The evolution of Telstra's workforce

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Transformation and People

The evolution of Telstra's workforce

Our industry faces massive disruption and technology is exponentially changing; this creates both challenges and opportunities.

In 2018, Telstra won the AHRI HR Technology Award for the creation of a digital platform designed to put employees in the driver's seat of their career at Telstra. The platform is a place for people to share their story, get their skills noticed and discover new career possibilities tailored to them. It enabled Telstra to deeply understand the skills and capabilities of its global workforce.

The demand for this work continues. The rapidly changing competitive landscape drives the need for Telstra to continue to evolve its workforce. Hear how Telstra is building future-proof capabilities and skills in the face of such disruption.
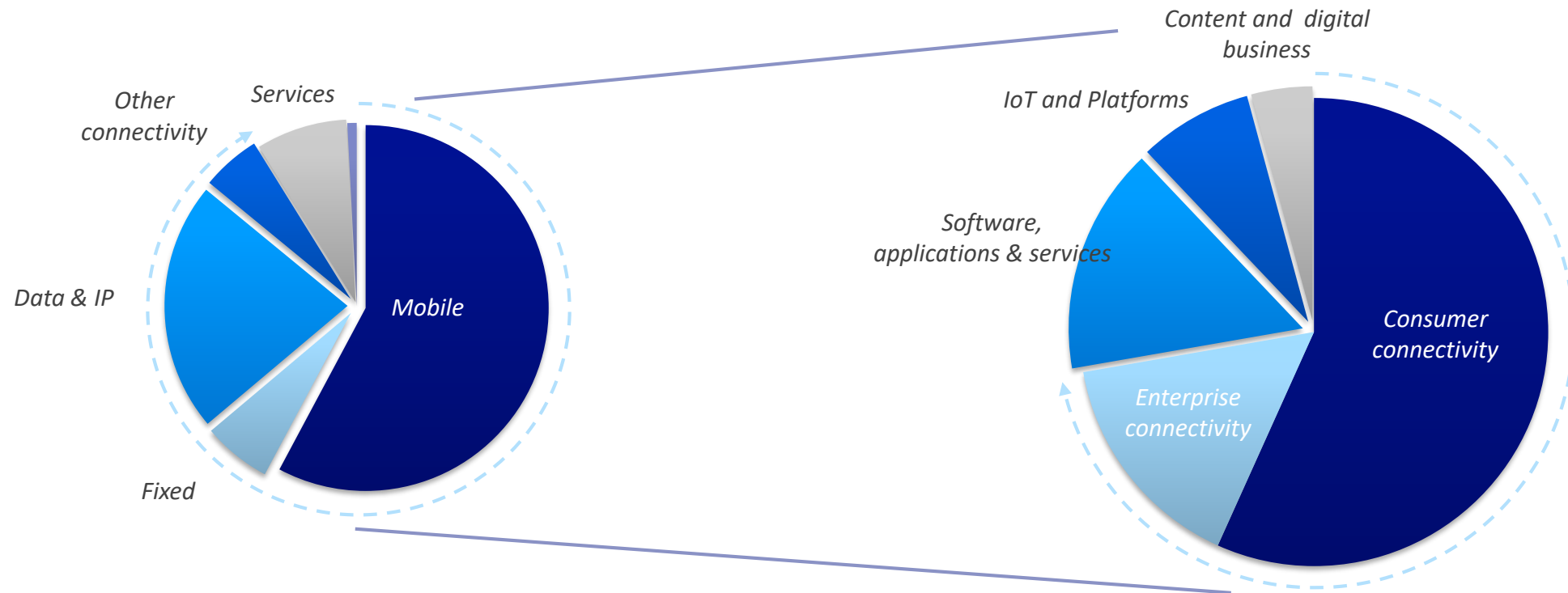
Four industry trends affecting our capability needs

1 Changing consumer behaviour	2 Intensifying market dynamics	3 Ecosystem value shift	4 Technological developments
• Rising demand and reliance on connectivity	• Network differentiation narrowing	• Significant growth expected in content, IoT, and software	• 5G era is a critical opportunity for Telcos to move beyond connectivity
• Rising standards for customer experience (e.g. self-service, best-of-breed offerings)	• Competition driving to convergence and bundling	• Growth in the global telecom market has stagnated in recent years	• Data & Analytics are becoming table stakes
• Increased usages on IP platforms (e.g. WhatsApp, WeChat)	• Global software players widening service offering and investing in their own networks		• IoT is gaining momentum
	• Continued regulatory uncertainty		• eSIM: both an opportunity and a challenge
			• Telcos face new entrants through alternative networks, and unlicensed spectrum

Which means Telcos will look different in the future

| Current telco portfolio mix FY17 - % EV | » | Hypothetical telco portfolio view FY25 - % EV |

Current pie chart labels: Other connectivity, Services, Data & IP, Mobile, Fixed

Hypothetical pie chart labels: Content and digital business, IoT and Platforms, Software, applications & services, Consumer connectivity, Enterprise connectivity

- Connectivity makes up majority of value in a telco portfolio today

- By 2025, a hypothetical portfolio could have significantly higher contributions from software, platforms and content

T22 Strategy

Strategic pillars	Radically simplify our product offerings, eliminate customer pain points and create all digital experiences	Establish a standalone infrastructure business unit to drive performance and set up optionality post the nbn rollout	Greatly simplify our structure and ways of working to empower our people and serve our customers	Industry leading cost reduction program and portfolio management

Enabled by our $3b investment program

New digital platforms

Australia's largest, fastest, safest, smartest and most reliable next generation network

Delivering	Market leading customer experience	Simplified products, business and operating model	Extended network superiority and 5G leadership	Achieve Global High Performance Norm in employee engagement	Net cost productivity of $2.5bn by FY22	Post-nbn ROIC > 10%

Post-nbn defined as FY23 and beyond on AASB16 basis

Why focus on capability?

Where we were

Reactive and siloed decisions to reshape the workforce, made with limited understanding of skills

70+ different capability frameworks, that were not scalable or consistently applied across the business

Digital disruption and constant business change meant people felt overwhelmed and disempowered in their own career planning and skill development
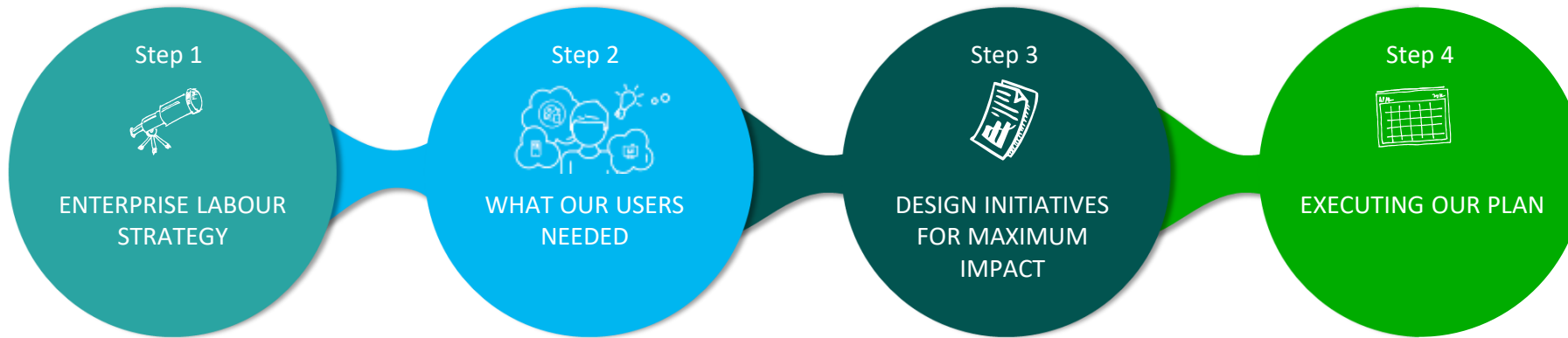
Our ambition

Proactive, strategically aligned decisions made leveraging rich understanding of the skills and capabilities of our workforce

One way of describing roles and skills, consistently applied and embedded across the organisation

People know what is expected of them in the future, they are supported to develop and feel empowered to build a career at Telstra

A simple solution to a complex problem

Step 1

ENTERPRISE LABOUR STRATEGY

Step 2

WHAT OUR USERS NEEDED

Step 3

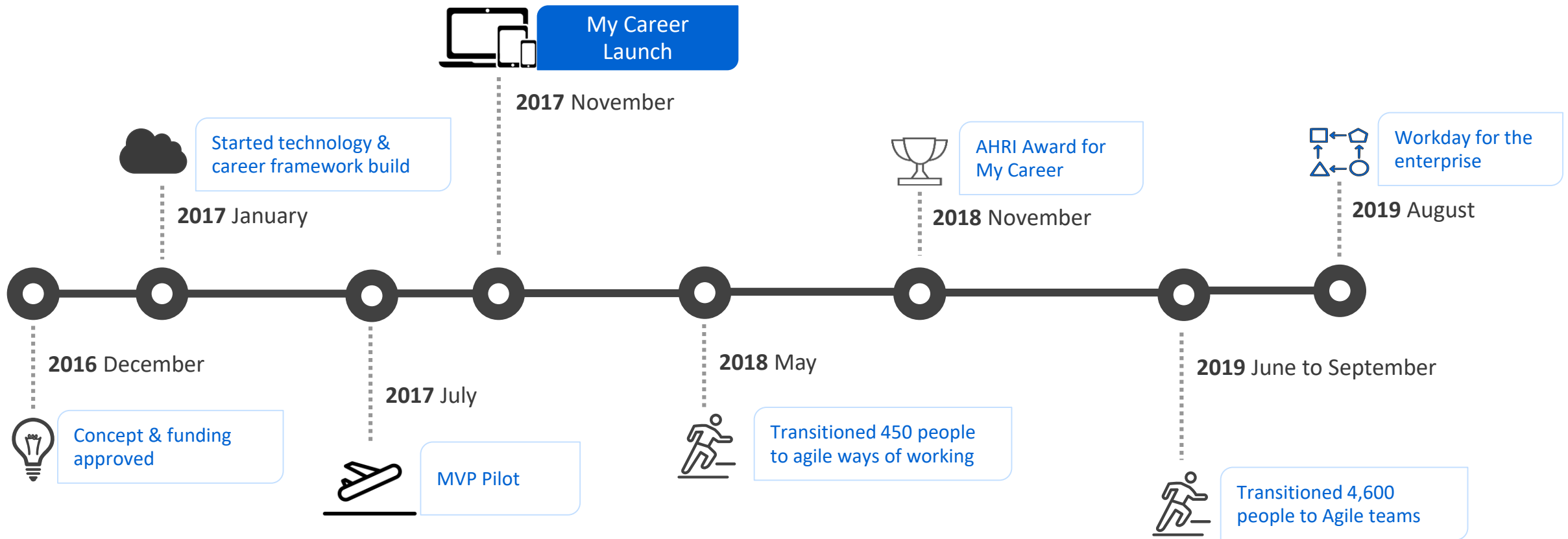DESIGN INITIATIVES FOR MAXIMUM IMPACT

Step 4

EXECUTING OUR PLAN

- Defined the workforce capabilities required to deliver on our strategy.

- Up to a third of employees possibly impacted by extensive retraining, new ways of working or simplified delivery to customers.

- We asked our employees and leaders what they need it to be like around here for capability transformation to succeed

- Then we defined the moments that matter across our employee lifecycle. These became our key design principles

- Collaborated to determine how to close the gaps in the employee experience.

- Maximised the impact of the solution by aligning with other initiatives and embedding in business as usual activity

- Human centred design remained the primary driver of the solution.

- Worked in agile teams, piloted early and often.

- Developed a tight scope on the minimum viable product and didn't get caught up in perfect (although we were often tempted).
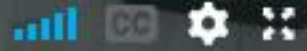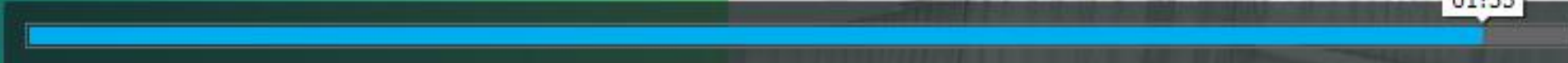
We had to deliver quickly to enable our business transition

My Career Launch

2017 November

Started technology & career framework build

2017 January

2016 December

Concept & funding approved

2017 July

MVP Pilot

2018 May

Transitioned 450 people to agile ways of working

AHRI Award for My Career

2018 November

Workday for the enterprise

2019 August

2019 June to September

Transitioned 4,600 people to Agile teams

**Check out
My Career**
It's all about you

01:55

My Career - what we delivered

It looks simple, but it's really quite clever!

1

CLARITY ON WHATS EXPECTED

The refreshed **Career Model** defines the roles required in a world class technology company. The new future focused **Capability Catalogue** describes how roles should be performed in the future.

2

MADE SIMPLE FOR OUR PEOPLE

We made the technology smart, so it knows what's relevant to each person. It's easy for people to tell their story, showcase their skills, and find the right opportunities to develop their career.

3

LEARNING THAT IS SPECIFICALLY FOR EACH PERSON

Learning pathways curated and validated by industry experts and Telstra's leaders, delivered to the people who need them.

What did we achieve?

Skill Transition and Measurement

Informed decision-making as we transition our workforce

Return on Investment

In the first year we were able to retain ~400 employees by matching them to new roles and moving them within the organisation
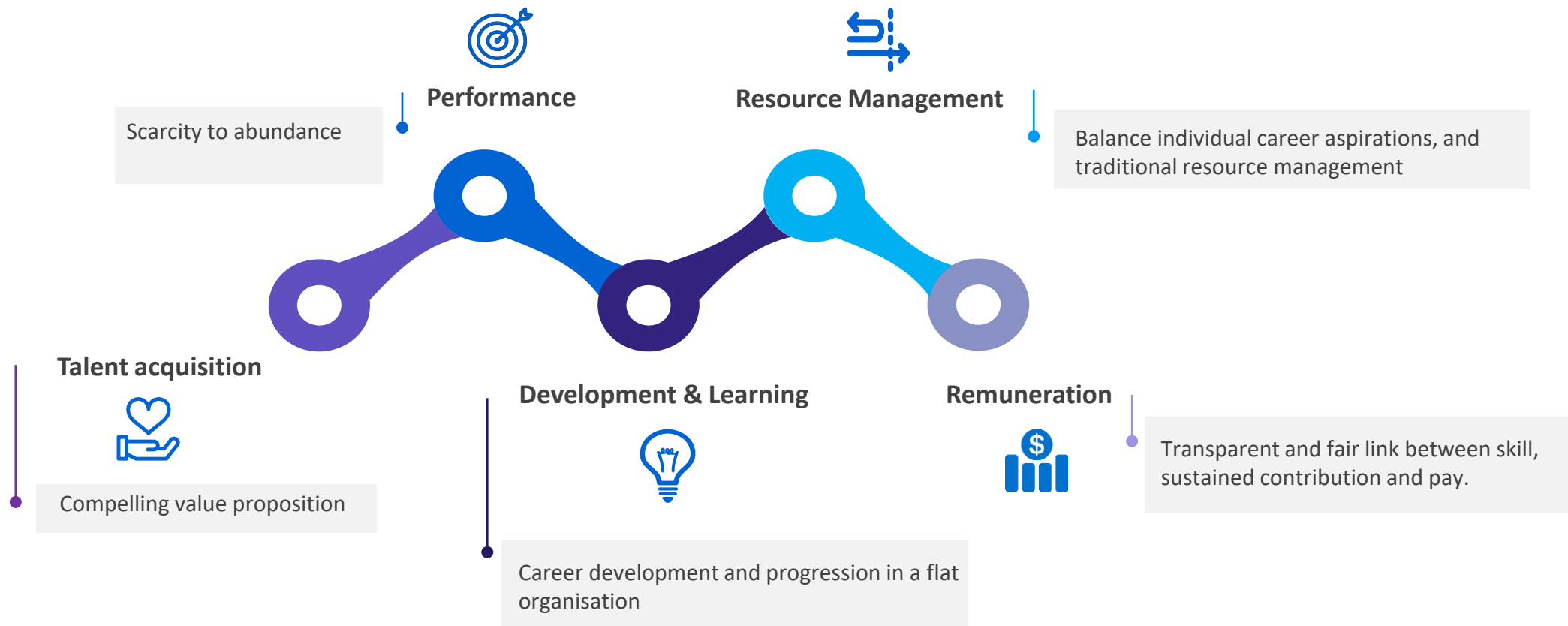
Employee Engagement

Our people feel we are doing a much better job of developing the right people for our future needs

What's Next

The recent delayering of our organisation and transition to agile operating model is changing significantly how people experience their career at Telstra which changes the requirements of our career framework.

- Our employees want to know what their career can look like now that the structure is flatter
- Chapter Leaders need richer information about people in their chapter to support them to develop individual and team capability and to assess performance and for resource planning and allocation.
- Workday creates the opportunity for us to leverage crowd-sourced skills and integrate machine learning into career planning.

Performance

Resource Management

Scarcity to abundance

Balance individual career aspirations, and traditional resource management

Talent acquisition

Development & Learning

Remuneration

Compelling value proposition

Transparent and fair link between skill, sustained contribution and pay.

Career development and progression in a flat organisation

Thank you