
Top 10 HR Trends for 2021 and Beyond

2020 has been a year unlike any other. COVID-19 has forever left its mark on the way we live and work. Though at the time of publishing we're still living through the pandemic, we need to start preparing for a post-COVID world. In this article, we will reflect on 10 HR trends we're expecting in 2021 and beyond.

Though some trends have been ongoing for a while now and have simply been accelerated by the year's developments, many are the inevitable result of drastic changes that organizations have had to go through, and in some cases, are still facing.

10 HR trends for 2021 and beyond

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1. Home as the new office

We're kicking off our HR trends with a rather drastic development. One of the most visible changes in 2020 was the global overnight shift to remote work for much of the workforce.

Though working from home had already become an increasingly common occurrence for knowledge workers before the start of the pandemic, there weren't many organizations with a decent work from home policy in place—or that were ready to go fully remote in a matter of days.

What's more, the differences between countries in terms of work from home readiness were notable. In the Netherlands, for example, it was rather common for organizations to give their office workers the possibility to work from home a few days a week, while in France this was much less the case.

While we don't expect the pandemic to transform every single company that has the possibility to become fully distributed to do so, we do believe that working from home (or anywhere else, once social distance measures are lifted) will remain an important part of how we work.

Companies like Twitter, Square, and Capital One recently announced that working from home is here to stay, even post-COVID. Along similar lines, [Microsoft](#) unveiled plans to adopt a "hybrid workplace," which offers employees greater flexibility once the pandemic subsides.

2. Rethinking HR

A logical consequence of the increase in at-home workers (apart from a spike in office furniture sales and Zoom accounts) is the push for HR to rethink many (if not all) of its practices. As such, the shift to remote work has an impact on several other HR trends.

Activities like recruiting and [onboarding](#) are forever changed. These activities, as well as performance management and even firing decisions, have relied on in-person conversations. HR needs to reinvent current practices to effectively deal with these situations in a digital world.

Similarly, [people management](#) is also changing. For managers, it is harder to check up on employees when they are working from home, whether down the street or thousands of miles away. For HR, it will be harder to keep a finger on the pulse of its workforce. We may have to rely more on technology to keep us connected and updated on employee productivity..

More fundamentally, the way we have designed and structured our organization will have to change. With no watercooler to gather around, spontaneous interactions – and the collaboration, creativity, and innovation they result in – are missed. Suitable surrogates for this kind of valuable communication are necessary if we hope to prevent all our Zoom calls and Teams meetings from becoming dismally, one-dimensionally functional and task-oriented.

Many companies have already made use of online tools to foster a culture of togetherness despite physical distance. Virtual happy hours have started to replace after-work socializing. Regular departmental check-ins have become increasingly important. In the coming year, we may see companies begin to test additional virtual, structured experiences to simulate the camaraderie and exploration that was once only possible organically.

3. Reinventing the employee experience

To explore the changing landscape of employee interaction even further, cast your mind back to a pre-COVID world for just a moment. Imagine that Jane joins your organization. She applies, goes through the [selection process](#), meets a few people in-person during the interview rounds, and eventually happily accepts your offer. On her first day, as part of her onboarding and [new employee orientation](#), she comes to the office and meets her new team. There are flowers and cake, and she finds her new laptop wrapped on her desk. Jane's manager is present too and the whole team goes for lunch to celebrate her joining the team.

Now, imagine this entire process but without all the real-life interactions. How would Jane's experience have been if it had been 100% online? Would she connect the same way with colleagues without the in-person lunch, coffees, and office gossip?

HR will have to redesign the employee journey and measure the virtual employee experience. Elements like work-life balance, wellbeing, connection, and collaboration will be crucial both for employee satisfaction and the optimization of business outcomes.

Just as companies will continue experimenting with more informal ways of team-building and socialization, we may also see more formalized online connections and partnerships being piloted at companies all over the world.

For example, conferences now offer networking opportunities online. Jane could use virtual job shadowing over Zoom, or participate in a rotating online buddy system which helps people connect and stay engaged. Such initiatives go a long way in reminding employees that they are not simply working in a vacuum alone at their desk, but are part of a greater team.

4. Perennials: moving beyond generations

In the past decade, we have focused a lot on what separates the generations. Millennials and generations X, Y, and Z have all been analyzed, decoded, prodded, and speculated about extensively, including on HR trends lists – but scientific proof of intergenerational differences remains slim.

In fact, [research increasingly shows](#) that generational differences related to people's views on work and life aren't as big as we initially thought. What people want from their working life – purpose, good leaders, and professional growth—doesn't differ all that much from one generation to another.

Instead, we expect to see an increase in Perennials, first mentioned by Gina Pell. Perennials are “a group of people of all ages, stripes, and types who go beyond stereotypes and make connections with each other and the world around them.”

To understand our workforce and develop our talent strategies, we should look beyond group differences and gather insights on individual employees’ interests, values, and aspirations. This also enables us to personalize how we manage people as HR professionals. This is something we will come back to in a later trend.

5. Learning as a driver of business success

Continuing our HR trends with one in the learning and development space. Though there was already a strong need for [upskilling](#) a large part of the global workforce before COVID-19, this need has only become more apparent in the months since. Unfortunately, in the search for HR professionals with future-oriented skills, it is slim pickings. Rather than continuously searching for new talent, the most efficient way is to upskill your HR team, ensuring they have the expertise to secure success in a changing future.

For HR, we have identified three key capabilities.

- **Data literacy.** HR professionals need the ability to make data-driven and evidence based decisions to be a true sparring partner of the business. This involves the ability to read, understand, create, and communicate data as information to influence decision making.

- **Business acumen.** HR professionals in all industries need to improve their business acumen. They need to understand the business, its strategy, its customers, and its context. Only when they have a deep understanding of the business, will HR be able to add the maximum value.
- **Digital integration.** Digital HR offers the opportunity to drive HR efficiencies, deliver the HR strategy, and drive business impact through technology. In our experience, this is one of the biggest skill gaps in HR and one that has become even more pressing in this new, more remote, reality.

Upskilling in these areas will help make your HR department ready for the future. As such, we believe it's one of the biggest HR trends for 2021 and beyond.

6. HR in the driver's seat

While of course 2020 has seen a massive shift in the way businesses operate, it has also posed significant personal difficulty to workers all over the world.

Employees are worried about their health and that of their loved ones, tense about the security of their jobs, concerned with juggling young children and partners at home while trying to get their work done, and dealing with a whole host of other stressors inherent in living through a pandemic.

And of course, leadership is worried too. Uncertainty around what should be communicated and how it should be done complicates the already arduous task of heading departments and modeling company values.

And in the midst of all this chaos, companies naturally turn to HR for the answers.

As such, HR departments of many organizations have been on the frontline, facilitating employees, handling business requirements, managing concerns and questions of their employees, supporting them, and focusing on people's mental and emotional wellbeing.

A HR Department of a Financial company in US, for instance, immediately sent home with pay its employees that self-identified as high risk as well as older adults and people with health risks.

On top of that:

- They gave employees who earned \$100 000 or less annually a tax-free financial support of \$1200 to help cover unexpected costs related to working from home
- They added 100% coverage for Covid testing and related costs
- They offered immediate paid medical leave for any employee diagnosed with Covid-19
- They provided access to free mental health professionals
- They offered free financial planning support
- They expanded childcare support
- And the list goes on...

Being at the center of the crisis is an enormous and weighty responsibility for any HR department. In order to succeed in the driver's seat and maintain its newfound position

into 2021, that means leading – and accelerating – the infamous digital transformation that’s been an HR trend for years now.

7. Effortless shared services

Most of today’s HR transformations focus on HR self-service departments, which manifest in two ways: First, if your HR department still uses paperwork, it should be digitized. Second, if any of your HR work is repetitive, it should be automated.

Both digitization and automation ensure that the HR professional maximizes efficiency.

Consider, for example, a supermarket chain that keeps paper records of its employee records. Imagine, in an industry that experiences such high turnover, how much time an HR professional wastes at both ends of an employee’s lifecycle simply hunting through paperwork! And imagine the frustration and headaches that a lost contract—one single piece of paper—could cause.

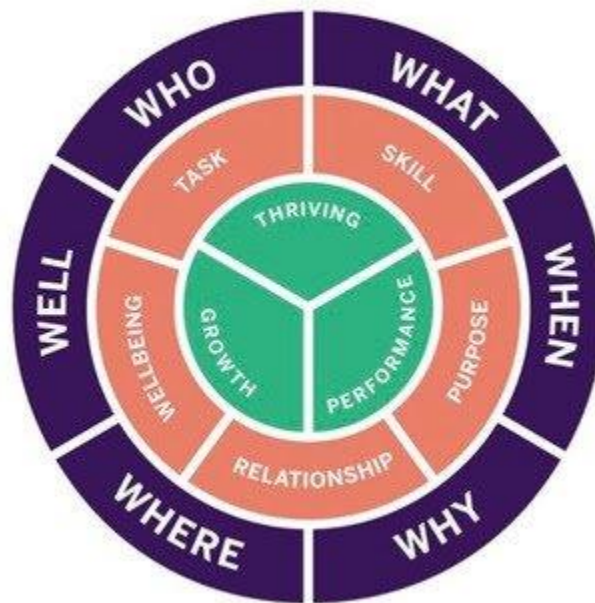
Making the necessary transition to effortless shared services leads to a better employee experience and increased customization.

8. Creating room for personalization

The shift we’ve seen this year in the way many of us work inevitably leads to employees creating their own optimal work environment. They arrange their work space at home as they see fit, they might work outside traditional office hours if that suits them better, and while some people may feel the need to check in with their colleagues for a Zoom coffee each day, others may prefer doing so once a week.

When it comes to the actual work employees do, it seems natural that they'll want to make some (small) adjustments there, too. This is where a concept such as [job crafting](#) comes in.

Job crafting is aimed at improving people's jobs for the benefit of both the employee and the organization. It's a technique that enables employees to improve their job in five different ways; in terms of tasks, skills, purpose, relations, and wellbeing.



The job crafting model

We believe that giving employees room to take ownership of their role will be essential for job satisfaction and productivity in 2021 and beyond, boosting both employee success and that of their organization.

9. Acing analytics

Analytics is one of those oft-repeated topics we've seen on HR trends lists over the last few years. Although people analytics is gaining a solid foothold in many organizations, the impact of their findings is often still lacking. We have three recommendations for organizations looking to ace analytics.

- **Measure data that matters.** Although HR tracks a lot of data, often there is a gap in the areas that add the most value. A key concern for CEOs is leadership; HR tracks very little data in that regard. Other examples include training & development and performance management. Tracking value-adding data related to key problem areas of the organization will create more return.
- **Redesigning systems.** The fact that we collect little data on key topics, is indicative of a lack of strategic integration of our HR systems. We need to have systems in place for those areas that help drive the business. This can be a software-based point-solutions or can be inquired about through regular surveys. If that is the case, they should be managed by a strategic HR survey management unit.
- **HRBP capabilities.** The single point of failure in organizations is not the people analytics team, it's the HRBP who struggles to leverage data and people analytics insights to make change happen. HRBPs should be taught to read, understand, and

communicate data as information for this to be solved.

By gathering and assessing data in this way, HR will be able to ace analytics and it will have its own place between the different HR Centers of Excellence.

10. Purpose-driven organizations

Wrapping up our HR trends with one that is about purpose. Though working from home seems to be here to stay, many employers fear a flag in productivity and commitment as the trend continues. According to [PwC](#), 79% of business leaders believe that purpose is the key to success. The purpose-driven organization may be the remedy for many of the challenges of motivation that home workers will increasingly face.

These kinds of companies bring their purpose to the core of their organization. This means that decisions, conversations, and behavior across all levels need to be integrated with that purpose.

A great example is Barry-Wehmiller, a global supplier of manufacturing technology and services, led by Bob Chapman. The company's guiding principles of leadership are "we measure success by the way we touch the lives of others". From a people perspective, the company focuses on learning, listening, empathy building, and actively works to create a service mindset for its team members.

Other interventions include value-based recruitment. Organizations that do this, assess to what degree candidate's values align with organizational values.

These values are then continuously emphasized. This happens through exemplary behavior by leaders, through HR practices like leadership development, employee training, and performance management, and they should be integrated in meetings and

company events. The HR professional plays a role in integrating these practices and in continuously reinforcing them.