

GBV

GLOBAL BENEFITS VISION

Knowledge & Wisdom for Global Employee Benefits Professionals

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**J. Patrick Gallagher, Jr.
and Leslie Lemenager**





Elias, 9
chronic lung disease,
cerebral palsy and epilepsy

I wish to have a
waterproof wheelchair

“Spending time in and out of hospitals is a stark reminder of the fragility of Elias’ condition and the need to make the most of every moment with him.

The wish experience did just that. It gave us so many moments to remember – moments of joy. Elias’ wish day is still remembered by our family as the most joyous experience of our lives.”

– Elias’ mom, Margie

Make-A-Wish® grants the wishes of children with life-threatening medical conditions to enrich the human experience with hope, strength and joy.

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Agnès Molitor, senior designer
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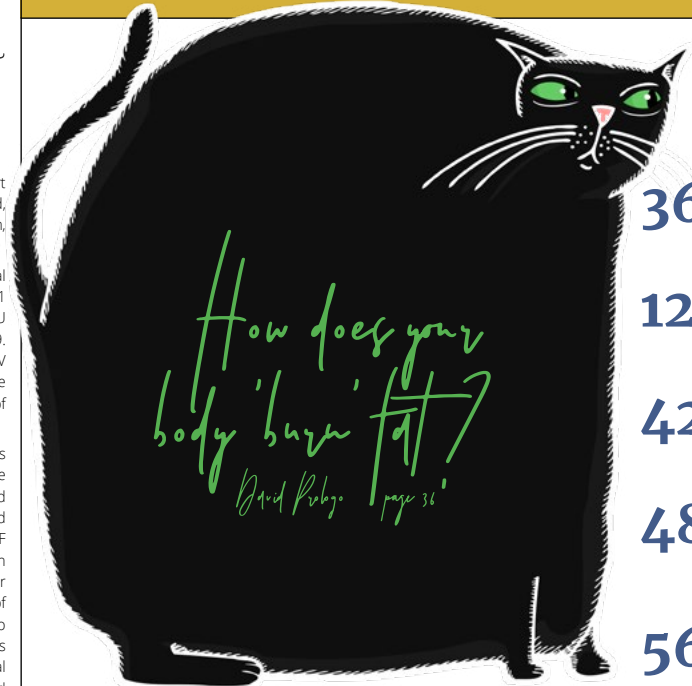
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Interview

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2018 IBIS CONFERENCE REPORT

BERLIN, GERMANY



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The 48th IBIS Academy Conference was held from 7 – 11 May 2018, in conjunction with the IBIS Institute, a “boot camp” for practitioners, and the IBIS Mobility and Partner Program. It included a three-day series of cutting-edge presentations and panels for more experienced colleagues. The overarching theme was “Your Future, Your Workforce” and focused on what it takes to be an employer of choice for the future.



Sponsored by Cigna, GeoBlue, Aetna, GTN, and others, the Academy promotes learning, networking, and sharing. Global HR and benefits professionals are given knowledge and resources on international pensions and employee benefits around the world as well as the opportunity to learn about industry growth in a symposium environment.

SETTING THE STAGE

The sessions began with Gallagher Chairman, President, and CEO, **J. PATRICK GALLAGHER, JR.** officially welcoming conference attendees with his keynote address: *“Competing as a Destination Employer of the Future”*. Gallagher discussed the history of his family’s company, its growth strategy, and revealed how Gallagher is working on its strategy for becoming a Destination Employer. He emphasized the role of the people who work for Gallagher as being central to their growth strategy and outlined the company’s *“Four Pillars”* philosophy for growth as:

- Organic growth
- Mergers and acquisitions
- Productivity and quality
- Maintaining a unique culture

Gallagher’s Global Benefits Philosophy, he explained, includes establishing benefit programs ‘that fully support the company’s

talent attraction/retention, cost management, and shareholder alignment objectives’. The company also believes in fostering a sustainable wellbeing culture among their people by encouraging employee choice and accountability and ensuring *“a consistent global benefits approach guided by defined global governance”*. The overall guiding principle for their decisions, says Gallagher, is overarching global governance and compliance that balances the market (competitiveness) and culture (accountability and wellbeing) on the company’s foundation (choice, leverage, consistency and reliability).

93 percent participation in their Employee Engagement Survey’s is proof that global employee views count at Gallagher, which identified priorities thanks to data gleaned from the enterprise-wide assessments:

- *Enterprise Priority: Providing increased line of sight to business objectives via effective communications for greater engagement, productivity and collaboration*
- *Division & Local Priorities: Each division and local team selected 1-2 priorities most relevant to their business (e.g. recognition, talent development, and coaching & mentoring).*

While there are no guarantees, Gallagher emphasized that success is all in the culture. *“We all know we need to work each and every day to maintain a culture and a company that all employees can be proud of!”* he said.

DESIGNING A GLOBAL TOTAL REWARDS STRATEGY

The IBIS Academy sessions also featured a presentation by **SCOTT HAMILTON** of Gallagher, and **RAMIRO MEDINA**, who represented Virgin Hyperloop One. The 50-minute program opened with Hamilton's presentation discussing the future of the global workplace and the factors affecting it right now.

GLOBAL WORKFORCE FACTORS

Hamilton explained that change represents a large part of a company's external human capital strategy factor. It takes into consideration:

- **An aging global workforce**, which impacts productivity, innovation and health
 - **Changing preferences of younger workers**, including the concept of a "Use by" shelf life versus maintaining a long-term career. We have gotten to a point where we can either "help them grow or watch them go," and consider offering development time as reward for longevity. Companies also need to consider giving more paid time off, raises, performance reviews, as well as encourage social responsibility and the differing nature of employee engagements.
 - **Changing Nature of Work**, which focused on automation, AI, machine learning & drones, as well as bringing up the topic of sourcing global talent and the importance of location. Finally, Hamilton posed the question "How do we measure new jobs?" which addressed how we need to update assessments to keep up with workforce changes.
- **Changing Regulatory Environment**, Pay equity regulation is becoming more common now, while the impact of data privacy (GDPR, etc.) remains another item to watch. Sexual harassment also remains as one factor that becomes trickier to navigate in a global work culture, as well as different employment considerations.
 - **Changing Social Norms Transparency**, according to Hamilton, pushes unique "cultural" differences toward broader norms. Social norms are also changing due to the social nature of employee engagement.

PHILOSOPHY VERSUS STRATEGY

Hamilton went on to explain the concept of Total Rewards Strategy and how it is different from a philosophy. A Total Rewards Philosophy provides guiding principles for design:

- Executive leadership alignment
- A mix of rewards
- Targeted market position
- Global versus local

A Total Rewards Strategy incorporates the detailed framework needed to support and execute the philosophy. That framework is seen as:

- Talent acquisition and retention
- Labor cost structure
- Workforce segments
- Policies and programs
- Implementation
- Assessment of success

TR Strategy vs. Philosophy: What's The Difference?



Source: Gallagher

DESTINATION EMPLOYER VALUE PROPOSITION: WHY IS BEING A DESTINATION EMPLOYER IMPORTANT?

Hamilton highlighted the equation of: The right people in a tightening global market, plus the right careers and locations, combined with the right total compensation costs and the right engagement/leadership culture, equals innovation, revenue, growth, and profits.

RAMIRO MEDINA, OF VIRGIN HYPERLOOP ONE: THE FUTURE IS HERE

Ramiro Medina, SVP of talent operations for Virgin Hyperloop One, then gave a presentation on a working example of a global talent strategy, in which he discussed the current Hyperloop project.

He then talked about the 300 “*really smart and really passionate people*” from such diverse trades as aerospace, aviation, energy, transportation, technology, the public sector, and more. What sets Virgin Hyperloop One apart from others

THE HYPERLOOP ONE PROJECT

The **Hyperloop One** is a pod capable of transporting either passengers or freight that travels through a low-pressure tube aided by electromagnetic propulsion, next gen magnetic levitation, and an autonomous control platform. This type of transport system eliminates such factors as aerodynamic drag and weather hazards, he explained, while showing how the pod is accelerated safely and gradually, at about the same speed as the takeoff of a commercial jet. It travels in a near vacuum with no additional energy, noise, or friction and is capable of speeds up to 670 mph.

Attendees were treated to a short **2 min. 46 sec.** video that demonstrated passenger experiences and showcased real-world testing.



exploring the same technology, he said, is that they are achieving real results. *“Others talk, but we take action. We’re the first to enter into commercial agreements and the first to test a full-scale hyperloop system.”*

“We’ve gathered the brightest minds [...] engineers, management, board, and investors, working together to make Hyperloop a reality using a proven methodology of rapidly designing, analyzing, building, and testing hardware”.

Emphasizing that the Virgin Hyperloop One program is built for success, Medina explained that they have the right combination of resources and capabilities that have enabled them to assemble an ecosystem of partners committed to making the overall project a success now and over the long term.

Global Talent Strategy, Medina explained, is more of a value proposition. Its purpose is to *“give people the time of their lives by highlighting such values as audaciousness mixed with integrity and accountability, as well as the ability to get things done coupled with an insatiable curiosity, and grit.”* Mixed with inclusion and diversity, the Rewards Value Proposition Supports Strategy includes:

- *Compensation (fair base salary, a transparent pay structure, and long-term incentives)*
- *Entrepreneurial Employee Engagement (empowerment, empathy, and focused strengths)*
- *Meaningful work, big challenges, and extraordinary peers*
- *Benefits (Unlimited PTO, parental leave, wellbeing programs)*

There is one clear path forward, Medina said, with a clearly defined and socialized ethos/culture, and a HQ infrastructure that is wired to scale with tools, processes, comms, and

operating model. Add key talent that knows how to scale and an expansion playbook, and watch as global expansion happens in a way that celebrates and champions diversity as well as allows for regional expressions of the company ethos. The bottom line, he said, is that *“too much central control stifles innovation”* so it is necessary to plan ahead, adapt when you must, correct your course if you need to, and above all, listen and learn and aim for clarity.

LOOKING TO THE FUTURE

BRIAN FRIEDMAN led a group presentation, entitled *“The Modern Worker,”* which focused first on determining the difference between globalization and nationalization, after which he went on to discuss corporate values in a global world, as well as the role of technology and the advent of mass-personalization and the concept of going *“hyper-local”*.

Friedman’s presentation also touched upon how gig workers are becoming more professional, as more employees adapt to the gig economy. He also sees technology driving the future workplace, giving the example of smart devices such as Amazon’s *“Alexa”* being seen as a *“new best friend”* now that we have the technology to connect anywhere at any time.

Concessions and changes will need to be made to accommodate these gig workers, and these employees of the future will certainly have an impact on Human Resources, especially in terms of:

- *Recruiting and onboarding*
- *HR operations*
- *Learning and development*
- *Performance and reward*
- *Termination*

The session culminated with a discussion that tackled the question: “*Is AI and automation the future of work?*” A fitting end to a conference focused on what the future holds for the global workforce and the organizations that employs them.

The 2018 edition of the IBIS Academy attracted over 180 participants from all over the world to Berlin, Germany. Its focus on global mobility is well worth noting and indeed, sets it

apart. It also reflects an ever-growing interest in the global human resources community in a context of unprecedented regulatory complexity and ever greater monitoring capabilities and cooperation between governments across the globe.

The 2019 edition of the IBIS Academy is set for May 6–10 in Milan, Italy and GBV looks forward to covering it. ∞



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