## Agenda

<table>
<thead>
<tr>
<th>Time</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>09:45 a.m. – 10:00 a.m.</td>
<td>Welcome &amp; Opening Note</td>
</tr>
<tr>
<td>10:00 a.m. – 10:45 a.m.</td>
<td>Keynote Address - The CEO Perspective</td>
</tr>
<tr>
<td>10:45 a.m. – 11:15 a.m.</td>
<td>Keynote Address - Roadmap 2025</td>
</tr>
<tr>
<td>11:15 a.m. – 11:30 a.m.</td>
<td>Tea Break</td>
</tr>
<tr>
<td>11:30 a.m. – 12:15 p.m.</td>
<td>Rebuilding the Talent Ecosystem (CHRO Panel Discussion)</td>
</tr>
<tr>
<td>12:15 p.m. – 01:15 p.m.</td>
<td>Reimagining the Workforce in an Age of Disruption</td>
</tr>
<tr>
<td>01:15 p.m. – 02:15 p.m.</td>
<td>Lunch Break</td>
</tr>
<tr>
<td>02:15 p.m. – 03:30 p.m.</td>
<td>Roadmap 2025: Enabling a Thriving Workforce (Breakout Sessions)</td>
</tr>
<tr>
<td>03:30 p.m. – 03:45 p.m.</td>
<td>Tea Break</td>
</tr>
<tr>
<td>03:45 p.m. – 04:30 p.m.</td>
<td>The Wealth Game: Reimagine Financial Wellness for the Algorithmic Age</td>
</tr>
<tr>
<td>04:30 p.m. – 05:15 p.m.</td>
<td>Hot-Off-The-Press</td>
</tr>
<tr>
<td>05:15 p.m. – 05:30 p.m.</td>
<td>Vote of Thanks</td>
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</tbody>
</table>
KEYNOTE ADDRESS | THE CEO PERSPECTIVE

ARUNA JAYANTHI
CEO ASIA PACIFIC & LATIN AMERICA AND MEMBER OF THE GROUP EXECUTIVE COMMITTEE | CAPGEMINI
REBUILDING THE TALENT ECOSYSTEM | CHRO PANEL DISCUSSION

AMIT CHINCHOLIKAR
GLOBAL CHRO | TATA GLOBAL BEV RAGES

RAJENDRA MEHTA
CHIEF PEOPLE OFFICER | DHFL

RAJKAMAL VEMPATI
HEAD HUMAN RESOURCES | AXIS BANK
REIMAGINING THE WORKFORCE IN AN AGE OF DISRUPTION

PUNEET SWANI
PARTNER, CAREER BUSINESS LEADER – INTERNATIONAL REGION
MERCER

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YOU CANNOT WAIT UNTIL A HOUSE BURNS DOWN TO FIRE INSURANCE ON IT

We cannot wait until there are massive dislocations in our society to prepare for the Fourth Industrial Revolution

Robert J. Shiller | 2013 Nobel laureate in economics | Yale University professor
What worries many job experts is that automation may prevent the economy from creating enough new jobs...throughout industry, the trend has been to bigger production with a smaller work force...many of the losses in factory jobs have been countered by an increase in the service industries or in office jobs. But automation is beginning to move in and eliminate office jobs, too.

“The Automation Jobless”, TIME Magazine
WHEN WAS THIS ARTICLE PUBLISHED?

A. 1961
B. 1984
C. 2002
D. 2017
WHAT IS DISRUPTION?
HACKING GROWTH
WHAT DOES “WORKFORCE OF THE FUTURE” MEAN TO YOU?
KEY SHIFTS AT WORK
WHAT IS CERTAIN
THE TALENT SUPPLY SIDE

AN AGEING GLOBAL POPULATION…

…WITH LIMITED DIGITAL SKILLS

<table>
<thead>
<tr>
<th>2025</th>
<th>1985</th>
</tr>
</thead>
<tbody>
<tr>
<td>Female</td>
<td>Male</td>
</tr>
<tr>
<td>Older</td>
<td>% of population in age categories</td>
</tr>
</tbody>
</table>

- 56% of adults have no Information and communication technology (ICT) skills or only very basic skills.
- 34% of workers possess advanced cognitive skills enabling them to evaluate problems and find solutions using technology.
- >40% of those using software at work every day do not have the skills required to use digital technologies effectively.
WHAT IS CERTAIN
THE TALENT DEMAND SIDE

1 | Digitalization

- Digitalize transactional or repetitive tasks
- Optimize work allocation
- Increase workforce efficiency

2 | Robotization

- Decrease the number and the gravity of work accidents
- Enhance quality of service
- Improve productivity and efficiency
- Amplify impact of work and the reach of humans
THE GLOBAL DEMAND SUPPLY MISMATCH HAS LED TO TRADITIONAL JOBS BEING RECONFIGURED AND NEW SKILLS BECOMING CRITICAL TO SUCCESS

AUTOMATION IMPACT ON THE WORKFORCE
NUMBER OF JOBS, %

- 45% of today's jobs are automatable
- 10% of jobs are actually threatened
- 35% of the remaining jobs will see their core tasks change significantly

Today: 45% automatable, 55% remaining
~2025: 10% threatened, 90% remaining

...and the nature of work and composition

NATURE OF WORK
- Transact.
- Relational
- Expertise

COMPOSITION
- External
- Internal

The changing nature of work
...and of the workforce composition

Source: Oxford University, OCDE, France Stratégie, World Economic Forum, Mercer and Oliver Wyman analysis
As work becomes more information-based, exponential technologies can be leveraged to execute tasks…

THREE SHIFTS ARE UNDERWAY

1. UNBUNDLING OF WORK FROM JOBS
   Jobs are no longer the organizing unit for work; rather, there is a redistribution of tasks between humans and machines, depending on who is best suited to do the job.

2. NEW WORK, NEW SKILLS
   With the rise of new technologies, we will see the emergence of new roles associated with the design, development and maintenance of new technologies.

3. HIGHER COGNITIVE COMPLEXITY OF HUMAN WORK
   The human workforce of the future will execute tasks requiring higher cognitive and emotive complexity, and activities requiring the application of general intelligence.

…creating significant opportunities for productivity gains and innovation in the enterprise.
THE NEW TALENT MODEL
THE EMPLOYMENT DEAL NEEDS TO SIGNIFICANTLY CHANGE...

ONLY 2 IN 5 EMPLOYEES BELIEVE THEIR COMPANY HAS A COMPELLING AND DIFFERENTIATED VALUE PROPOSITION

CHANGING DEMOGRAPHICS

How can we ensure our proposition resonates with five generations

WORKPLACE FOR ME

How can we meet individuals evolving health, wealth and career needs?

FLEXIBLE WORKING

How do we create a culture that enables people to contribute under flexible work arrangements?

GIG ECONOMY

What can we do to embrace the rise of the free agent?

How can we translate our EVP into an Individual Value Proposition?
The scale and rate of change means traditional workforce planning must be replaced by a more dynamic approach to workforce transformation.

Craft a future-focused people strategy.
Leveraging the Talent Ecosystem to Orchestrate Tomorrow’s Workforce

**Internal Talent**
Internal talent will increasingly be supplemented through other types of talent, and will actively team with other talent types.

**Partnership Talent**
Sourcing through partnerships will increase in importance as industry and capability barriers blur.

**Freelance Talent**
Sourcing freelance talent will increase as large groups of the workforce will prefer to work independently.

**Crowdsourced Talent**
Crowdsourcing will increase, especially where the "wisdom of the crowd" will lead to more creative, innovative and faster solutions.

**Co-opetition**
Collaborating with competition will also increase, driven by economies of scale and speed to market.

Which of these Talent Pools are you tapping into today?

Source: Mercer Research “Talent Ecosystems, Manage critical capabilities to gain a competitive edge – Considerations for business and HR leaders”
AGENDA FOR TRANSFORMATION
The Agenda for Transformation: Delivering the Workforce of the Future

**Align**
- What changes are impacting my workforce and what do they mean?
  - Identify the business and industry trends impacting the workforce
  - Assess the impact of strategy on the workforce design
  - Assess the impacts across the value chain
  - Align leadership around the future workforce vision

- How do we drive the transformation forward?
  - Establish transformation governance
  - Roll-out enabling technical platforms
  - Manage the implementation
  - Continuously measure progress

**Define**
- What does my current workforce look like, and what could it look like in the future?
  - Gain insight into the size and shape of the current & future workforce in terms of technology impact, and skillsets
  - Understand internal workforce dynamics (e.g. drivers of outcomes)
  - Identify potential talent gaps
  - Evaluate and select the options for addressing gaps

- How do we get there?
  - Specify the strategies for delivering the future workforce
  - Define solutions that are practical and can be driven by management
  - Implement platforms to enable automation of work and access to external talent pools

**Design**
- Determine and design workforce strategies

**Deliver**
- Deliver the transformation

**Source**
- Sourcing

**Reward**
- Rewarding

**Develop**
- Developing

**Outplace**
- Outplacing
Define – With Insights and Data Science

- Evaluate current and future supply of talent
- Translate existing critical jobs to KSAs (knowledge, skills, and abilities) and gather further input on future needs
- Identify impact of automation on key jobs
- Identify similarities between “adjacent” jobs and KSAs
- Assess supply-demand gaps in terms of key jobs and KSAs
Measuring the degrees of transportability of skills across job families

Skills that require more development
EXAMPLE – CLOSING THE GAPS THROUGH UPSKILLING AND RESKILLING

Finance Academy

Our Systems
- Marsh & McLennan Companies
- Colleague Connect
- Community Connect
- CareerLink
- Videos

Examples of MMC-Specific Content Providers
- Technical Skills
  - AFP
  - AICPA
  - Deloitte
  - Dbriefs
  - DBF Accounts Research Tool
  - PwC
  - CFO Direct

- Soft Skills
  - CEB
  - Harvard Business Publishing
  - Leading Edge

Open Resources
- edX
- LinkedIn
- TED Talks
- YouTube
WorkMarket is helping us transform our store operations across our 8,200 U.S. stores.

Charles Hughes
Director of IT Field Services - Walgreens
AGENDA FOR TRANSFORMATION
WHERE DO WE START?

By assessing yourself against 5 key dimensions of tomorrow’s organizations, you can map your journey to lead through disruption

Purpose-driven vision and a culture that rewards innovation, engagement, collaboration, speed and comfort with failure

Workflows and metrics that are flexible and scale learning across the enterprise, and are designed with shorter feedback loop cycles

Workplaces built on intelligent applications and innovative practices, which allow for autonomy, experimentation and human-machine collaboration

Organization design that moves tasks and decisions closest to information, reduces internal friction and enables cross-functional collaboration and risk-taking

Skills and capabilities that enable tomorrow’s workforce to operate in the “augmented” and “human-in-the-loop” future

<table>
<thead>
<tr>
<th>DISRUPTORS</th>
<th>Organizations that are already exponential and are future-ready in all dimensions</th>
</tr>
</thead>
<tbody>
<tr>
<td>ACCELERATORS</td>
<td>Organizations that have developed strategies across all dimensions and are seeing results in many</td>
</tr>
<tr>
<td>PRAGMATISTS</td>
<td>Organizations that are selectively responding to pain points across some dimensions, but do not have a unified approach</td>
</tr>
<tr>
<td>OPTIMIZERS</td>
<td>Organizations that are preoccupied with solving for today’s challenges and have a linear strategy for tomorrow</td>
</tr>
</tbody>
</table>
ROADMAP 2025 | ENABLING A THRIVING WORKFORCE
BREAKOUT SESSIONS

EMPLOYEE WELLNESS – INNOVATING FOR SUSTENANCE

MANAGING EXECUTIVE COMPENSATION DURING ORGANIZATIONAL CHANGE

GOING BEYOND MEASURING ENGAGEMENT

TALENT ASSESSMENTS: A DIGITAL UPGRADE
THE WEALTH GAME | REIMAGINE FINANCIAL WELLNESS FOR THE ALGORITHMIC AGE

SUDESH SADAGOPAN
FOUNDER | LADDER 7 FINANCIAL ADVISORIES

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FINANCIAL WELLBEING IN THE NEW AGE

Presentation by

Suresh Sadagopan | Founder
LADDER7 FINANCIAL ADVISORIES
Changed environment

- Economic unheavels
- Pace of change is high today
- Disruption - Obsolescence / irrelevance of entire industries
- Job insecurity
- Competitive pressures are very high
Personal situation has changed

- Aspirations / Consumerism
- Nuclear families / fending for oneself
- Education has become very expensive
- Home prices are sky high
- Longevity in Retirement etc. etc.
Our response

There has been a sea change in the financial domain as well

However, our response has largely been no different from four decades back!

The old approach of investing in FDs, insurance, properties & gold won't work.
The financial services space has transformed. There are a lot many more products available today.

The area has become quite complex.

It's far more difficult to know the right mix of products to achieve our goals than ever before.
Problems / myths that afflict people

• Need to know the right time to buy and sell

• We cannot plan our life; it's too dynamic; let's enjoy the day

• Diversifying Investments as much as possible in all instruments

• Investment returns is the most important focus area
Problems / myths that afflict people

• Looking to higher & higher income is the only way to financial nirvana

• Investing regularly (through SIP) is Financial Planning,

• I buy what my friends / colleagues buy/ suggest

• Saving for retirement can start after 40/ 45
Almost all that the investor thinks is wrong.

What is needed is a holistic approach towards finances & proper planning to achieve one's goals.

This is called **Financial Planning**
Financial Planning is

Skillful management of available resources
to fulfil one's goals in a planned manner
What is done in Financial Planning?

- Cashflows & cash adequacy throughout life
- Scenarios which are probable
- Risk assessment
- Risk Profiling/ Asset Allocation
What is done in Financial Planning?

- 12 months cashflow planning

- Review of all Investments, Insurance, Loans etc.

- Setting up liquidity, contingency, provisioning

- Detailed & Actionable recommendations with rationale
What is missing here?

- We attach too much importance to material goals
- Many times, the goals we take up are a source of stress
- We don't enjoy life even though everything is going well
Life Planning is a precursor to Financial Planning to understand what we truly want to do in life.

Once that is clear, we can plan for it!
What can one achieve?

By doing the life planning exercise we can understand -

- What is important to us.

- What will bring vigour, fulfillment & meaning in our lives?

- What kind of life we want to live, going forward?
How do we go about it?

There is a process to it -

• Three questions

• Exercises / worksheets

• Facilitation by a Life Planner to get to the vision of a fulfilling life
Life Planning stages

The process is captured in the word EVOKE

- Exploration
- Visioning
- Obstacles
- Knowledge
- Execution
HR initiatives

HEALTH
• Gyms, nutritious diet, Events, Talks, checkups

CAREER
• Career assistance, mentoring, skilling, reskilling & upgrading
HR initiatives

WEALTH
• Investment help desk, Tax planning/ filing assistance, sessions on investments/ financial well being

WELFARE
• Creche, Flexi- work hours, Picnics
HR Challenges

• Employee motivation / Retention

This can be addressed by -

Excellent Financial planning & management assistance
INDIA REWARD TRENDS
“CHANGE, CHANGE “AGENTS” AND CHANGE “ENABLERS”

The “CHANGE”, “CHANGE "AGENTS” AND “ENABLERS”

The Country
Socio-political transition and economic evolution

The Workforce
Changing landscape w.r.t. type of jobs, attitudes and behaviors, relevant reward and talent management systems

The Individual
“What’s in it for me?”

HR
How does HR stay relevant in this changing talent landscape?
EMERGING MARKETS POSITIONED FOR STRONG GROWTH

WORLD
3.8% (3.6%▼)
8.1% (7.9%▼)

US
2.3% (2.9%▲)
4.4% (3.9%▼)

AFRICA
6.5% (4.8%▼)
10.9% (10.6%▼)

MIDDLE EAST
-0.1% (2.2%▲)
8.4% (8.4%▼)

EUROPE
3.4% (3.2%▼)
8.6% (8.4%▼)

INDIA
6.2% (8.1%▲)
3.5% (3.5%▲)

ASIA
4.8% (4.8%▲)
3.7% (3.6%▼)

ASIA has:
- Highest GDP
- Lowest unemployment

GDP
Unemployment

Source: 2018 Global Compensation Planning Report

 Figures in brackets indicate forecasted values for 2018

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ECONOMIC GROWTH
COMPARING ACROSS ASIA

Year: 2018 (2019 F)

Legend
X-axis: GDP Growth Rate
Y-axis: Inflation Rate
Joy: Salary Increase Rate

Global GDP Growth: 3.6%
APAC GDP Growth: 4.8%

JP: 2.3% (2.4%)
TW: 4% (4%)
SG: 4% (4%)
HK: 4% (4.1%)
TH: 5.5% (5.5%)
ID: 8.2% (8.6% (5.5%)
MY: 5.5% (5.5%)
PH: 8% (8.5%)
TH: 5.5% (5.5%)

CN: 6.7% (6.9%)
HK: 4% (4.1%)
TH: 5.5% (5.5%)
ID: 8.2% (8.6% (5.5%)
MY: 5.5% (5.5%)
PH: 8% (8.5%)
TH: 5.5% (5.5%)

US: 2.9% (3%)
AU: 3% (3%)
NZ: 3% (3%)
LK: 8.5%
BD: 10% (10%)
MM: 9% (10% ▲)
PK: 10% (10%)
IN: 10% (10%)
VN: 8.9% (9%)
KH: 8% (8%)
CN: 6.7% (6.9%)

Figures in brackets indicate forecasted values for 2019
Source: April 2018 Global Compensation and Planning Report; 2018 TRS
Growth Agents
What Is Driving The Economy

Ease of Doing Business Ranking
jumped by 23 positions

Factory Activity in November
expanded at the fastest pace this year

India’s Global Consumption
to increase by 2020

Most Competitive Economy
World Economic Forum’s global competitiveness index for 2018

ER&D market growth projections
by FY22

MODICARE
to cover 500 million of the poorest Indians

5.8%

500 million

Change

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...ADDITIONALLY THERE ARE GLOBAL TRENDS IMPACTING TODAY’S LANDSCAPE

- Rising protectionism
- Changing business regulations
- "Increasing regional control"

- Age of personas
- Empowerment to shape experiences
- People platform
- Personalized insights

- 4th Industrial revolution – Artificial Intelligence, Robotics
- Exponential Technologies
- Pervasive Digitization
- Speed @ Scale

- Change Agility
- Design Thinking
- Upskill for a digital era
INDIA REWARD TRENDS
“CHANGE, CHANGE “AGENTS” AND CHANGE “ENABLERS”

The “CHANGE”, “CHANGE "AGENTS” AND “ENABLERS”

The Country

Socio-political transition and economic evolution

The Workforce

Changing landscape w.r.t. type of jobs, attitudes and behaviors, relevant reward and talent management systems

The Individual

“What’s in it for me?”

HR

How does HR stay relevant in this changing talent landscape?
TIME OF ACTION, NOT ANTICIPATION
LIVING PAST THE INFLECTION POINT

WHAT WE KNOW

TECHNOLOGY
- Cloud Technology
- 3D Printing & Advanced Manufacturing
- The Internet of Things

WHERE WE ARE AT

INFLECTION POINT
- Automation, Robotics
- AI & Machine Learning
- Wearables

BIG DATA MANAGEMENT
- Blockchain
- Virtual Assistants

WHERE WE ARE HEADING

INTERACTIVE DATA LAYER
- Predictive Analytics

TECHNOLOGY DISRUPTIVE TECHNOLOGY
- Multi-generational Workforce
- Rise of the Free Agent
- Longevity
- AI & Machine Learning
- Wearables
- Blockchain
- Virtual Assistants

BUILDING HUMANITY
- AI Board Directors
- AI adaptive systems that anticipate needs

HUMAN
- Pay Equity
- Vocality of the Female voice
- Rise of the Individual
- Personas

Building awareness
Getting organized
Starting to accelerate
### India’s Talent Marketplace

<table>
<thead>
<tr>
<th>Metric</th>
<th>Data</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jobs per year being created in India Market</td>
<td>8.1M</td>
</tr>
<tr>
<td>Of the workforce in the non Technology Industry are emerging as specialists</td>
<td>2%</td>
</tr>
<tr>
<td>Median Age of the workforce in India</td>
<td>28 Yrs</td>
</tr>
<tr>
<td>Increase in female participation in workforce, GDP impact 700M by 2025</td>
<td>10%</td>
</tr>
<tr>
<td>Workforce dominated by Millennials, Gen X and Baby Boomers at Professionals and Para Professionals</td>
<td>89%</td>
</tr>
<tr>
<td>20% of roles in their organization will cease to exist in 5 years</td>
<td>20%</td>
</tr>
</tbody>
</table>

**Upskilling Digital Competence**

Increasing access to continuous learning through multiple platforms
**CHANGE AGENT, IMPACT ON ORGANIZATION STRUCTURE**

- **EXEC: 1%**
  - SSO, Chemical, Life Sciences, Hi-tech

- **MANAGEMENT: 17%**
  - Hi Tech, SSO

- **PROFESSIONAL: 64%**
  - SSO, Chemical, Consumer, Manufacturing, Auto
  - Life Sciences, Hi-tech

- **PARA PROFESSIONAL: 18%**
  - Consumer, Manufacturing

- **LOWER THAN ALL-INDUSTRY**
  - SSO, Chemical, Life Sciences, Hi-tech

- **HIGHER THAN ALL-INDUSTRY**
  - Auto, Life Sciences, Consumer, Chemical, Manufacturing, Hi-tech
  - Life Sciences, Hi-tech
  - Chemical, Manufacturing, SSO
SUSTAINING THE STRUCTURE
Talent Sourcing

2017 All Industry Attrition

56%
Of the organizations have increased the headcount for this year

59%
Of the organizations are looking at increasing the headcount for next year

2018 (F) All Industry Attrition

EXEC BUY
8.6%

MANAGEMENT BUY : BUILD
8.1%

PROFESSIONAL BUY : BUILD: BORROW
11.7%

PARA PROFESSIONAL BUY : BUILD
8%

BUY

BUY : BUILD

BUY : BUILD : BORROW

Is it time to relook at our traditional way of looking at talent sourcing?
**TAKING A GENDER VIEW**

**FUNCTIONAL SEGMENTATION**

Human Resources  Marketing  Finance  Engineering

Executive

Management

Professional

Para Professional

Manufacturing  Supply & Logistics  Engineering

Source: 2017 India All Industry Total Remuneration Survey

In the next 10 years, nearly 50% GDP growth will come from 440 growth economy cities…and growth markets will be home to 83% of the world’s megacities.

Indian cities score high on their ability to provide good work, appropriate home conditions…

…to leverage the opportunity, important to understand what drives the decision to move …

Therefore…

1. Critical to create a compelling EVP
2. Address low-hanging fruit to ensure staying power
3. Build IVP from the EVP for different personas within the organization
Source: 2018 India All Industry Total Remuneration Survey
Compensation: Comp2 (Annual Guaranteed Cash)

Largest gap between Tier 2 and Tier 3 cities exists in
- Legal (6X)
- R&D and Communication (1.8X)
Other functions are in the range of 1-1.3X

Smallest gap between Tier 1 and Tier 2 cities exists in
- Legal (1.5X),
- R&D and Manufacturing

Largest gap between Tier 1 and Tier 3 cities exists in
- Legal (9X)
- Communication and Corporate Affairs (4-5X),
- Marketing (3.5X)
- R&D (3X)

Mercer Quality of Living Survey – Worldwide Rankings 2018

<table>
<thead>
<tr>
<th>Ranking</th>
<th>City</th>
</tr>
</thead>
<tbody>
<tr>
<td>142</td>
<td>Hyderabad</td>
</tr>
<tr>
<td>142</td>
<td>Pune</td>
</tr>
<tr>
<td>149</td>
<td>Bengaluru</td>
</tr>
<tr>
<td>151</td>
<td>Chennai</td>
</tr>
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<td>154</td>
<td>Mumbai</td>
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<td>160</td>
<td>Kolkata</td>
</tr>
<tr>
<td>162</td>
<td>New Delhi</td>
</tr>
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</table>

Mercer Cost of Living Survey – Worldwide Rankings 2018

<table>
<thead>
<tr>
<th>Rank as of March</th>
<th>City</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>2018</td>
</tr>
<tr>
<td>57</td>
<td>55</td>
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<td>99</td>
<td>103</td>
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<tr>
<td>135</td>
<td>144</td>
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<tr>
<td>166</td>
<td>170</td>
</tr>
<tr>
<td>184</td>
<td>182</td>
</tr>
</tbody>
</table>
CONCEPT OF WORKMEN HAS UNDERGONE SIGNIFICANT CHANGE

Unbundling of work from jobs
New work, new skills
Higher cognitive complexity of human work

...WHICH IS LEADING TO CHANGE IN HOW WE WORK

Unionization continues to be a reality...tending increasingly towards collaborative outcomes

Automation & enhancement of work profile needs higher qualifications
Entry differs by industry type

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Source: 2017-2018 Mercer Workmen Benchmarking Studies
TOTAL REWARDS CHANGING IN-LINE WITH CHANGING ASPIRATIONS & WAY OF WORKING...

Drivers of operators/workmen compensation

Salary increase across regions comparable to white collar increases

Pay premiums across regions (ITI across experience)

Salary increase across regions comparable to white collar increases

...Additionally an increasing emphasis on compensation variability through Performance Linked Bonus

Variable Pay 10%
Guaranteed Cash 90%

Benefits moving beyond the traditional & focusing more on employee aspirations of growth & flexibility

Note: Figures are for median Annual Guaranteed Cash Compensation, Differential is on overall India Median Compensation Figures

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CRITICAL ROLES
WHAT HAS CHANGED?

2016

R&D
SALES
MARKETING

NOW

PRODUCT MANAGEMENT

R&D
SALES
ENGINEERING

2017

R&D
SALES
ENGINEERING
IMPACT ON SALARY INCREASES?
RATIONALIZATION ACROSS YEARS

<table>
<thead>
<tr>
<th>INDUSTRY</th>
<th>2019F</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>All Industry</td>
<td>10.0%</td>
<td>10.0%</td>
<td>10.0%</td>
</tr>
<tr>
<td>Auto</td>
<td>10.0%</td>
<td>10.0%</td>
<td>10.0%</td>
</tr>
<tr>
<td>Chemical</td>
<td>10.3%</td>
<td>10.0%</td>
<td>10.0%</td>
</tr>
<tr>
<td>Life Sciences</td>
<td>10.6%</td>
<td>10.0%</td>
<td>10.0%</td>
</tr>
<tr>
<td>SSO</td>
<td>9.0%</td>
<td>8.9%</td>
<td>9.5%</td>
</tr>
<tr>
<td>High Tech</td>
<td>10.3%</td>
<td>10.0%</td>
<td>10.0%</td>
</tr>
<tr>
<td>Consumer</td>
<td>10.5%</td>
<td>10.0%</td>
<td>10.3%</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>10.0%</td>
<td>10.0%</td>
<td>10.0%</td>
</tr>
<tr>
<td>Logistics</td>
<td>9.0%</td>
<td>8.0%</td>
<td>8.9%</td>
</tr>
</tbody>
</table>

Source: 2018 India All Industry Total Remuneration Survey

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PAY DIFFERENTIALS ACROSS INDUSTRIES TELLS ITS OWN STORY ON STRUCTURE & PAY PHILOSOPHY...

Double digit increases however will persist as the pay ratios from entry-level to senior leadership continue to be very high – an outcome of low entry salaries & talent market continuing to be volatile across the hierarchy.
OVERALL ELIGIBILITY - 2018

TARGET VARIABLE BONUS - 2018

STI as a Percentage of Guaranteed Cash (median):%

- HEAD OF ORGANIZATION EXECUTIVE
  - 30.00%
- MANAGEMENT - SALES
  - 22.00%
- MANAGEMENT - NON SALES
  - 15.00%
- PROFESSIONAL SALES
  - 15.00%
- PROFESSIONAL NON SALES
  - 11.60%
- 11.00%

Source: 2018 India All Industry Total Remuneration Survey
LONG-TERM INCENTIVES PLANS
HOW ARE THEY EVOLVING?

3% PERFORMANCE CASH
18% LONG TERM CASH
33% STOCK / SHARE OPTIONS
65% RESTRICTED SHARE / SHARE UNITS

4% SARs
25% PERFORMANCE SHARE / SHARE UNITS

Source: 2018 India All Industry Total Remuneration Survey

Note: Some of the organizations extend more than one type of LTI, therefore total exceeds 100%
Benefits remain key drivers of change

Driving factors for benefits review and/or change …

- Market Competition: 89%
- Cost Optimization: 81%
- Employer Brand: 77%
- Employee Feedback: 77%

Source: Mercer APAC Benefits Snap Poll, 2018
44% of employers in Asia are reviewing or changing the benefits package this year.

Employee benefits under review/ change

- Health/ Medical benefits (29%)
- Insurance benefits (24%)
- Flexible Benefits (23%)
- Leave benefits (19%)
- Flexible Working Arrangements (17%)
- Innovative benefits (14%)

Source: Mercer APAC Benefits Snap Poll, 2018
INNOVATIVE BENEFITS

APAC

- Pet Insurance
- Employer Built Housing
- Special Wage for Employee Parents
- HIV Coverage
- E Book Allowance

INDIA

- Vacation Leave for Social Activities/ Long Service Leaves
- Fitness Devices
- Medical Insurance for Retired Employees
- Autism Benefit
- Surrogacy Benefits
- Pet Insurance
- Botox Leave
- Tele Health
- Date Night Sponsorship

- Fertility Treatment
- Psychiatric Treatment
- Benefit Market Place
- Flu Vaccinations
- Crèche Facilities

- Sabbatical
- Stem Cell Treatment
- Benefit Market Place
- Flu Vaccinations
- Crèche Facilities

Source: Mercer Benefits Monitor TM
All 2018 data is from the latest release of MBM
INDIA REWARD TRENDS
“CHANGE, CHANGE “AGENTS” AND CHANGE “ENABLERS”

The “CHANGE”, “CHANGE "AGENTS" AND “ENABLERS”

The Country

Socio-political transition and economic evolution

The Workforce

Changing landscape w.r.t. type of jobs, attitudes and behaviors, relevant reward and talent management systems

The Individual

“What’s in it for me?”

HR

How does HR stay relevant in this changing talent landscape?

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### All in All Indian Employees are Looking For...

<table>
<thead>
<tr>
<th>Change at Speed</th>
<th>Working with Purpose</th>
<th>Permanent Flexibility</th>
<th>Platform for Talent</th>
<th>Digital from Inside Out</th>
</tr>
</thead>
<tbody>
<tr>
<td><img src="image1.png" alt="Man with Bike" /></td>
<td><img src="image2.png" alt="Man with Plant" /></td>
<td><img src="image3.png" alt="Man with Baby and Books" /></td>
<td><img src="image4.png" alt="Man with Briefcase" /></td>
<td><img src="image5.png" alt="Man with Smartphone" /></td>
</tr>
</tbody>
</table>

- **89%** employees in India want opportunity to grow both personally and professionally.

- Thriving employees in India are 2x more likely to work for a company with a strong sense of purpose...

- **79%** of employees in India say they would consider working on a contract basis.

- Only **73%** of employees feel that their organizations understand their unique interests and skills.

- India *leads global indicators* on “Compelling EVP”, and “Change Agility”.

---

“Career promotion opportunities”

“Leaders should set clear direction”

“More flexible work options”

“Working with the best and brightest”

“Opportunity to learn new skills”

---

Source: 2018 Mercer Talent Trends Study - India
83% of thriving individuals in India say their company offers them flexible work (compared to 59% of non-thriving)

52% of all employees in India want more flexibility

But...

58% have had a request for flex turned down

35% are concerned that flexibility will impact promotion prospects

What’s working?

• Managing on results, not hours (77%)
• Colleagues being positive (76%)
• Manager being supportive (75%)

Only 3% of companies in India say they are Flex leaders

20% assess every job for its ability to be done flexibly; most have ad-hoc arrangements

98% of HR have concerns

• Ability to apply fairly to all employees
• Ability to measure and reward contribution
• Ability to manage career progression
• Impact on teamwork and face to face collaboration
• Impact on results/outputs
Looking Beyond Borders as a Lever for Talent Engagement & Development

**Mobility Increasing**

India: 64%
Global: 42%

Companies anticipating a rise in number of long term assignments in coming two years

**Becoming Strategic**

India: 50%

Companies anticipating increase in number of strategic assignments

...and being used as a talent lever

International assignments for career management / leadership development

Provide specific technical skills not available locally

...Leading to

1. **Offering Opportunities to More Young Assignees** (70% companies anticipate increase)
2. **Flexibility of Benefits & Policies as Well as Compensation Approach** to cater to diversity of assignees
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WAYS HIGH-PERFORMING HR ORGANIZATIONS THINK DIFFERENTLY ABOUT TOTAL REWARDS

1. More likely to include elements beyond compensation and health benefits in their total rewards definition — especially the experiential elements

2. More likely to communicate holistically about total rewards (and use more vehicles to get the message out)

3. Slightly less likely to segment their total rewards strategy to differ program offerings by employee group

4. More likely to use employee perspective and cost/affordability studies to analyze their total rewards strategy (in addition to external benchmarking)

5. More likely to measure the effectiveness of their total rewards strategy, and use more metrics to do so

6. More likely to revisit total rewards strategies to align with changes in the company strategy rather than to improve attraction and retention

Source: 2018 Mercer Select Intelligence - Total Rewards Strategies in High-Performing HR Organizations
“The future depends on what you do today.”

– MAHATMA GANDHI