cannot be over-emphasised.

<table>
<thead>
<tr>
<th>Trait</th>
<th>All respondents</th>
<th>India</th>
<th>SEA</th>
<th>Middle East</th>
<th>China</th>
</tr>
</thead>
<tbody>
<tr>
<td>Learnability</td>
<td>63%</td>
<td>64%</td>
<td>61%</td>
<td>47%</td>
<td>76%</td>
</tr>
<tr>
<td>Agility</td>
<td>69%</td>
<td>68%</td>
<td>71%</td>
<td>62%</td>
<td>75%</td>
</tr>
<tr>
<td>Curiosity</td>
<td>39%</td>
<td>44%</td>
<td>34%</td>
<td>36%</td>
<td>42%</td>
</tr>
<tr>
<td>All three</td>
<td>22%</td>
<td>23%</td>
<td>20%</td>
<td>16%</td>
<td>29%</td>
</tr>
</tbody>
</table>

Source: Aon
“I have no special talent. I am only passionately curious.”

Albert Einstein, Theoretical Physicist
Which of the following factors are becoming more important for evaluating job worth in digital transformation? (Pick top two)

As we have seen with changing job architectures and the significance of learnability, agility and curiosity for future success profiles, the research validated the significance of problem-solving as a measure of a job’s worth. This means future jobs are becoming more complex and require higher cognitive abilities.4

![Image showing percentage ratings]

Interestingly, Interaction (measuring cross-cultural and multi-dimensional aspects of interaction) is rated higher than accountability and impact of the job. This substantiates our point of view on the rising significance of multi-faceted teams and handling diverse stakeholders.

How do you currently assess the future readiness of key talent?

Source: Aon, n=663

4 Defined as a “mental capability that … involves the ability to reason, plan, solve problems, think abstractly, comprehend complex ideas, learn quickly and learn from experience”, Gottfredson, 1997
Historically, manager feedback has been most widely used to gauge future talent readiness. The rapid evolution of roles means that most managers now work as orchestrators of cross functional teams. This increasing diversity of skills and expertise across the team limits the value of manager feedback for future readiness.

Stretch assignments and work simulations are effective when designed carefully. Psychometric tools and 360 feedback surveys may also offer some insights for future readiness. Given the degree of change, assessment centres may offer the best solution to measure behaviours for future readiness. When correctly established and professionally run assessment centres provide much more information about fit, skills, competencies and future readiness than almost any other method.

**Case study: Leveraging assessments to build an agile workforce at a worldwide investment bank**

A worldwide investment bank needed to change the way its technology team worked to be able to swiftly bring new products and services to market. The change would require adopting a less centralised decision-making structure and new skill sets, including for new roles such as product owners, agile project managers, scrum masters and area team leaders.

To gain insight into the firm’s current workforce, Aon partnered with the bank to create a development centre to identify employees with the skills and abilities to succeed in an agile model. The development centre assessed for behavioural competencies and agility, provided a development report, and enabled managers to have personalised coaching and on-going development conversations.

Scaling to over 8,000 employees, the development centre functions as a catalyst to larger workforce transformation. Insights from the development centre data inform the bank’s approach to workforce transformation and building an agile organisation.
“Clearly, the thing that is transforming is not the technology – the technology is transforming you.”

Jeanne W. Ross, MIT Sloan’s Centre for Information Systems Research

Successful transformation requires guidance across all levels of the organisation. Leaders enable a cultural shift and are critical to success. We have observed various transformation projects which have not been successful, or which have been delayed, due to lack of preparedness. A learning culture continues to be the best way for organisations to drive future readiness across the organisation.
Leadership readiness

It is a commonly held myth that leaders of ‘Digital Native’ organisations are better prepared for transformation. Our research shows that even though they are, overall only one-third of them feel ready.

Furthermore, the preparedness of C-Suite leaders lags with only one in four CEO ready to lead transformation. CHROs, the essential leaders who act as culture custodians, are also inadequately prepared.

Rate the readiness of the following individuals to drive digital transformation

<table>
<thead>
<tr>
<th>Role</th>
<th>% Ready</th>
</tr>
</thead>
<tbody>
<tr>
<td>CEOs of digital natives</td>
<td>33%</td>
</tr>
<tr>
<td>CEOs of other organisations</td>
<td>24%</td>
</tr>
<tr>
<td>CHROs</td>
<td>19%</td>
</tr>
<tr>
<td>CXOs</td>
<td>16%</td>
</tr>
<tr>
<td>TM leaders</td>
<td>15%</td>
</tr>
<tr>
<td>TA leaders</td>
<td>15%</td>
</tr>
</tbody>
</table>

Source: Aon, n=663
Three criteria of digital leadership

Our research narrows digital leadership to three criteria:

- Agile mindset
- Leading change
- Driving business

An agile mindset suggests that an individual will have the ability to learn, adapt to changes in their environment and seek new skills and experiences on the job. Flexibility, adaptability and resilience are needed across the workforce, but nowhere are those traits more important than in leadership.

Leading change is about steering people in a volatile work environment, promoting and inspiring collaboration, empowering team members to embrace change and drive their self-development, being self-aware and willing to move into the role of a humble facilitator.

Driving business is about global networking, identifying and developing business opportunities, generating solutions and taking calculated risks, and ultimately driving business success.
Who do you currently assess for digital readiness?
For any transformation to be successful, organisations must also focus on establishing new culture norms to drive new beliefs, behaviours and decision mindsets. Key talent is at the frontier of change in any transformation journey, and our participants confirm that at least one in two organisations are investing in their digital readiness. In fact, 20% of organisations claim to assess incoming talent for the same, which is heartening to note.

Unfortunately, first time managers are the least focused, which is surprising given the role they play in impacting day-to-day business results through people.
Learning culture

How do you support talent during a transformation programme?

- Clear development plans: 64%
- Mentor for increased effectiveness: 57%
- Link new roles to individual aspirations: 52%
- Self-paced learning: 43%
- Group learning journeys: 29%

Source: Aon, n=663

Results of digital readiness assessments can significantly improve the effectiveness of development plans. Mentorship, when done in the context of connecting with future roles, adds distinct value. Self-paced learning with a strong learning culture helps to acquire new skills and behaviours seamlessly. Over one in two organisations align future-roles to individual aspirations, while two in three focus on clear development plans.

At the core however lies the learning culture that allows talent to explore agile career pathways. A transparent process empowers talent to take charge of their own future readiness.
Case study: Vodafone Future Jobs Finder

The Vodafone Future Jobs Finder is a free service which has provided career guidance and access to training content to over 350 million young people across 15 countries. It is the world’s largest ‘job navigator’ for roles involving digital skills – and the only platform to use robust psychometrics for career mapping.

Aon designed a three-minute, emoji-based personality quiz to quickly identify a young person’s interests, activities and work preferences. Their answers are instantly mapped to specific, digital roles in their chosen city, which match their personality and interests. Relevant interactive courses from digital training providers are highlighted, which can help each individual to enhance their skills and achieve their career goals.

Vodafone’s Future Jobs Finder is freely accessible via futurejobsfinder.vodafone.com
“If you do not know where you are going, any road will get you there.”

Lewis Carol, Author of Alice’s Adventures in Wonderland

It is imperative that organisations on transformational paths have a clear change management agenda together with a sharp analytics strategy to gauge its success.

Customer experience – the driver of digital transformation

With customer experience being the primary driver for digital transformation, 42% of organisations reported satisfaction in creating impact. This increases to 65% in organisations which were conducting two or more change management initiatives, and rises further to 71%, where there was a proactive analytics strategy in place.

The financial and internal efficiency impact of transformation is yet to be strongly demonstrated but change management and an analytics strategy undeniably have a role to play in success. Unfortunately, barely one in five organisations is currently satisfied with its talent readiness, even though focus on data analytics has brought the highest shift in satisfaction scores (by 140%).

Talent with an agile mindset is critical for continuous customer satisfaction and innovation, and a lack of focus on measuring talent readiness puts an organisation’s digital strategy at risk.
Change management and analytics are critical

<table>
<thead>
<tr>
<th>Category</th>
<th>All respondents</th>
<th>Change management</th>
<th>Analytics strategy</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Customer impact</strong></td>
<td>42%</td>
<td>65% (+23%)</td>
<td>71% (+29%)</td>
</tr>
<tr>
<td><strong>Financial success</strong></td>
<td>32%</td>
<td>48% (+16%)</td>
<td>67% (+35%)</td>
</tr>
<tr>
<td><strong>Productivity increases</strong></td>
<td>26%</td>
<td>43% (+17%)</td>
<td>53% (+27%)</td>
</tr>
<tr>
<td><strong>Talent readiness</strong></td>
<td>20%</td>
<td>32% (+12%)</td>
<td>48% (+28%)</td>
</tr>
</tbody>
</table>

Source: Aon, n=663
Prioritise talent readiness
Successful talent transformation needs business vision, HR stewardship and seamless execution by talent specialists in the HR team. Most importantly, it requires buy-in and the involvement of employees. Research has repeatedly shown that careers and learning are key anchors to create this two-way momentum towards change.

Key success factors

<table>
<thead>
<tr>
<th>Purpose of transformation</th>
<th>C-Suite leaders, chief human resources officer</th>
</tr>
</thead>
<tbody>
<tr>
<td>New job architectures</td>
<td>Senior business managers, HR business partners</td>
</tr>
<tr>
<td>Open-market careers</td>
<td>HR business partners, talent management</td>
</tr>
<tr>
<td>Critical talent pools’ readiness</td>
<td>Talent management, talent acquisition</td>
</tr>
<tr>
<td>Learning culture</td>
<td>Senior business manager, talent development</td>
</tr>
<tr>
<td>Change management / analytics</td>
<td>Chief HR officer, data scientists</td>
</tr>
</tbody>
</table>

How to deliver digital transformation?
We recommend working through these questions to ensure you stay the course:

- Is the purpose of transformation closely tied to increasing customer centricity? Do focus areas of transformation tie into that purpose?
- Are we able to shape the new job architectures as we adopt agile ways of working? How does it impact HR strategy and employee value proposition?
- Is the talent strategy geared to open market careers? How will jobs be valued in the future? Are we assessing talent just for future-jobs, or for future-readiness too?
- How is leadership different in the digital world from leadership in traditional models? What are the other critical talent pools that need attention?
- What are the support mechanisms for employees? Are we matching future jobs to preferences?
- Do we have an analytics strategy to measure progress? What is the role of change management to drive engagement and productivity throughout the journey?
"The greatest danger in times of turbulence is not the turbulence – it is to act with yesterday's logic."

Peter Drucker, American Management Consultant
Contact

To learn more about Aon’s Assessment Solutions, visit us at: assessment.aon.com

Or email us at:
APME.assess@aon.com
EU.assess@aon.com
NA.assess@aon.com

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.

About Assessment Solutions
Aon’s Assessment Solutions includes the cut-e and CoCubes brands and operates as part of Aon’s global Human Capital solutions, helping clients achieve sustainable growth by driving business performance through people performance. Aon’s Assessment Solutions group undertakes 30 million assessments each year in 90 countries and 40 languages.

© Aon plc 2020. All rights reserved.
The information contained herein and the statements expressed are of a general nature and are not intended to address the circumstances of any particular individual or entity. Although we endeavour to provide accurate and timely information and use sources we consider reliable, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.