



Looking Ahead: Top 3 Trends Impacting Employers Today



Employees generally want to provide high-value, meaningful work, and when organizations create the right conditions for their people to do so — to thrive — it results in a productive and successful work environment. To ensure the right conditions are in place, it's important for organizations to understand how major socioeconomic, geopolitical, and demographic forces impact their business and employees, today and in the future. And combining that understanding with best-in-class human capital management (HCM) and workforce management solutions leads to an optimized people experience and better business outcomes.

2020 and the ensuing months have been challenging, but they've also provided the rare opportunity to reevaluate outdated family-work policies; diversity, inclusion, equity, and belonging (DIEB) initiatives; and more. The COVID-19 pandemic underscored the importance of human intellect and innovation in people management, and executive buy-in is at an all-time high as chief human resources officers (CHROs) continue to lead the recovery response, support inclusive and responsive cultures, and fuel both corporate responsibility and overall growth strategies.

As a nation, we've internalized the fact that flexibility at work is both acceptable and desirable. We've seen increased trust and willingness to let people work when, how, and where they work best. People are sharing more of their authentic selves than ever — their homes, their families, their fears. And, despite sweeping layoffs in countless industries, 60% of people said companies have been more reliable than governments in keeping their countries running during the coronavirus pandemic,¹ reinforcing the trend of people putting their faith in employers in times of uncertainty.

Organizations are investing heavily in building empathetic, humane workplaces and putting people back at the center of what they do. Let's take a look at three trends impacting employers and how you can create a people-centric culture by proactively addressing them.

People before profits: greater commitment to CSR

To truly succeed in the new world of work, organizations will need to honestly evaluate how they interact with society and embed social-impact agendas into their corporate identity and mission.

This trend has been building for years. A 2019 Deloitte survey revealed that 93% of business leaders believed they were “stewards of society” and 95% were planning to devote substantial resources to socially responsible initiatives in 2020.² The survey also showed that more than half of respondents were already devoting between 1% and 5% of their revenues to programs with a purpose, and two-thirds planned to increase their budgets for these programs in 2020 and 2021 (though, with the realities of the past year, many were unable to meet these targets).³

In 2020, economic, social, and political upheaval thrust organizations into the driver's seat of social change. Faced with the realities of economic uncertainty and undeniable racial injustice, business leaders realized consumers and employees were no longer satisfied with platitudes; they wanted action, they wanted progress, and they were holding companies liable when their stated values and actions didn't align.

Walkouts and leaked employee letters at leading corporations proved that many employees feel comfortable publicly supporting or criticizing their employers' actions when it comes to controversial social issues. And while 90% of consumers would purchase a product because the company supported an issue they cared about, 75% would *refuse* to buy products from organizations that went against their core values.⁴

As a result, employers understand that investing in their workers and their communities is crucial to staying successful in the long term. Good corporate citizenship impacts everything from marketing and sales to employer brand and retention, but it requires a shift from a short-term focus on shareholder profits to considering the long-term impacts on all stakeholders.

This means that conscious capitalism and **corporate social responsibility (CSR)** — guided by a higher purpose, stakeholder orientation, conscious leadership, and conscious culture — are no longer optional. Looking forward, organizations will also need to evolve the scope of their initiatives; for example, rather than organizing single-day volunteer events to build houses or serve meals, leaders should be investing in long-term programs designed to address underlying systemic issues like generational poverty, affordable housing, and hunger.

The fact that business and society are intricately linked has been emphasized since events of 2020. While the prospect of confronting controversial and complicated issues like climate change, racism, and political activism is daunting, businesses must play a leading role in making a difference if meaningful change is to occur.

Not sure where to start? Start with your people. Investing in the long-term success of employees, such as through training and reskilling opportunities to prepare for role changes due to automation, or by providing comfortable living wages, is the first step to tackle on the road to putting people before profits.

Just as organizations' responses to the Great Recession impacted their employer brand for years, people will remember the companies that stepped up to lead progress in 2020.

What you can do:

- Align your values with your actions — employees and consumers will hold you accountable if the two are not in accord
- Don't just make statements about the issues affecting society; take the necessary step further and make significant, ongoing budget investments that address the issues in the long term⁵
- Shift focus from *shareholders* to *all stakeholders*, including employees, communities, and suppliers⁶
- Address and take action on internal social issues like DIB, and learning and development⁷
- Empower employees to make a real difference in their communities by leading charitable giving campaigns
- Take care of your people by helping leaders build a safe, connected, and resilient workforce through workforce continuity efforts

Life-work synergy: focus on employees' lives

When organizations announced their work-from-home orders in March 2020, many employees met the change with excitement and the hope that, without a commute or school drop-offs to contend with, attaining the elusive “work-life balance” would be easier for those “several weeks.”

But as months passed amid an unsteady economic climate, there seemed to be an almost counterintuitive impact on those fortunate enough to retain their jobs and work from the safety of their homes.

Work became omnipresent as physical separation between work and life was lost. Kitchen tables and bedrooms became offices; kids became coworkers; Zoom became the hangout of choice for work, family, and friends.

These unusual circumstances highlighted the fallacy of seeking some impossible equilibrium of work-life balance. In the age of email-enabled smartphones, work and life are rarely truly separate domains, even under normal circumstances. Yet terms like “work-life integration,” indicating no boundaries between the two, isn’t ideal either.

Work-life negotiation leads to life-work synergy

Instead, organizations should support “work-life *negotiation*,” where employees have the freedom to intentionally and flexibly negotiate the various roles they play in their lives. This negotiation is, by design, highly personalized and based on current circumstances and life experiences. For example, in order to complete a high-priority work project, an employee may work extra hours for several weeks; then, once their deadline is met and their workload decreases, take several days of paid time off to recuperate.

Work-life negotiation requires a high level of trust: managers must trust their people to manage their time efficiently, and employees must trust their employers to reward production and organizational impact more than butt-in-seat (or green-light-on-chat-app) “facetime.”

When successful, the result is life-work synergy, which completely reimagines the relationship between employers and their employees. In true life-work synergy, people feel supported through a variety of traditional value currencies — such as compensation and benefits — and feel welcomed and celebrated as their whole selves. Finally, life-work synergy requires employers to take a vested interest in supporting their employees in all areas of their lives and help them to flexibly negotiate these needs.

As many organizations prepare for a hybrid workforce and others seek innovative ways to give on-site workers increased autonomy and flexibility, we’ll continue to see unique iterations of what life-work synergy can look like. With increased hiring pools and employees demanding more from their organizations than ever before, employers and HR teams will need to focus on creating mutually beneficial relationships for their people based on trust, purpose, and longevity.

What you can do:

- Provide resources to support your people's mental, physical, and even financial health; the more supported they feel, the better they will perform at their job⁸
- Adopt a work-life negotiation approach that gives employees “freedom to intentionally and flexibly negotiate the various roles they play in their lives”⁹
- Humanize work by embracing and celebrating your people for who they are — actively listen to and connect with them, and encourage them to bring their whole selves to work¹⁰
- Give shift workers the autonomy to switch shifts with their colleagues without needing manager approval
- Provide a flexible workplace that lends itself to positive people experiences and empower your people to succeed as their work selves *and* their home selves; extend flexibility beyond *where* your people work to *when* they work — focus on output instead of hours worked¹¹

The rebirth of HR

Despite the proliferation of savvy, effective, data-driven HR teams actively reimagining everything from performance management to corporate culture, a 2019 KPMG study found that three in five HR executives believed that the HR function was rapidly becoming irrelevant and that HR desperately needed to modernize its approach to avoid becoming automated.¹²

2020 elevated the HR function, proved its relevance, and gave leaders the opportunity to modernize. Today, CEOs are leaning on CHROs and chief people officers to lead the pandemic and return-to-work response, shape growth strategy, and keep employees engaged and productive while reconfiguring workflows, redeploying talent, and upskilling staff.

Indeed, business leaders realize that strong HR teams are a top competitive advantage for companies in every sector. No other field combines the powerful skills of process champions (workforce continuity, automating processes, compliance) and people scientists (understanding, predicting, and responding to and/or changing human behavior). Yet, to fully realize its potential, HR must change its nature and language. Rather than treating people like “human capital” and “measuring performance,” leaders must treat people as *people* and support their passions, contributions, and potential. We must rethink what it means to be “qualified,” challenge the status quo, and find ways to be fair and equitable in a world where there is no equal footing nor one-size-fits-all handbook.

Strong HR teams are a **top competitive advantage** for companies in every sector.

As technology continues to automate manual processes, HR has the opportunity to focus primarily on serving and enabling their people through meaningful strategic initiatives like well-being and long-term growth and development. It's time to think differently about people, about their relationships, and about their impact on organizations, and ensure we're creating the right conditions that allow our people to thrive.

Consider, for example, a 2020 McKinsey & Company study designed to evaluate employee well-being and work effectiveness during COVID-19. Ten employee experience elements accounted for approximately 60% of the differences in outcomes; in addition to basic human needs, such as safety and security, the key drivers observed were **trusting relationships**, **social cohesion**, and **individual purpose**.¹³ If HR doesn't prioritize enabling these drivers across every level of the organization, who will? And who really stands to lose the most if they don't?

Today's employees desire — and deserve — much more out of work than a paycheck. HR departments, armed with innovative workplace technologies and a renewed focus on supporting people, have never been more empowered to shift from a *transactional* to a *transformational* employer-employee relationship.

The result? A diverse, engaged, and empowered workforce that's agile, flexible, and responsive to changing business demands.

If 2020 has taught us anything, it's that we need more of *that*.

What you can do:

- Embrace the evolution of HR, whether in its nature or language — the field is continually evolving to meet the changing needs of employees¹⁴
- Invest in online tools designed to manage HR's workload by empowering employee self-service
- Lead the charge to ensure your employees are treated more like people and less like resources; empower them with programs that enhance their well-being and growth¹⁵
- Keep an eye on employee sentiment and make changes based on feedback
- Implement HR technology that shifts the employee-employer relationship from *transactional* to *transformational*, such as solutions that improve mental health and monitor employee sentiment¹⁶



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