



HR Trends Report 2021





Introduction

It's hard to believe, but the end of 2020 is in sight. Since it's never too early to start looking ahead and planning, we've put our heads together at HowToo to assemble the trends that we think will define 2021.

Few, if anyone, could have predicted the COVID-19 pandemic and the subsequent crisis that shook the world. It certainly didn't make it into any 2020 trend predictions written back in 2019. Yet it has had an undeniable impact in the field of HR, and L&D.

It can be tempting to forget or discard trends from previous years as COVID-19 and the work-from-home shift has produced a plethora of chain reactions. The slow-burning movements from the past five or ten years have not disappeared. Rather, a crisis has a way of bringing things to a head and it is more likely that we will see an acceleration of previous trends than a slowing down.

In this paper, you'll find a mix of broad trends that address both the direct results of the COVID-19 pandemic, and the indirect results we are likely to see on the slow-burning trends. All of these have implications for the learning and development programs of your organisation.

NUMBER ONE

Workforces are going hybrid and remote



The biggest and most obvious shift was pushed upon most businesses by the COVID-19 crisis. To avoid exacerbating the pandemic crisis, **well over a third** of Australians in cities found themselves suddenly working from home.

Managers that had resisted remote working were forced to acknowledge that much of their team's work could happen from home without a loss of productivity. In fact, many saw increases in productivity as team members were no longer sucked into long conversations or meetings.

Many workers **loved the shift**. The commute was instantly abolished, saving time and money. Work hours became more flexible, families reconnected and precious hours of sleep were recovered. The possibility of a country sea-change without sacrificing a career was suddenly within reach. Meanwhile, employers have snatched at the chance to reduce their rent and other overhead expenses. As a result, **some of the biggest companies** in the world have committed to maintaining the change.

However, as the months rolled on, businesses also began to recognise the drawbacks. **"Zoom fatigue"** quickly became a household term. Mental ill-health **began to rise** as a lack of in-person social contact set in. Working from home has suited the middle class, safely ensconced in a spare-bedroom-turned-office, while those less affluent continue to struggle to share the dining table. Junior workers are missing the opportunity to learn from the conversations of their more experienced colleagues while burnout has crept closer for everyone as the workday has lengthened.



As many as **74%** of companies are choosing hybrid models of both in-office and at-home working.

As a result, as many as **74% of companies** are choosing hybrid models as a way forward. Some are directing a portion of their workforce to stay home, others are suggesting two days in the office and three at home, or a variation of, for everyone. The hope is to capture the best of both worlds and achieve even greater heights of flexibility. While hybrid models offer exciting new opportunities for employee productivity and satisfaction, the reality will be closely monitored as it unfolds throughout late 2020 and into 2021. In the meantime, those companies will need to reckon with a number of impacts.

NUMBER TWO

Cultural resets are occurring

With the sudden onset of remote workforces and the potential for a hybrid future, workforces are facing watershed moments for their company cultures.

Businesses need to consider how changes in their office environment will interact with their company values. Those in leadership positions may need to take time to reevaluate and reinterpret some values in light of a new way of working. How many rely on everyone being in the same room? Or, how many are explained using situations where team members are sitting side-by-side? Values that are obsolete or lack clear interpretation will fall by the wayside if they are not addressed.

Companies that neglect their culture and values in this time face a number of risks.



In July, **McKinsey called attention** to the likelihood of dual cultures forming within companies that segregate their workforces into fully remote and fully office-based silos. The remote workers are susceptible to isolation within the company and exclusion (intentional or not) from new workflows, resources and valuable assignments, while the office-based workers reap the rewards of all three by virtue of their visibility to management. It's easy to see how such a pattern would quickly result in unhappy and underperforming remote workers.

A clear path forward needs to be presented and followed through in order for team members to realign themselves to company values as the new normal establishes itself. Despite the economic challenges that have arisen from the COVID-19 crisis, it is more critical than ever for companies to double-down on their learning and development programs to facilitate this.

In the face of inevitable cultural resets, it will be critical for companies to take charge of those changes, and, as McKinsey advise, "... let it give birth to a new shared culture for all your employees that provides stability, social cohesion, identity, and belonging, whether your employees are working remotely, on premises, or in some combination of both."

NUMBER THREE

The new wellbeing

Workplace wellbeing has been a popular topic and trend in the corporate world for several years now. With **72% of workers** identifying workplace wellbeing as extremely/very important to them, and **83% saying** it is up to the employer to facilitate wellbeing in the workplace, companies have instituted **yoga classes, vision boards and mindfulness** to attract young people, mitigate burnout and boost the holy grail that is productivity.

The COVID-19 crisis and resulting shift towards remote work has presented a unique set of challenges and changes to workplace wellbeing. On the one hand, **65% of newly-remote workers** felt that their work/life balance had improved, but on the other, 44% felt socially isolated and 33% felt that the separation between work and home had blurred. Many may be **grieving the loss** of old ways of working. At the same time, many of the flashy wellbeing programs instituted by companies have been rendered unviable thanks to social distancing



44% of remote workers felt socially isolated and **33%** felt that the separation between work and home had blurred.

If cultivating positive wellbeing in the workplace was difficult before, that difficulty only looks set to grow. Businesses will need to find ways to help workers manage their time and work in healthy, balanced ways without lecturing them. Leaders will need to be more intentional about checking in with their team's physical and mental health as they can no longer rely on chance encounters at the coffee machine. Well thought-out remote learning programs will be critical tools in this endeavour.

NUMBER FOUR

The upskilling rethink

Even as the pandemic has thrown many of our expectations to the wind, it hasn't disposed of the other (albeit quieter) upheavals taking place. One of the core ticking questions around the future of work remains the nature and place of skills.

Well before 2020, [Deloitte's Global Human Capital Trends](#) had been calling out the urgency for a rewrite in the way that companies planned to meet future skill shortages. Much of this is a result of 'The Readiness Gap': "Seventy-four percent of organizations say reskilling the workforce is important or very important for their success over the next 12–18 months, but only 10 percent say they are very ready to address this trend."

Technology and automation often progress faster than workforces can keep up. Once-critical three-year degrees are rapidly losing their shine as they struggle to equip graduates for the jobs that didn't exist when they began. Upskilling and reskilling as corporate solutions are equally under threat as expensive, time-consuming programs can fall out of date almost as quickly, or struggle with uptake.



We suggest an approach that treats workforce development as a strategy for building worker and organizational resilience—equipping workers, and thus the organization, with the tools and strategies to adapt to a range of uncertain futures in addition to reskilling them for near-term needs.



Deloitte Global Human Capital Trends, p.75.

Focus has and will continue to shift towards soft skills, or “**power**” skills as Josh Bersin argues they should be called. “Hard skills” or technical skills can be easily bought, but rarely lead to long-term brilliance or success. L&D programs need to focus on the hard-to-define and even harder to build “soft” behavioural capabilities such as creativity, innovation, flexibility, communication, integrity or teamwork (or so many others)

Organisations and leaders that focus on building core capabilities over skills can build teams with much greater resilience, flexibility and growth capacity. With capability training as a foundation, short and microlearning courses can be used to develop necessary technical skills by allowing the learner to upskill when and where they need it and immediately practicing what they learn. This is a prime example of the ongoing movement towards **learning in the flow of work**.

NUMBER FIVE

The challenge to be seen

One of easily-missed impacts of remote working will be the increased difficulty for team members to see their work recognised. Even before the pandemic, **a 2019 study showed** that remote team members must work harder and sacrifice more to receive the same work quality and career advancement as in-office teammates due to their comparative lack of visibility, or “face time”.

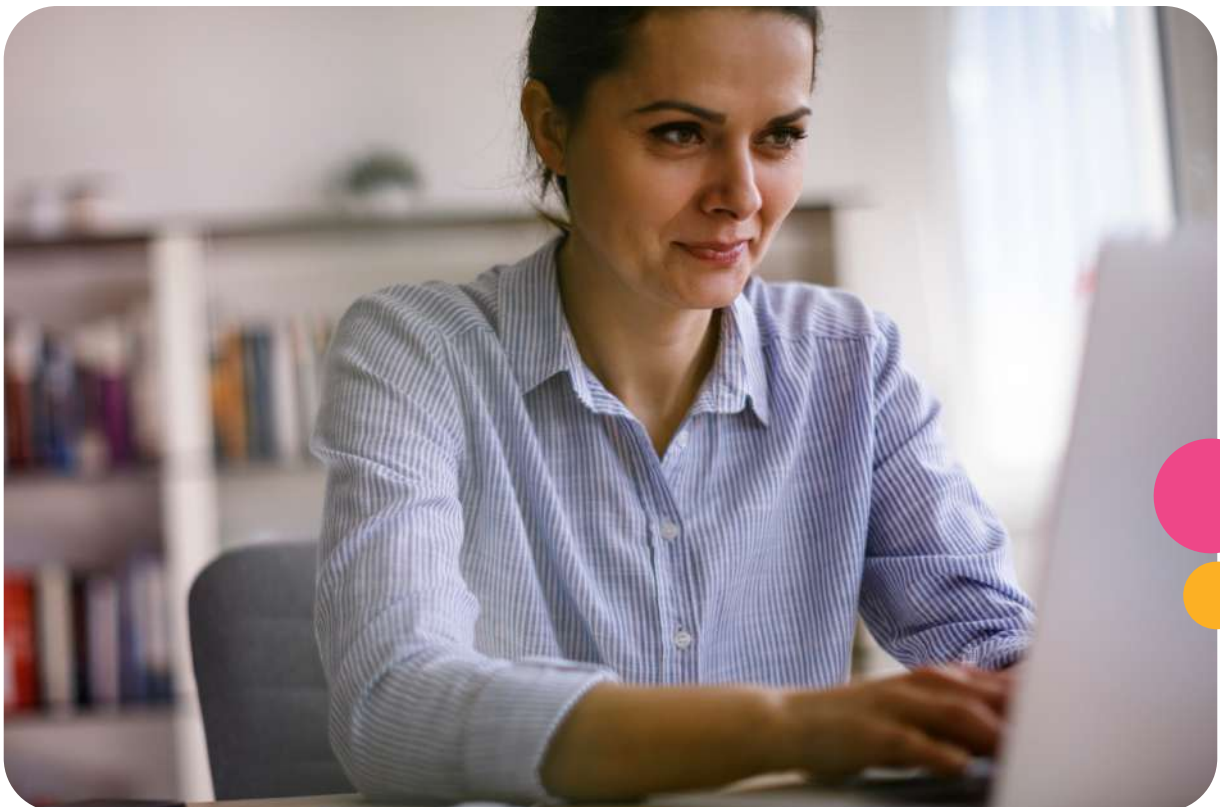
Companies neglect employee recognition at their own peril. **A 2018 study** revealed that 44% of workers planning to look for new employment due to a lack of recognition and engagement at their current employer. On the flip side, “When asked what would motivate them to remain with their current employer, respondents cited interesting work (74 percent) and recognition and rewards (69 percent) as the top factors.”

COVID-19 has exacerbated this situation in many ways as many people found themselves working from home suddenly, without choice. Coupled with a plummeting economy and contracting job market, the average workday soared in length **by 48.5 minutes** as individuals fought to **prove their productivity and avoid the axe**.



The average work day increased by **48.5 minutes** for people sent home to work.

As businesses consider remote and hybrid workforces, they also need to consider how they will manage employee recognition, advancement and the fair distribution of work, or else risk worker burnout and turnover. The rush doesn't need to be towards complex systems and employee-of-the-year ceremonies- **short and genuine** is more than enough. However, quick comments can be more challenging when face time is reduced by remote working. Leaders may want to consider how they can use existing L&D systems to recognise and reward the efforts and growth of their team.



NUMBER SIX

AI integrations are continuing to develop

Artificial intelligence has been a source of excitement for a number of years now as the technology continues to improve in leaps and bounds. The ongoing challenge is to find genuinely helpful and innovative uses, instead of tokenistic or poorly planned applications.

One of the most popular uses for several years now has been the use of AI to develop **personalised training pathways** and course recommendations for employees. Another emerging use is in the development of Learning Experience Platforms that use AI to aggregate learner data.

An area with a great deal of untapped potential is content authoring tools. 2021 is likely to see some exciting developments in the use of AI in course creation and assessment.

NUMBER SEVEN

Grassroot course creation

As COVID-19 locked down populations, economies all over the world have taken painful hits. While some businesses have shuttered forever, many have had to reduce their staff. Sadly, many L&D departments have seen their budgets squeezed and lost the quality talent that had enabled professional, in-house course creation using highly technical software.

As a result, 2021 is likely to be the year when learning course development shifts from big-budget, expert teams or outsourcing to team-driven creation. Learning content will be developed by teams, for teams, and result in reduced loss of skills from turnover as more personal knowledge is captured.



This shift will require HR and L&D teams to move away from expensive, difficult-to-use software towards online apps that are agile, easy to use and cost-effective.

IN SUMMARY

2021 holds incredible promise

After a tumultuous year in 2020, the temptation may be to buckle down and choose the safety of well-tread paths in 2021. However, it is clear that the future of work is looking radically different than previously anticipated, requiring teams to step up to the challenge, develop new processes and take their flexibility to new heights. The leaders that step up and position their teams effectively will be the ones who will not only be ready for the next crisis, but able to use it to their advantage to grow, not shrink.





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