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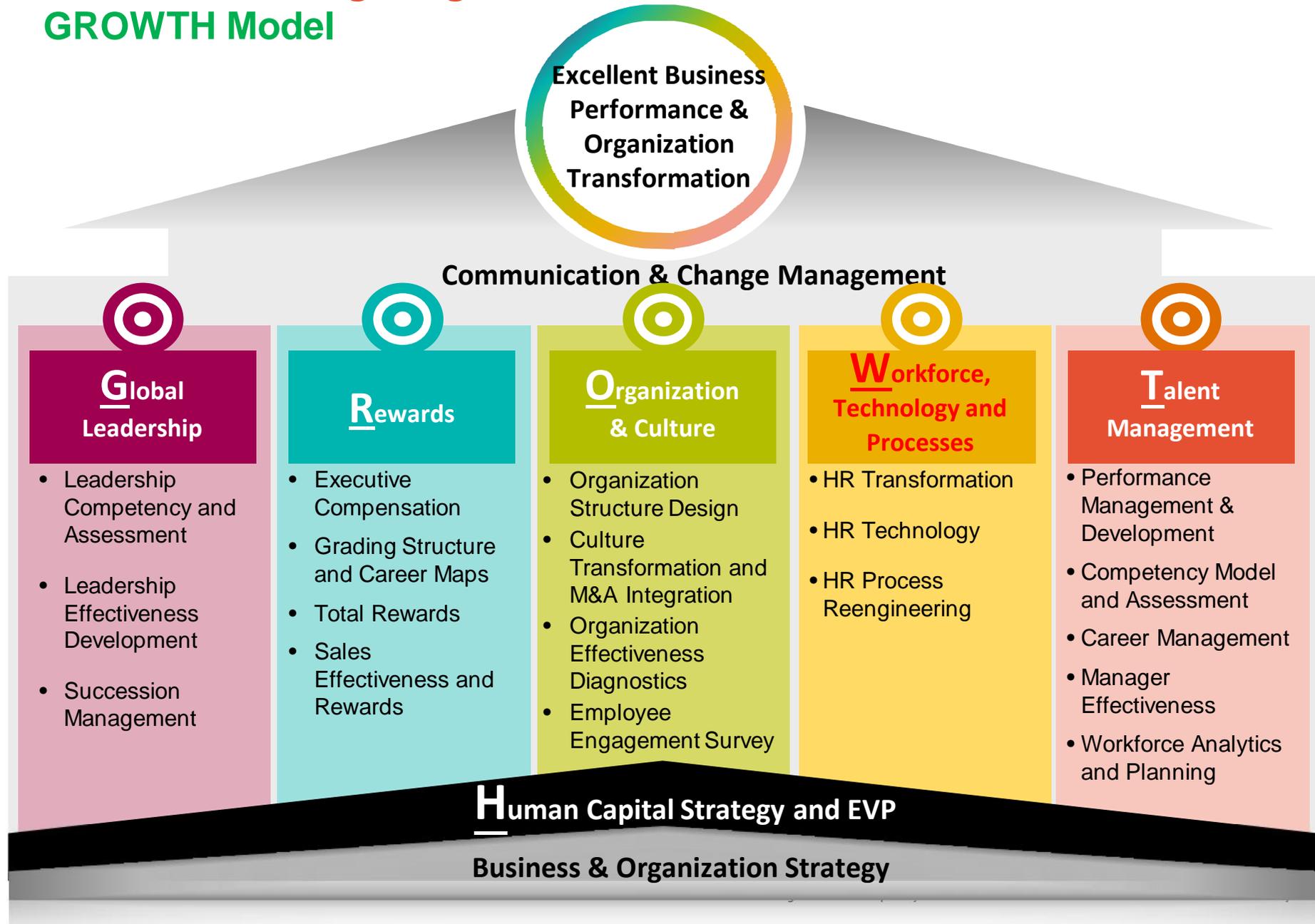
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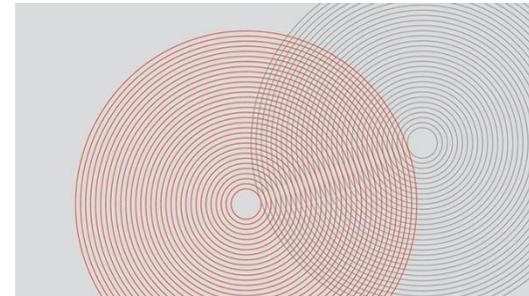
Towers Watson's vision is to help clients achieve globalization milestones through organization transformation

GROWTH Model



Agenda

- **Trend of Global Talent**
- **Key Drivers of Talent Attraction, Retention and Engagement**
- **Strategic-aligned Human Capital Mechanism**



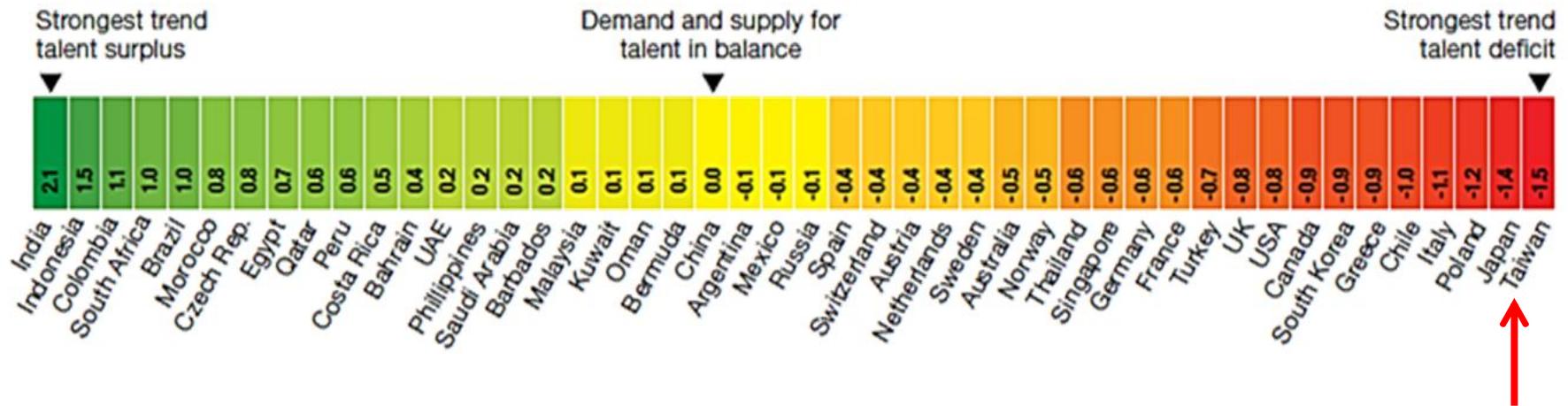
Global CEO challenges center around “Human Capital”

Top Challenges	2015 (n=943)	2014 (n=1,020)	2013 (n=729)	2012 (n=776)
Human Capital	1	1	1	2
Innovation	2	3	3	1
Customer Relations	3	2	4	-
Operational Excellence	4	3	2	-
Global political/economic risk	-	-	-	3
Government Regulation	-	-	-	4

Source: Conference Board CEO Challenge Reports 2014 and 2015
N sizes represent surveyed CEO numbers

Looking into 2021, Towers Watson research indicates the greatest challenges in talent deficit in Taiwan

預測全球各國2021人口供需吻合程度一覽表



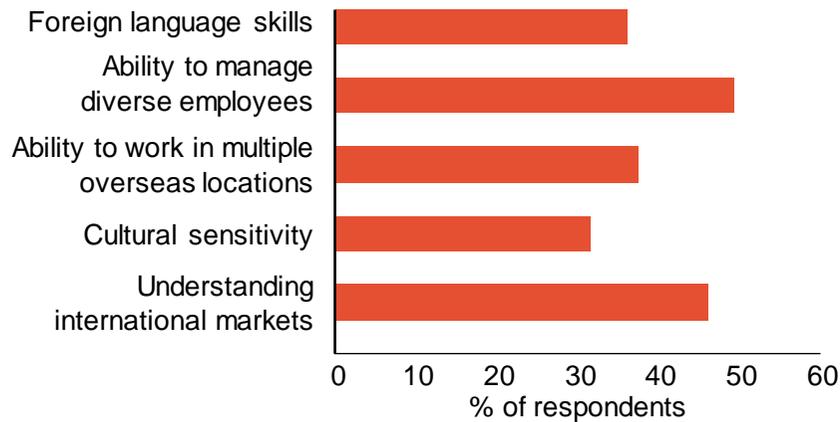
1. The table ranks countries according to how their talent gaps are expected to evolve over the next decade.
2. Talent deficits are shown as red (negative numbers), talent surpluses as green (positive numbers), and broad balance as yellow.
3. Numbers report the average annual % change of the deficit/surplus.

Source: Global Talent 2021 Study conducted by Towers Watson and Oxford Economics, 2012

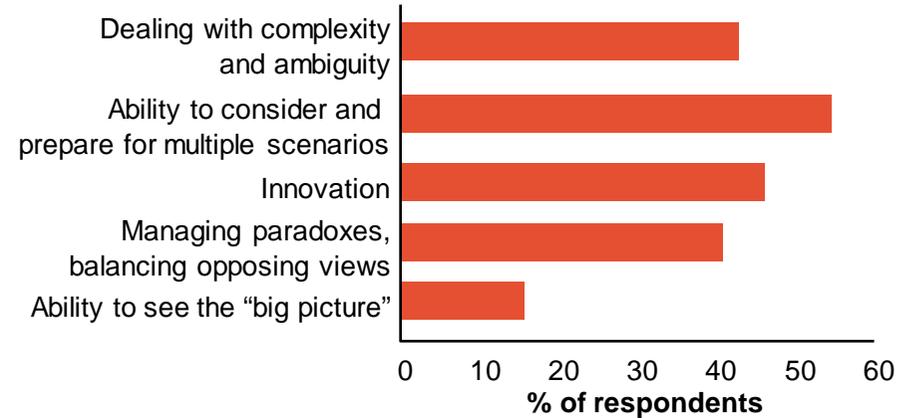


We see the emergence of four critical competencies for global talent

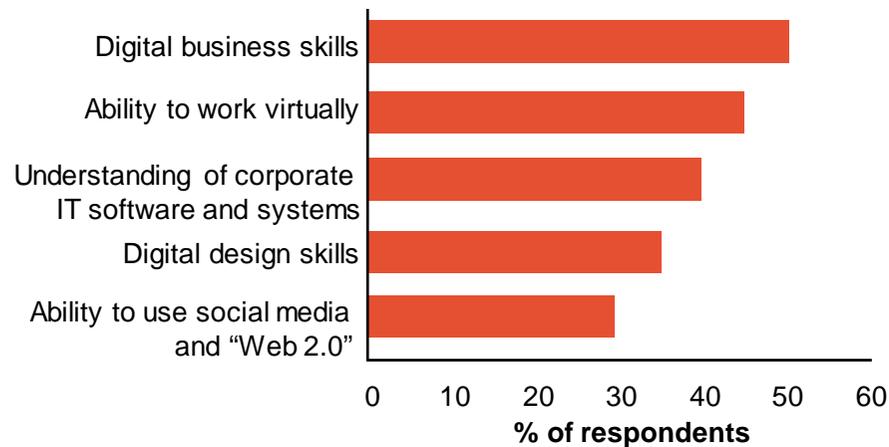
Global skills



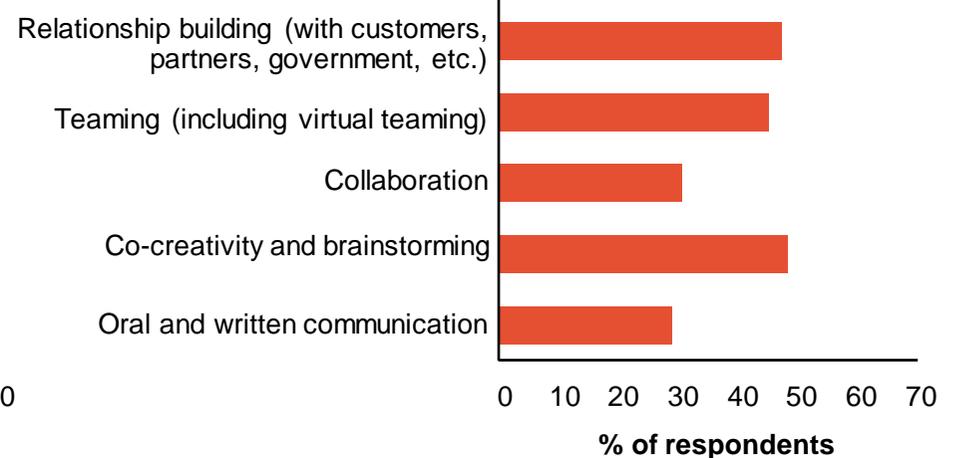
Agile thinking



Digital business skills



Relationship building



Source : Global Talent 2021 Study conducted by Towers Watson and Oxford Economics, 2012

“Vaulting” and “Perfect Enough” are new attributes of future leaders after 2008 financial crisis

Vaulting 是...

在新的全球化競爭環境下具備
策略定位的能力

可以**快速採取大膽創新**的方式
解決複雜議題並立刻形成新策略

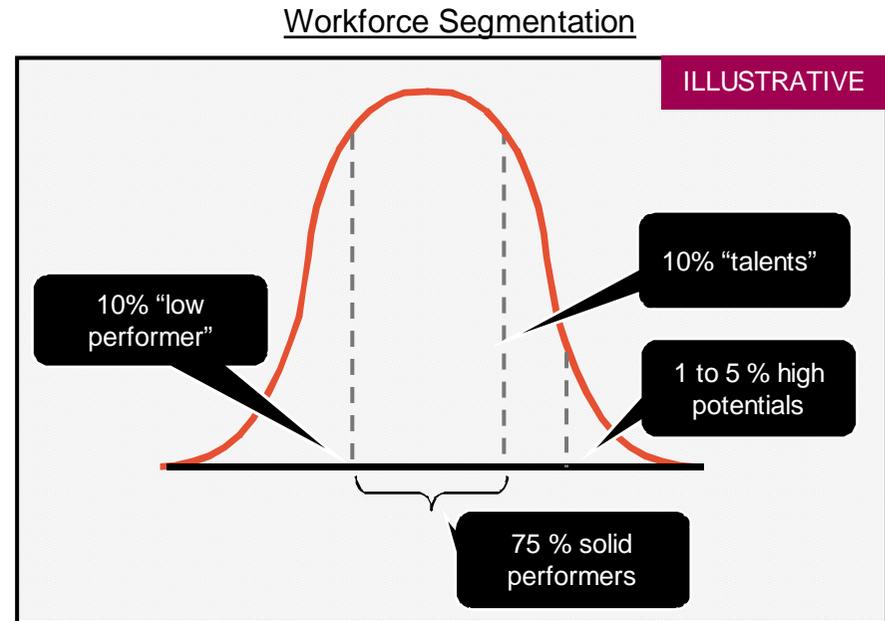
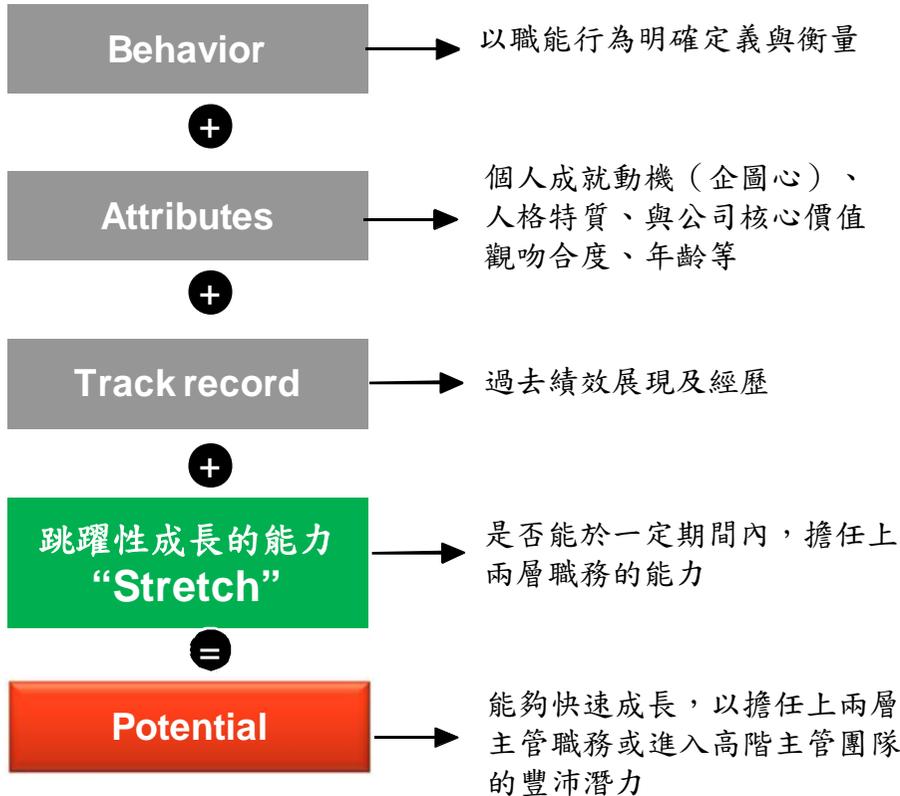
可以透過**全球網絡**，掌握複雜
趨勢並快速採取行動回應



Perfect Enough 是...

- 具備洞察每件工作最適資源投入與時間長短的能力，並能在負面效益產生當下勇於終止過度追求完美

Stretch (跳躍性成長的能力) is critical criteria for future leader



The illustration below highlights the proportion of the workforce that are typically considered to be “talents” and / or “high potentials”

Savvy employers will need to think very differently about their practices in the future



Apply the same rigor, effort and sophistication to human capital planning as to business planning

**Business
rigor**



Think more broadly – and creatively – about where talent is sourced

**Talent
sourcing**



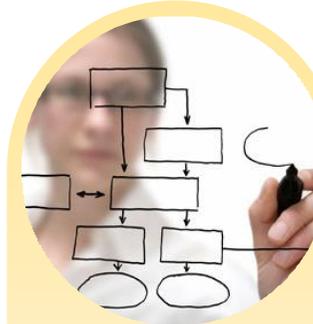
Embrace the virtual workplace and support a wide range of different work scenarios

**Virtual
workplace**



Invest more heavily in retraining and reskilling

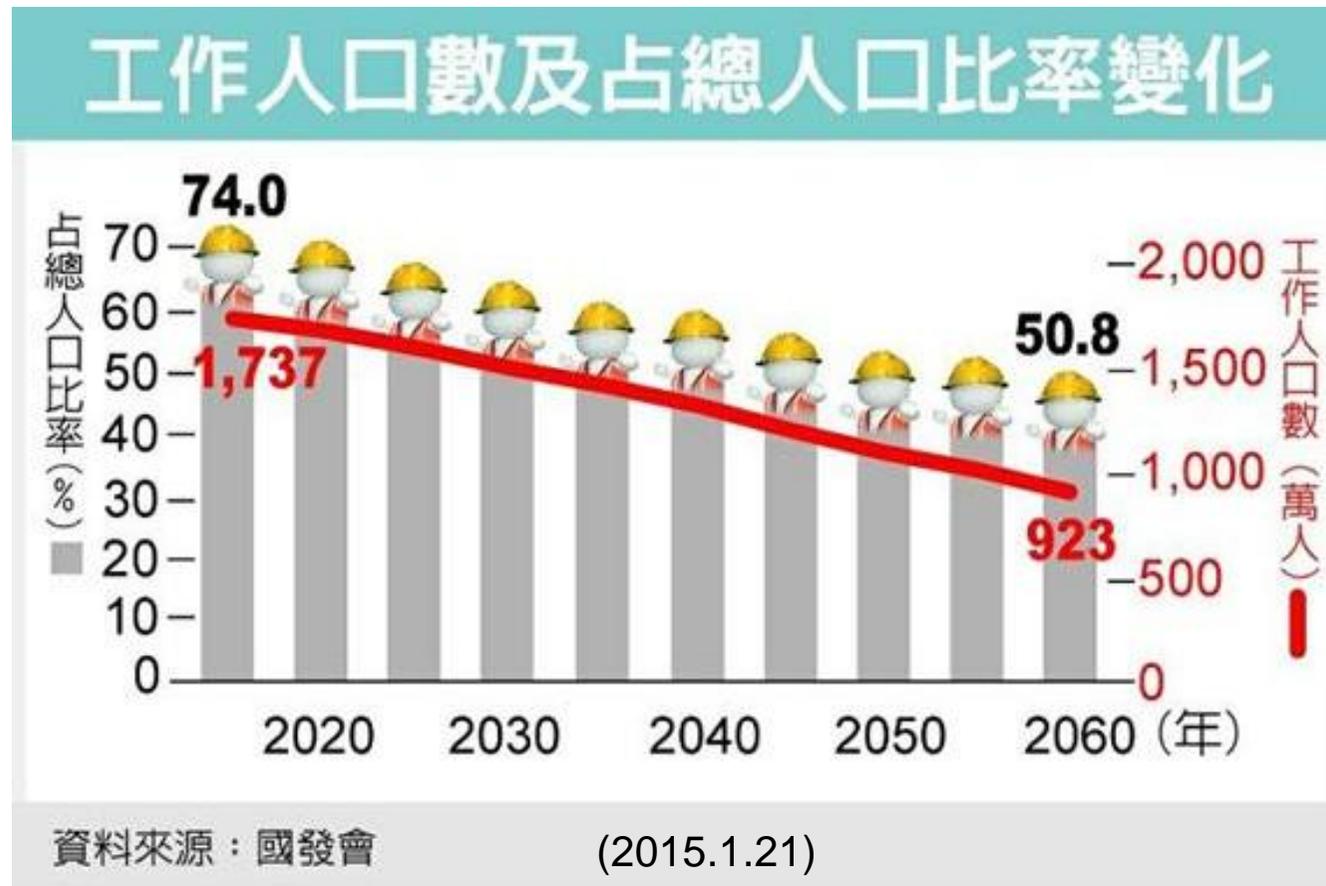
Re-skilling



Rethink and restructure how certain work is accomplished

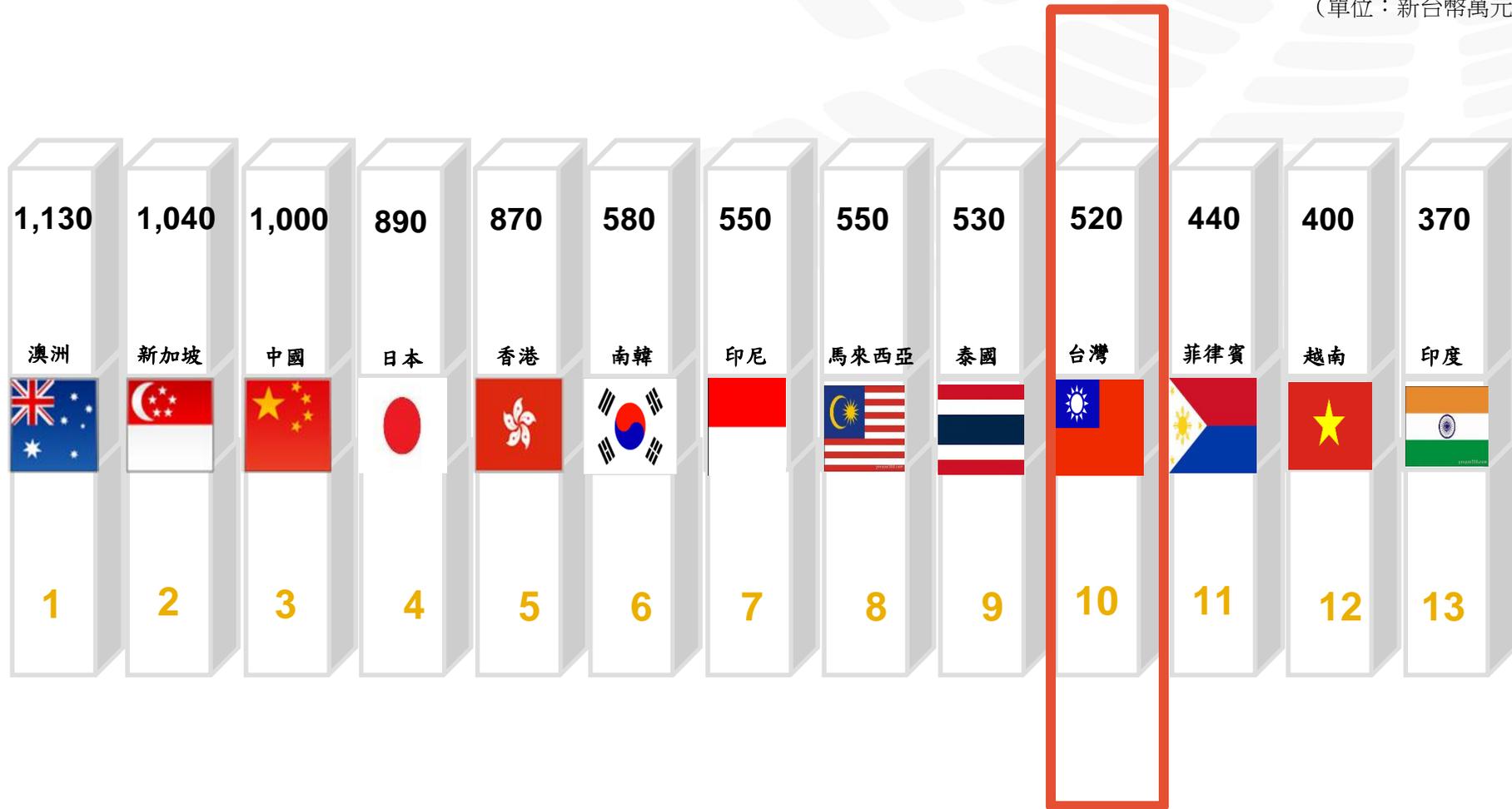
**Rethinking
work**

Working population in Taiwan is going down significantly since 2015



Compared with AP, the pay of executive level in Taiwan was significantly lower than other markets, which impact our talent attraction and retention

(單位：新台幣萬元)



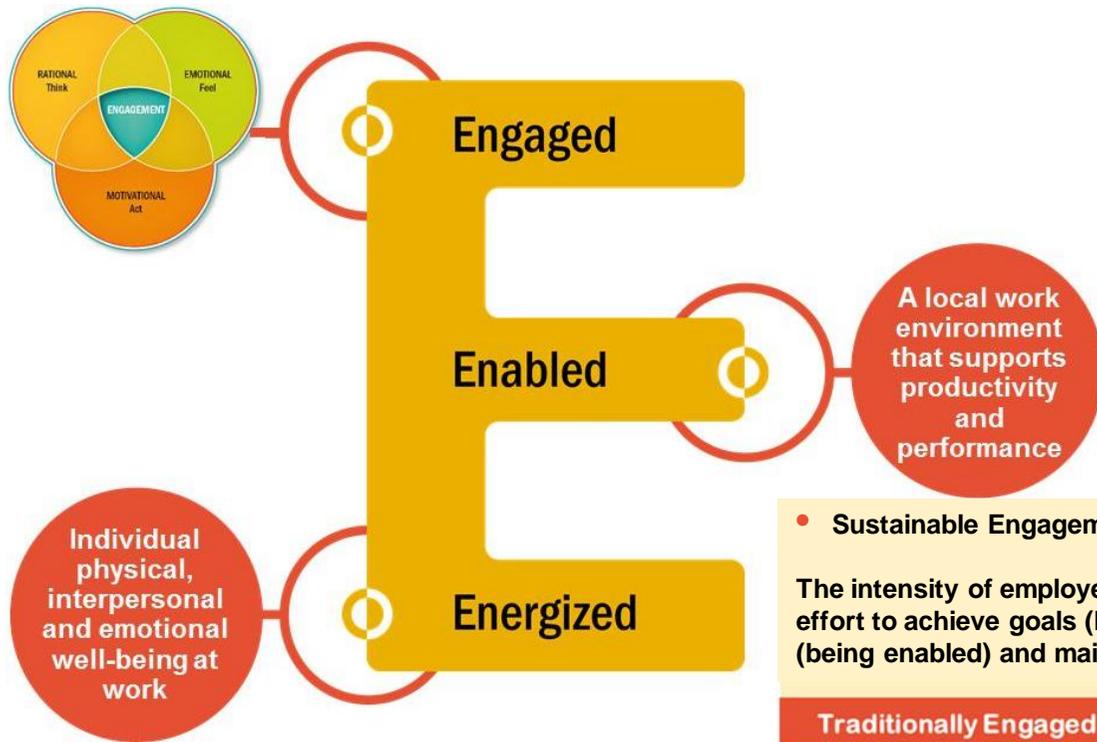
資料來源：美商韜睿惠悅亞太地區2013/2014年一般產業整體獎酬市場調查，GG15-18 P50 (EX Band) 平均值

In general, a trend towards a “back-to-the-basic” mindsets among the workforce

Attraction	2006	2008	2012	2014	Taiwan 2014
1	Base pay	Base pay	Base pay	Base pay	Job Security
2	Work/life balance	Career advancement	Job security	Job security	Base Pay
3	Challenging work	Challenging work	Career advancement	Career advancement	Career Advancement
Retention	2006	2008	2012	2014	Taiwan 2014
1	Good co-workers	Reputation as great place to work	Base pay	Base pay	Career Advancement
2	Satisfaction with people decisions	Satisfaction with people decisions	Career advancement	Career advancement	Base Pay
3	Supervisor relationship	Supervisor relationship	Supervisor relationship	Trust in leadership	Supervisor relationship

Source: Towers Watson Global Workforce Study, 2006 - 2014

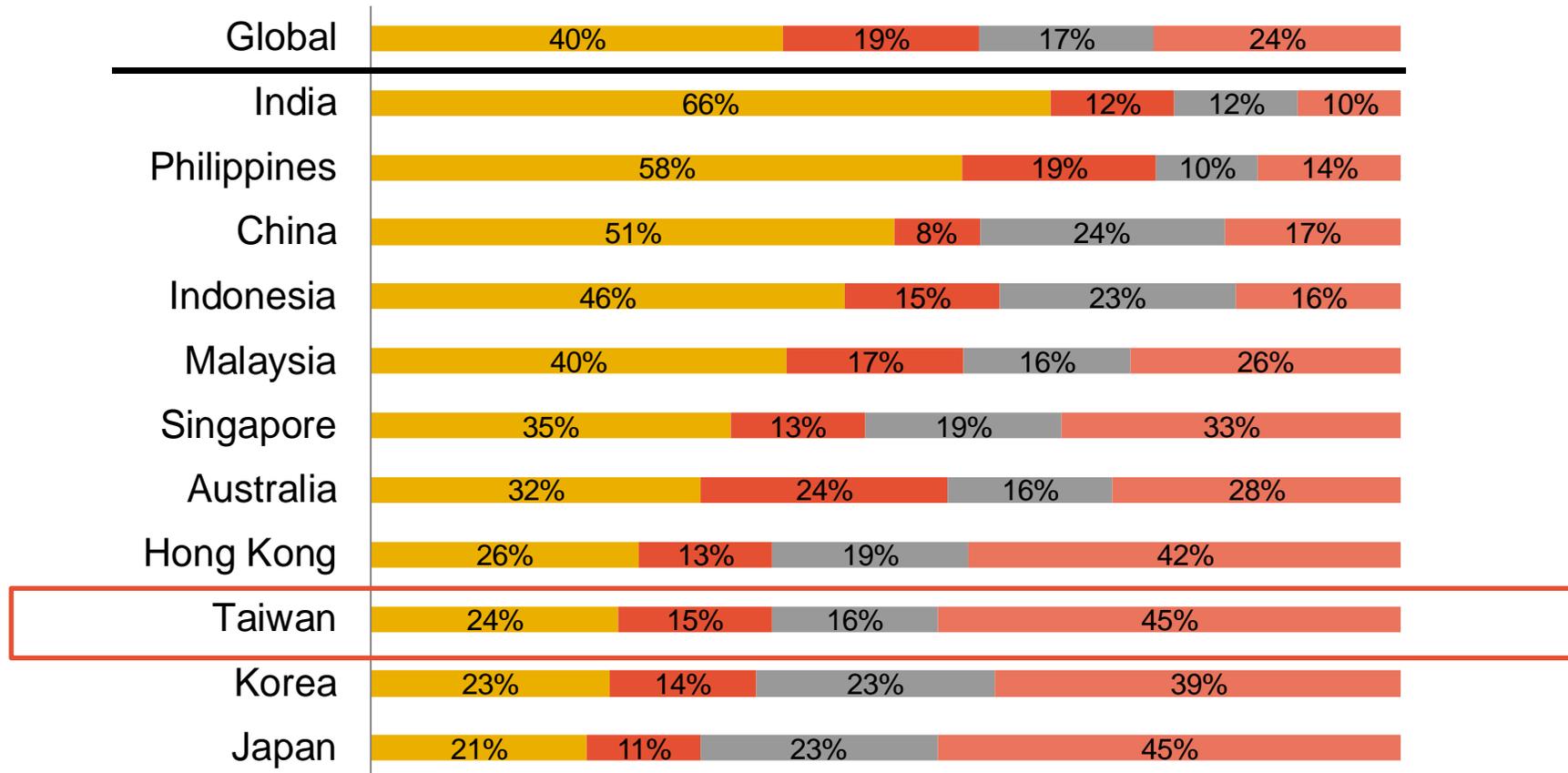
In a world where people are dispersed, sometimes isolated, working longer hours with fewer resources, engagement will not hold up over time without enablement and energy



• **Sustainable Engagement is:**
 The intensity of employees' connection to their organisation, marked by committed effort to achieve goals (being engaged) in environments that support productivity (being enabled) and maintain personal well-being (feeling energised)

Traditionally Engaged	Enabled	Energized
<ul style="list-style-type: none"> • Belief in company goals and objectives • Emotional connection (sense of pride) • Willingness to give extra effort to support success 	<ul style="list-style-type: none"> • Freedom from obstacles to success at work • Availability of resources to achieve excellent performance • Ability to meet work challenges effectively 	<ul style="list-style-type: none"> • Sustaining the energy needed at work • Social supports in the work environment • Feelings of enthusiasm/ accomplishment at work

Taiwan employees are more critical than many in the region



- **Highly Engaged:** Those who score high on all three aspects of sustainable engagement
- **Unsupported:** Those who are traditionally engaged, but lack enablement and/or energy
- **Detached:** Those who feel enabled and/or energized, but lack a sense of traditional engagement
- **Disengaged:** Those who score low on *all* three aspects of sustainable engagement

Source: Towers Watson 2014 Global Workforce Study — Global & APAC

Top Drivers of Sustainable Engagement Taiwan, a unique picture

Top Drivers of Sustainable Engagement	Global	China	Taiwan
Leadership	1		
Goals & Objectives	2	2	
Workload & Work-Life	3	4	2
Image	4	1	3
Empowerment	5	3	1
Supervision		5	
Communication			4
Performance Review			5
Pay	-	-	-
Benefits	-	-	-

Source: Towers Watson 2014 Global Workforce Study — Global & APAC

Building strategic-aligned human capital mechanism is the key for business sustainability

