

TALENT LEADERS PULSE REPORT 2021



Produced in partnership by





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COVID-19 has harpooned us into the future of work, asking fundamental questions of where, by whom and how work gets done. As the initial forced dislocation of the workforce from the workplace, upended working norms, the great remote experiment has by and large worked for employers and employees during a time of crisis, but the longer-term impact of this is yet to be fully realised. With an end in sight, the on-going impact of COVID-19 on the world of work is asking big questions of employers and HR leaders, now that we have options of where, by whom and how we work on the horizon. This is a critical time in the history of work, where we can leverage this transformation to create a better working world, for the generation to come.

As we assess the impact of this last year, we need to reclaim what we have lost and hold on to what we have gained throughout the pandemic. As work has become deeply individualised, the fundamental psychological contract of work has shifted from that of employee experience to human experience (HX), merging social, mental and physical wellbeing with deeper human connection. Employee wellbeing, social connectivity and employee experience ranked as the top challenges for organisations in the last year, compounding the necessity of HX. As we now have choice in where and how we work, we are on the cusp of a second wave of transformation as we reconnect our workforce. The re-architecture of work itself needs to start with the individual HX, with deep consideration given to sustainable patterns of work. Regardless of where we choose to work, the key pillars of organisation transformation for HX will propel or stagnate this unique opportunity we are presented with to create better work. As we look towards new working norms, we need to consider; how we sustain knowledge sharing & communication, social capital, collaboration, distributed performance; how culture is experienced; and regulation as restrictions lift. We are now presented with an opportunity to re-work a better working world as we re-architect the next generation of work. What's next, starts now!

Robert





Laura Phelan
Director, Aon Human Capital Solutions Ireland

The “future of work” has been the topic of many conversations and debates over the past number of years. However, oftentimes, the concept was nebulous, intangible, hard to define and without a delivery date. The COVID-19 pandemic has caused the biggest catalyst to workforce change in the shortest amount of time in recent history and the results of this Talent Leaders Pulse survey are clearly indicating that employers believe that many of these changes are here to stay.

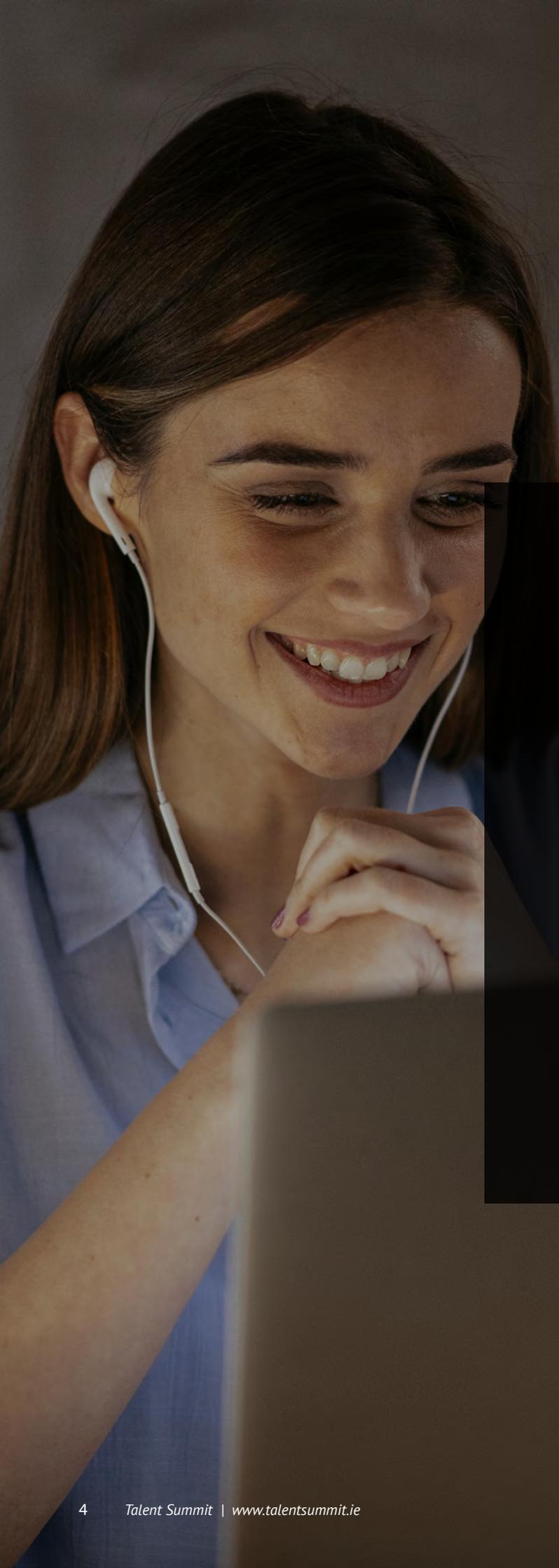
91% of employers report that they expect work practices to change. HR leaders recognise that the skills and behaviours required to work productively and lead impactfully in a remote/hybrid/distributed workforce are different. With an expanded permanent workforce working primarily in a remote or hybrid working model, not only will work practices need to change, the articulation and visibility of the organisational identity, culture and leadership values will also need to adapt to better meet the changing needs of the workforce.

HR leaders are also saying that sustaining the momentum of the change and creating workforce agility are some of the key challenges for the year ahead. Sustainability, agility and resilience at an organisational and individual level have been identified as priority issues in organisations as conversations have moved from the topic of productivity to that of sustainability. HR leaders recognise that offering flexible working patterns and health and wellbeing supports are critical to manage a sustainable transition to hybrid working becoming the new reality.

There is no doubt that building a resilient and agile workforce is the future of work and the future is now.

Laura



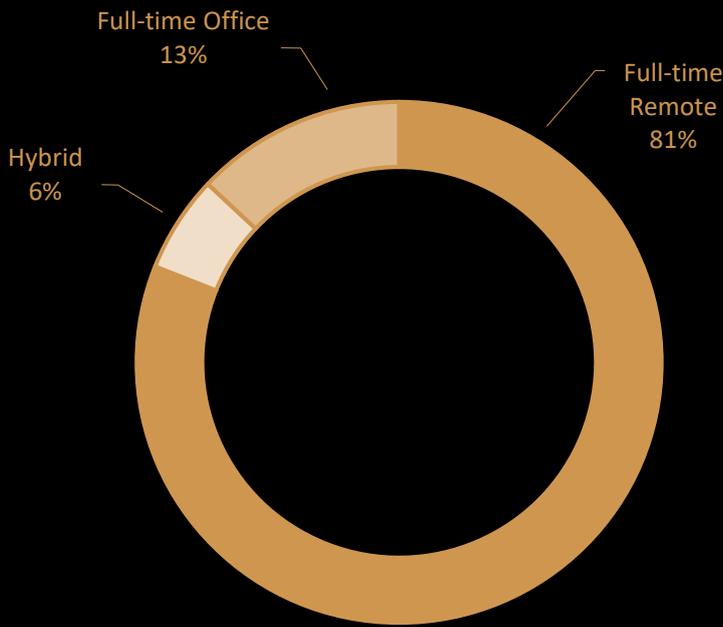


WORKPLACE

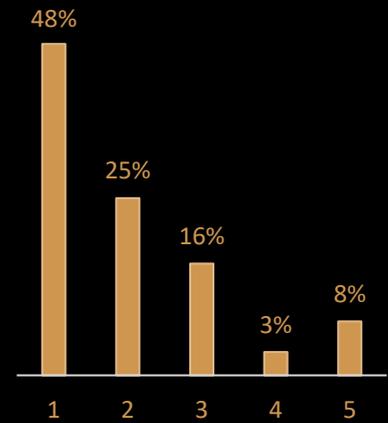
With **81%** of the Irish workforce currently working full-time remote and **13%** full time in the office, just **6%** are currently working a hybrid of the two. This hybrid workforce is expected to jump from **6%** today to **37%** as COVID-19 restrictions lift.

The question of workplace has polarised views since the outbreak of COVID-19 and the question here is whether we have walked through a one-way door or whether we revert to type over the coming months? Many companies have publicly committed to a fully distributed work model and others have declared that their people are better together than apart, but the vast majority anticipate a hybrid model with a hub and spoke approach.

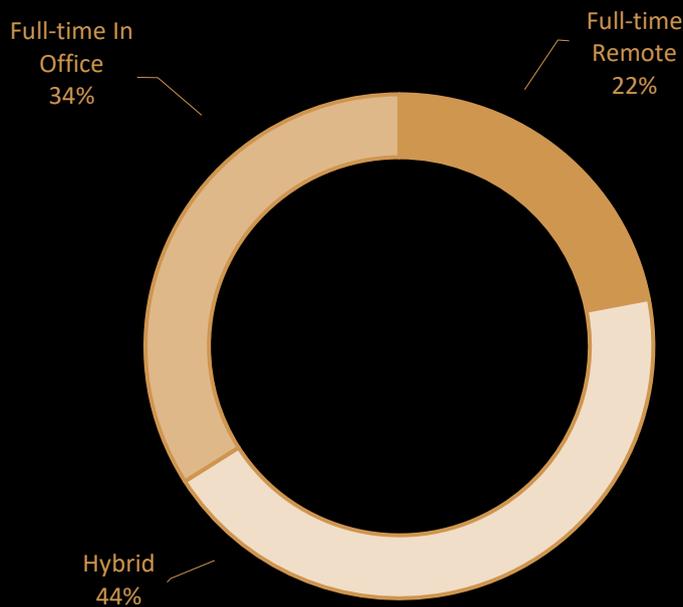
Current Workplace



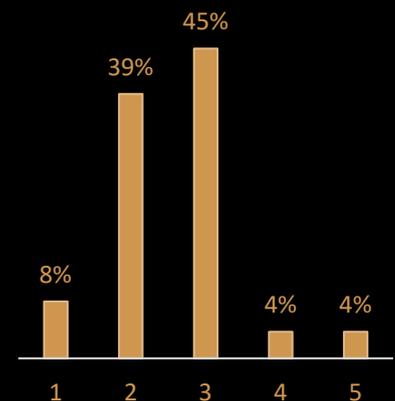
Days in Office



Post Pandemic Workplace



Days in Office



Relocation

7% of the workforce relocated to work from a different country.

30% of these workers are expected to return to their original working country post COVID-19.

Office Space

40% of those surveyed expect a reduction in office space this year.

WORK PRACTICES

Designing equitable hybrid workplaces ranks as the fourth highest priority for HR leaders this year. Distributed work requires considered patterns of work as we shift from remote first to hybrid/remote inclusive or fully distributed as restrictions lift.

92% of employers expect work practices to alter post COVID. 48% of employers anticipate becoming a “remote first” workplace, adopting nonlinear workdays, virtual first meetings and location agnostic collaboration practices. This trend is mirrored in HR leaders listing “sustaining the momentum of change” as the main challenge for the year ahead.

How we plan for this transformation and place HX at its core will ultimately determine how we impact working lives of our people.



Key Pillars of HX Organisation Transformation

1. Communication & Knowledge Sharing

As most of our workforce return to the office full-time or part-time, how we share information and communicate will shape equity amongst the workforce. With **50%** not expecting to adopt “virtual first” and with an expected **72%** returning to the office in some capacity, there is a risk of a segregated workforce. Furthermore, the workplace of senior leadership will influence the natural tendency for people to follow suit, and if that is in the office, there is a risk of in-office workers accumulating “managerial capital” over the remote workforce. This in turn runs the risk of higher in-office promotion rates and other unintentional in-office biases.

63% of respondents rate HR leadership as being very or extremely effective at enabling communication and knowledge sharing within their reorganisations since COVID-19.

Designing equitable hybrid work practices ranks as the third highest strategic challenge for HR leadership.

2. Distributed Performance

The freedom of remote work comes with the increased personal responsibility of self-directed work. Equally, the balance of how micro or macro an employer manages performance has a significant bearing on the sustainability of the rate of work, fulfilment, challenge and viability of a distributed workforce. Social and mental wellbeing is key to sustaining high performance and to adopt a sporting adage “person first, player second” seems apt given this context.

Employers rated self-direction/initiative as the most sought-after soft skill for remote work this year.

57% of employers said that productivity has decreased or stagnated since the pandemic began

3. Social Capital

Reconnecting our distributed workforce for new ways of working is a significant challenge for HR leadership. What happens between us is social capital and is what matters most. The serendipity of water cooler moments is lost amongst a distributed workforce and designing these moments to create bonds, trust and friendship needs deep consideration. In visualising social capital as the cement that binds each individual block of human capital in our organisation, what ingredients do we need to strengthen the bond for new working structures?

Social connectivity ranked as the second main challenge for HR since the pandemic began.

Key Pillars of HX Organisation Transformation

4. How Culture is Experienced

The individualisation of work has changed how culture is experienced by our workforce. In the absence of a collective environment, culture has been experienced through the expression of values. The organisational values that “showed up” when needed most by our people will determine how culture was experienced throughout the pandemic. In a distributed setting, culture is more about ideology than place and storytelling plays a key role in affecting what we believe, how we think and act (hearts, heads and hands). Reflecting what our people value in the society in which we exist, creates a deeper sense of belonging and social wellbeing, a key part of HX.

49% of HR leaders believe they were very or extremely effective at sustaining culture and social capital within their organisations since COVID-19.

5. Collaboration

Collaboration often requires high touch engagement and considering this from a HX perspective in a distributed world requires localised patterns for individualised work. Clarity and alignment of location agnostic work practice are key, down to minute understanding of collaborators availability, patterns of work and communication tools. This in turn must be amplified at team level, with clear indicators to establish collaboration SLAs of sorts. Respecting the diversity of working times and patterns is key to avoiding “virtualteeism” and strict “right to disconnect” protocol.

47% of employers ranked as being very or extremely effective at adopting location agnostic collaboration amongst their workforce.

Virtual collaboration also ranked as one of the most sought-after skills for remote work.

6. Regulation

Governance of data controls, regulation and tax compliance are other considerations for employers when balancing the distribution of work.



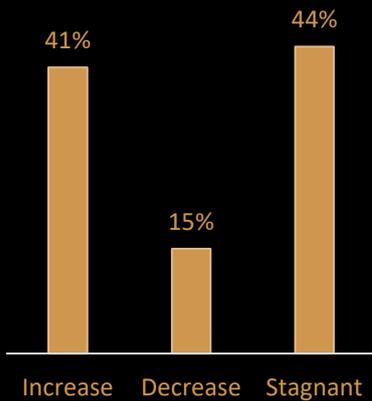
WORKFORCE

COVID-19 has accelerated tech enabled transformation at a rate never seen before due to necessity and opportunity. 76% of employers invested in automation in the last year, altering 20% of employees' daily tasks and resulting in the redeployment of 38% of workers next year. Sustaining this rate of transformation ranks as the top strategic challenge for HR leaders and surveying the impact of this transformation on the workforce tells an unexpected story. 21% of HR leaders anticipate technology will displace jobs over the coming year, while 66% expect technology to create new jobs.

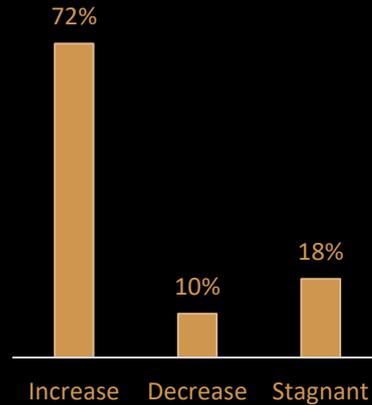
The Evolving Talent Supply Chain - Buy Build Borrow Bot

72% of employers stated that their overall headcount will increase over the next 12 months by an average of 14%. The rate of growth in the flexi workforce has contracted throughout the pandemic with 83% of the workforce now made up of permanent employees, compared with 79% in 2020 and 82% in 2019.

Change in headcount since COVID-19



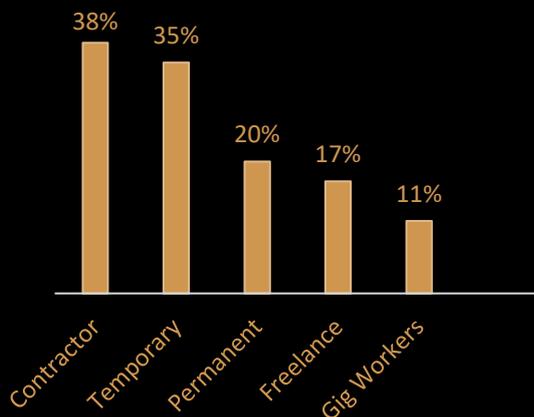
Change in headcount post COVID-19



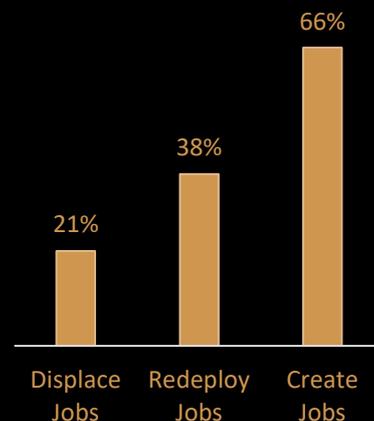
This mirrors the trends of previous recessions and we typically see the flex workforce rally as markets recover.

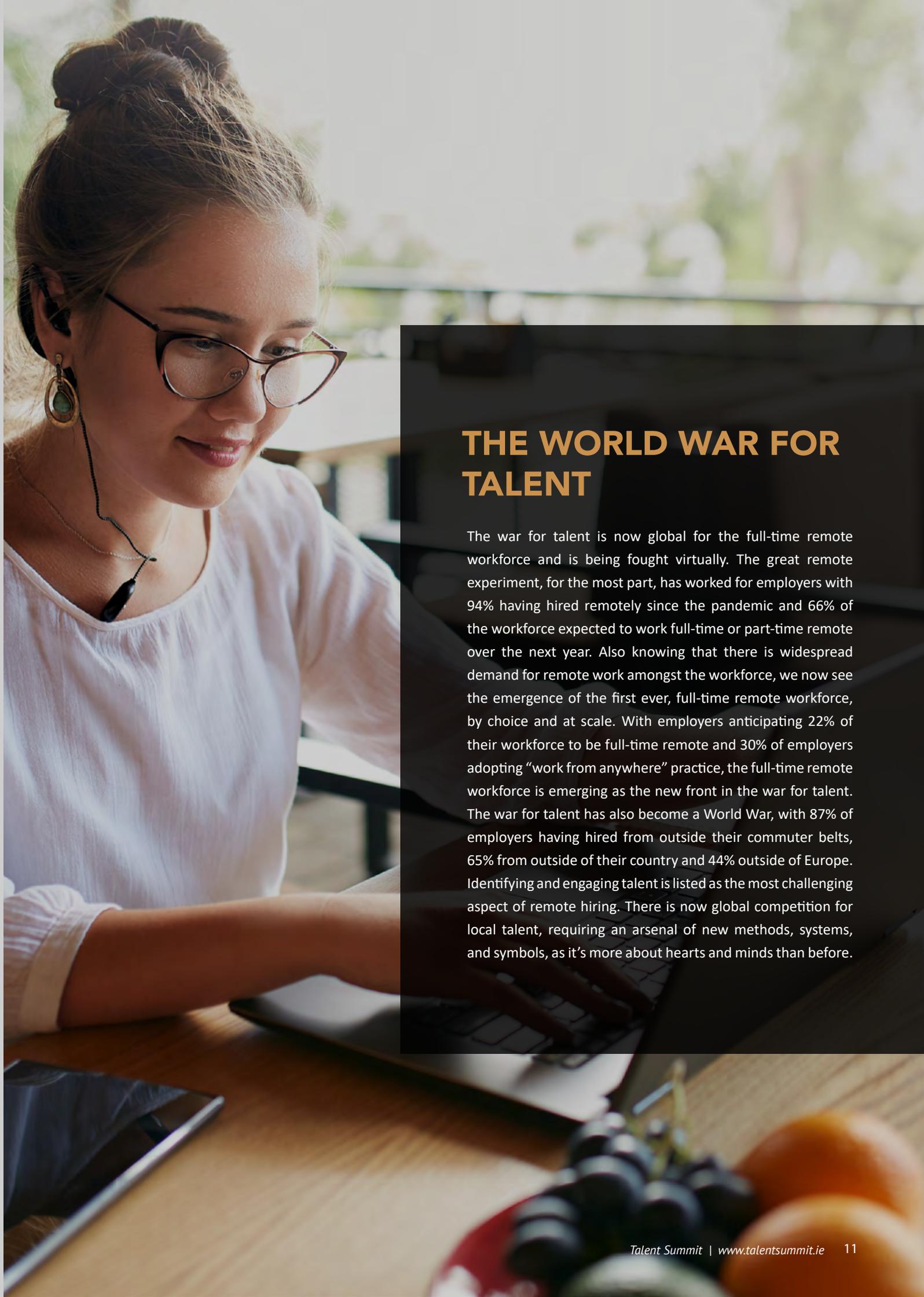
Workforce Make-Up	Flexi	Perm
2018	14%	86%
2019	18%	82%
2020	21%	79%
2021	16%	84%

Anticipated increase in headcount over the next 12 months



Impact of technology on total workforce





THE WORLD WAR FOR TALENT

The war for talent is now global for the full-time remote workforce and is being fought virtually. The great remote experiment, for the most part, has worked for employers with 94% having hired remotely since the pandemic and 66% of the workforce expected to work full-time or part-time remote over the next year. Also knowing that there is widespread demand for remote work amongst the workforce, we now see the emergence of the first ever, full-time remote workforce, by choice and at scale. With employers anticipating 22% of their workforce to be full-time remote and 30% of employers adopting “work from anywhere” practice, the full-time remote workforce is emerging as the new front in the war for talent. The war for talent has also become a World War, with 87% of employers having hired from outside their commuter belts, 65% from outside of their country and 44% outside of Europe. Identifying and engaging talent is listed as the most challenging aspect of remote hiring. There is now global competition for local talent, requiring an arsenal of new methods, systems, and symbols, as it’s more about hearts and minds than before.

KEY FINDINGS

22% of the workforce is expected to work fulltime remote.

30% adopting work from anywhere practices.

86% of employers hired from outside their commuter belt.

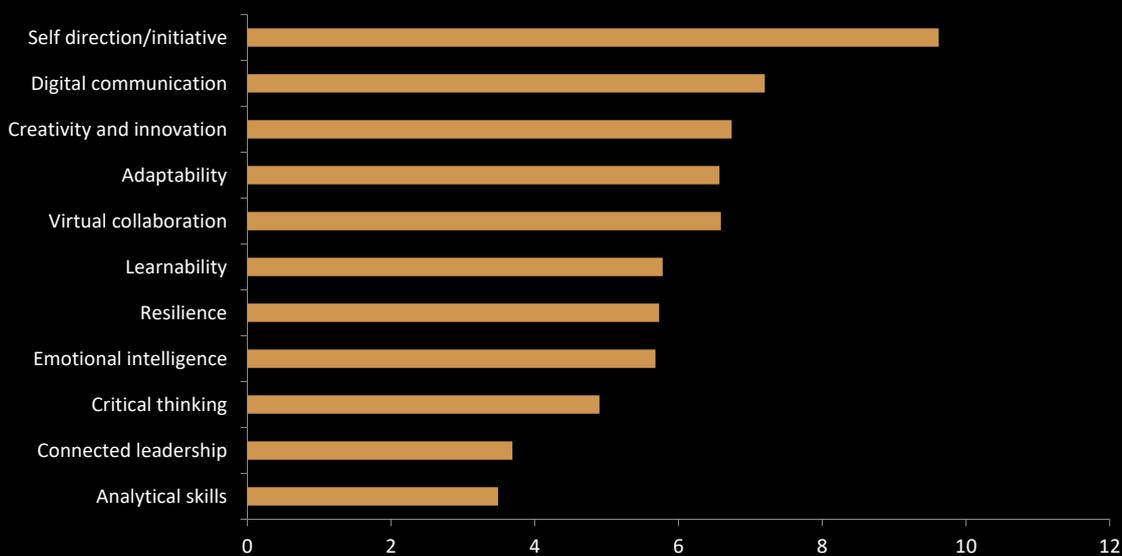
55% of employers have hired from outside their country.

43% of those who have hired from outside of their country will hire more in 2021.

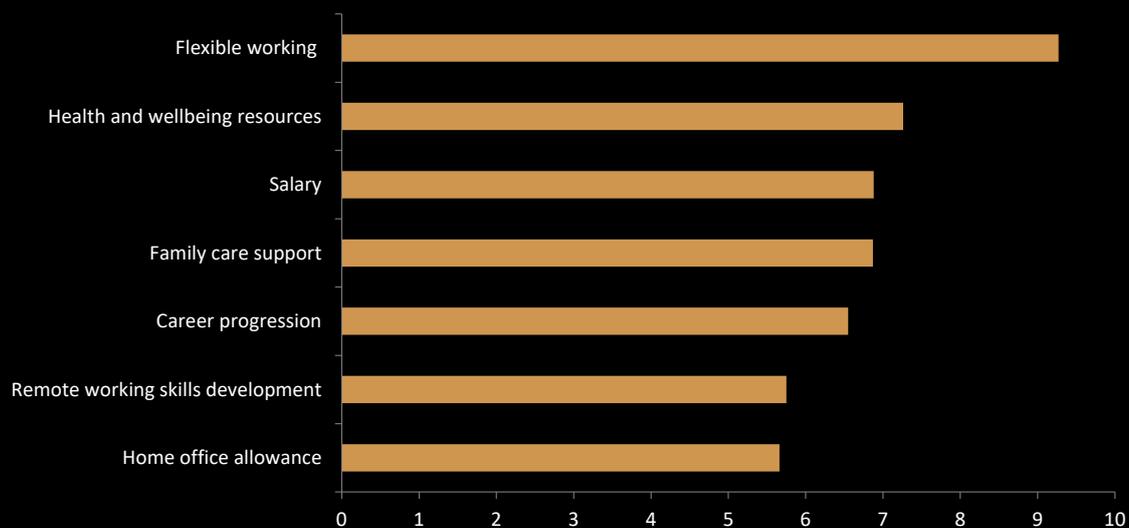
Competing for Remote Talent

The shift from forced remote to remote by choice has changed the talent landscape. When competing for this cohort of talent employers need to reconsider their employer value proposition (EVP), with HX at its core. The EVP needs to demonstrate equitable work practices, shifting from “remote friendly” to “remote inclusive” or “virtual first”. Candidates will assess how location agnostic work practices have evolved and how culture is experienced in a distributed environment. Employers’ COVID-19 story will in many ways become the employer brand of tomorrow, how the values, systems and practices enhanced the HX of employees. Sustaining remote work also requires a twist in traditional soft skills, with employers listing the following as most important.

Soft Skills Most in Demand for Remote Work



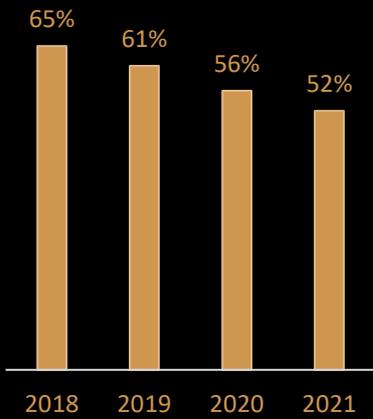
Most Effective Benefits for Remote Work



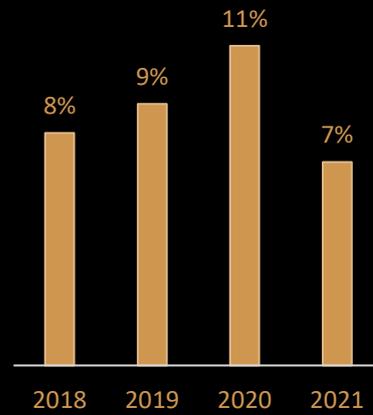
Expected Measures to Enhance HX

	Imminently	Within the next 12 months	Within the next 3 years	Not at all
We plan to offer digital health technology to empower our people's personal health	20.67%	23.33%	22.67%	33.33%
We plan to adopt a benefits portal for our people to allow access to benefits and choices in a personalised way	18.92%	16.22%	28.38%	36.49%
We plan to use a total rewards portal to provide access to total rewards information	17.33%	18.00%	22.00%	42.67%

% of employees expected to receive pay rise



Expected % increase



Salary inflation remains a challenge, albeit there was a slight easing on the number of recipients likely to receive a pay rise and a slight drop in the percentage increase of salary. 52% are expected to receive a pay rise of an average of 7%

A laptop is shown on a wooden desk, displaying a video conference with several participants. The participants are arranged in a grid on the screen. The background of the page is a blurred office setting with a chair and a desk.

The Function of HR

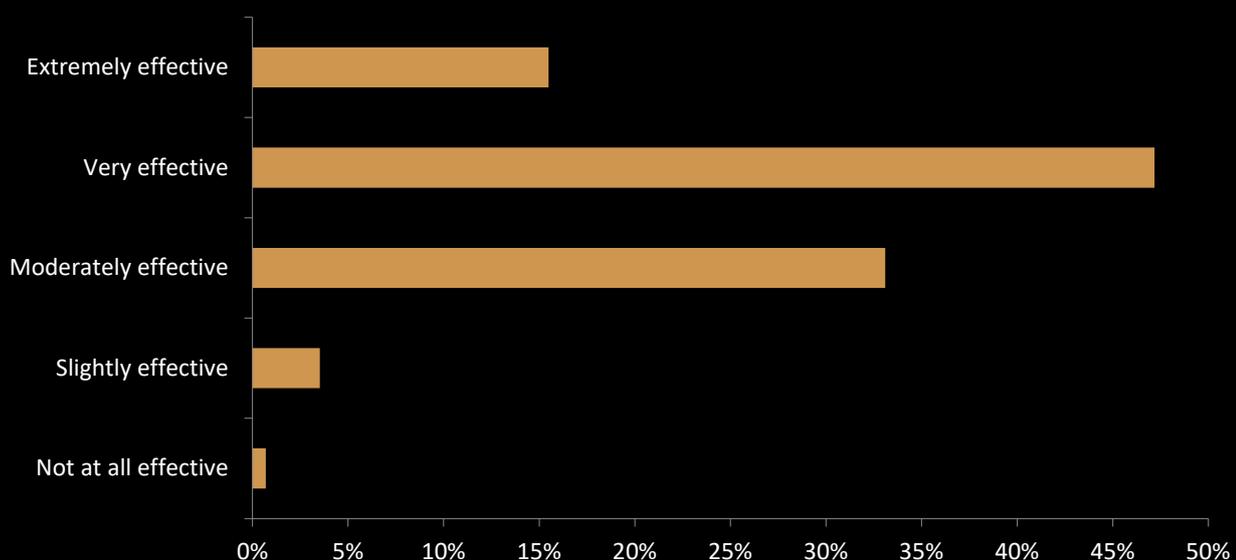
A Human Response to a Human Crisis

It has been widely accepted that HR leaders have been deeply effective in responding to the pandemic, leading out on the mobilisation, communication and wellbeing of the workforce. They have by and large provided high touch leadership in a low touch economy, creating a soft power for hard business impact. When asked how HR is viewed by employees since COVID-19, 73% said it is seen as critically important or more important than before. When asked how C-level colleagues view HR leadership, 74% said they viewed it as more important than before. There is a renewed sense of confidence beginning to emerge within the sector and when asked about HR board appointments, 42% believed it will increase as a result of COVID. This newfound impact and influence has created space for HR leaders to re-architect better work, sustaining the momentum of transformation like no other function has in recent times. This is a pivotal moment in time for HR leadership. What's next starts now.

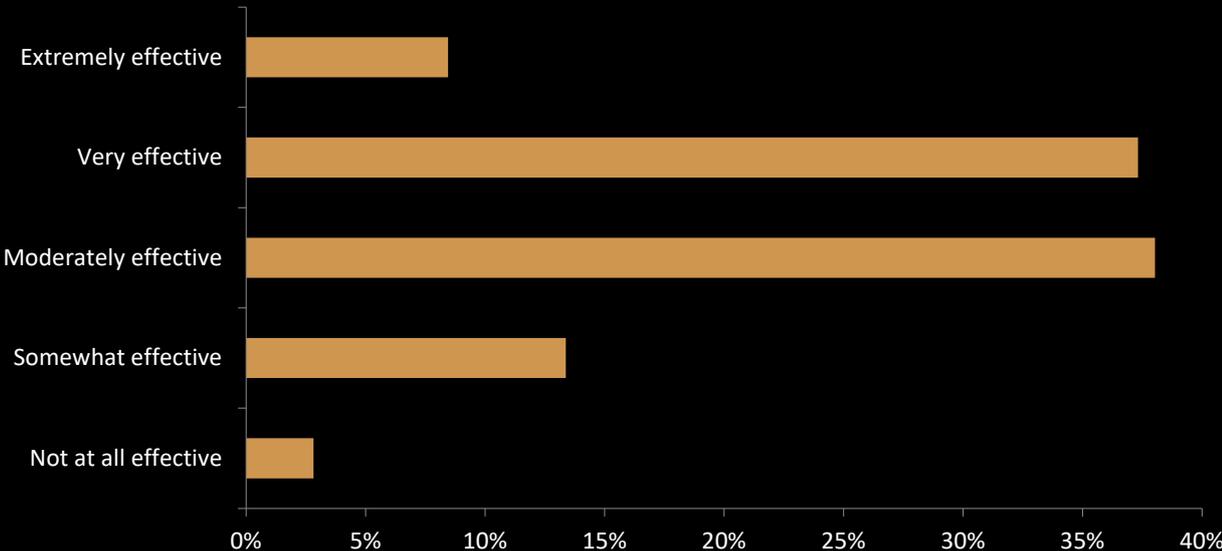
MAIN STRATEGIC CHALLENGES FOR HR LEADERSHIP

1.	Sustaining the momentum of transformation amongst the workforce post COVID-19
2.	Shifting from employee experience to human experience (integrating workers' mental, physical and social health into the design of work itself)
3.	Using technology to transform work, enhancing natural human ways of working
4.	Designing equitable hybrid work practices (for remote and in-office workers)
5.	Social leadership (reflecting employee social values inside and outside the organisation)
6.	Sustaining a distributed organisational culture
7.	Driving growth in market share
8.	Sustaining peer confidence in HR's ability to lead the re-architecture of work

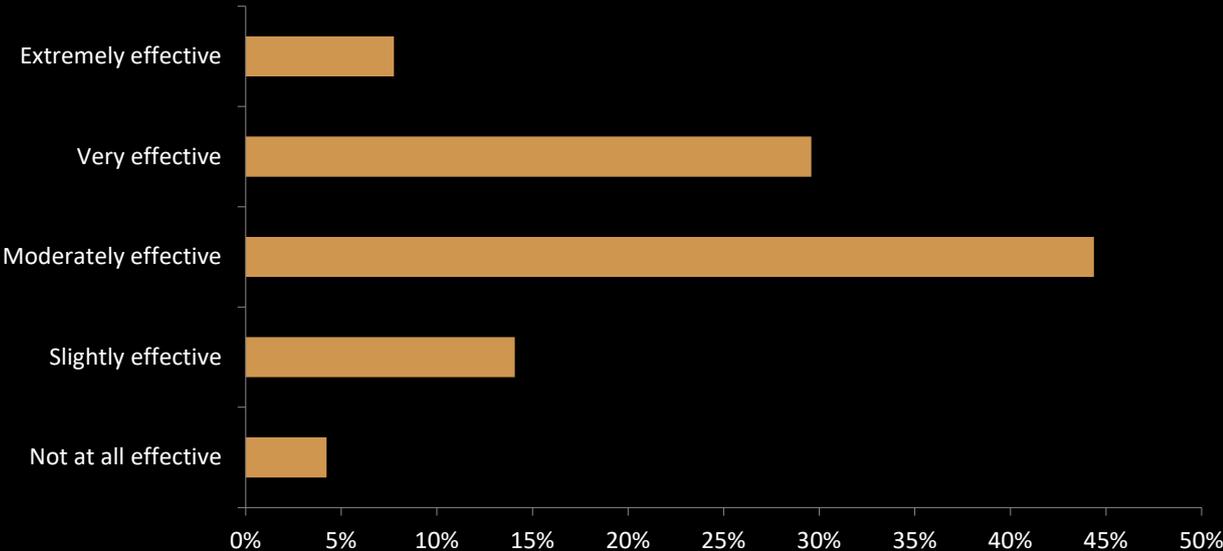
How effective do you think your HR leadership has been at enabling communication and knowledge sharing within your organisation since COVID-19?



How effective do you think your HR leadership has been at sustaining culture and social capital within your organisation since COVID-19?



How effective do you think your HR leadership has been at providing social leadership (DE&I, citizenship, CSR etc.) within your organisation since COVID-19?



About the survey

The largest survey of its kind, 253 talent leaders from across Ireland took part in the survey in February 2021, which focused on key talent themes and priorities for the year ahead. The respondents comprised of senior executives responsible for talent decision making within their respective organisations, ranging from CHRO's, CEO's, HR Directors to Heads of HR functions such as L&D, Recruitment, Organisational Development and Performance Management.

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