Gartner for HR

Future of Work Trends Post-COVID-19

Long-Term Impact & Actions for HR
9 Future of Work Trends Post-COVID-19

What are the long-term implications of the coronavirus pandemic on the HR function and work?

Accelerated Trends

• More employees working remotely
• Increased use of employee data
• Greater role of the employer as a social safety net
• Wider use of contingent workers

New Impacts

• Critical skills are no longer synonymous with roles
• Some employees find work more humanizing in the crisis; others find it dehumanizing
• Crisis response distinguishes top-tier employer brands

Pendulum Swings

• Organizations prioritize resilience as much as efficiency
• Crisis adds to organizational complexity, straining design, culture and value proposition
Remote work

What’s happening?
Nearly half of employees will work remotely at least some of the time.

<table>
<thead>
<tr>
<th></th>
<th>Pre-Pandemic</th>
<th>Post-Pandemic</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percent of employees</td>
<td>30%</td>
<td>48%</td>
</tr>
</tbody>
</table>

HR actions

- **Critical skills and competencies**: Identify new skills that enable effective remote work, including greater digital dexterity.
- **Current and future leadership**: Adapt management styles to fit remote team needs.
- **Employee experience**: Create new “employee journey maps” for the remote world, provide flexible work options, rethink experience for a remote/mixed workforce.
- **Performance management**: Ask whether and how employee evaluation and goals need to change for remote setups.
- **Recruiting**: Seek new skills, potentially in new locations, and meet applicants’ expectations for remote work options.

Turbocharge with analytics: Compare talent/skill needs within current footprint and beyond to optimize talent location strategy.

Tool to get started:
Learn 9 Tips for Managing Remote Employees

Accelerated Trends
Employee data

What’s happening?
Remote work increases passive data collection. Health and safety protocols may require new explicit data collection.

HR actions
- HR technology strategy and management: Improve data storage, management, analysis. Accelerate policy formulation over ethical and legal data use by organization and third parties.
- Performance management: Determine influence of data in evaluating productivity and performance evaluations, ratings, rewards.
- Talent analytics: Leverage continuous sentiment tracking to monitor culture/engagement across an increasingly dispersed workforce. Drive ethical data collection/use by the organization.

Tool to get started:
Do’s and Don’ts of Using Employee Data

Already 16% of employers report passive employee data collection, including:

- Virtual logging/clocking in and out
- Computer/phone use
- Email/internal communication/chat
- Location or movement

16%

n = 413 HR leaders
Source: Gartner COVID-19 Crisis Benchmarking Against Your Peers Webinar Poll (2 April 2020)
Employer as social safety net

What's happening?
Societal role of employers has grown, including above-market minimum wage, increased parental leave and push for gender equality.

HR actions
- **Employee experience**: Expand the bounds of employee experience, especially to account for personal factors, such as family responsibilities.
- **HR function strategy and management**: Consider having a chief well-being officer/chief mental health officer or other C-suite role to advocate for the pandemic-changed needs of employees.
- **Total rewards**: Tackle new compensation challenges, e.g., maintaining compensation for employees unable to work remotely. Advocate for physical and mental well-being benefits.

- **1954**
  - First employer matching gift program

- **2004**
  - 39% of employers offer adoption assistance

- **2017**
  - Tech companies fight Trump immigration order in court

- **2018**
  - 61% of companies offer financial well-being programs

- **2020**
  - Technology companies double down on family leave to improve recruiting and diversity
  - Employers establish talent sharing arrangements to reduce the impact of layoffs and furloughs

Source: Gartner
Contingent workers

What’s happening?
Employers use contingent workers to reduce costs and augment staff.

<table>
<thead>
<tr>
<th>Percentage</th>
<th>Description</th>
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<tbody>
<tr>
<td>32%</td>
<td>Employer replacing FTEs with contingent workers as a cost saving effort</td>
</tr>
<tr>
<td>12%</td>
<td>Employer using contingent workers to fill labor shortages due to illness</td>
</tr>
</tbody>
</table>

n = 4,535 employees, 39 HR leaders

HR actions

- Critical skills and competencies: Create gig work development plans to onboard and upskill contingent workers.
- Future of work: Formalize HR processes and management for nontraditional employment models.
- Performance management: Design systems to evaluate gig workers and include them in team processes.

Total rewards: Determine whether contingent workers will be eligible for the same benefits as full-time peers. Stay alert to a possible culture of “haves” and “have-nots.”

Turbocharge with analytics: Identify shifts in demand/supply for temporary and contract workers. Track which companies are increasing demand and in what locations.

Tool to get started:
Gig Economy FAQs for Talent Analytics Leaders
**Critical skills**

**What’s happening?**

Organizations redefine criticality — the skills needed to meet strategic goals. Those skills will no longer equate with roles.

**HR actions**

- **Critical skills and competencies:** Motivate employees to develop critical skills that multiply their options; don’t just prepare them for a specific next role.

- **Current and future leadership:** Reevaluate which roles need succession plans and bolster the development paths for potential successors.

- **Future of work:** Reengineer workforce planning to focus on critical skills versus critical roles.

**New Impacts**

- **Talent mobility:** Provide greater career development support to employees in critical roles who lack critical skills.

- **Turbocharge with analytics:** Use external talent intelligence to analyze trends in skill evolution and talent profiles.

- **Tool to get started:** Address Critical Skill Gaps With Labor Market Data Insights
(De)Humanizing work

What’s happening?

Juggling the need for empathy and productivity raises the question: What is too much to ask of employees?

HR actions

☐ **Current and future leadership**: Ensure that leaders develop emotional intelligence and other soft skills. Help employees navigate expectations as you balance empathy and performance requirements.

☐ **Diversity and inclusion**: Fortify your culture of inclusiveness. Engage workers assigned to tasks or projects in the team culture.

☐ **Employee experience**: Take a holistic view of employee experience, supported by cross-organization partnerships.

☐ **Total rewards**: Make benefits highly relevant to employees. A market focus or “one-size fits all” approach may no longer work.

NEW IMPACTS

Tool to get started:

- Improve the Employee Experience

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NEW IMPACTS

Tool to get started:

- Improve the Employee Experience
Top-tier employer brands

What’s happening?
Talent decisions made now will define employer brands for years to come. Organizations demonstrating their commitment to employees now will be viewed as top-tier employers.

HR actions
- Future of work: Partner with other organizations to redeploy employees displaced from their jobs by COVID-19.
- Recruiting: Prepare to articulate the “why and how” of your organization’s decisions in response to the pandemic.
- Total rewards: Urge your organization to balance immediate financial concerns with the long-term impact on employer brand. Communicate to employees how you are supporting them despite cost-saving measures.
- Working with the CEO/board/C-suite: Help your CEO and board understand the lasting impact of workforce decisions.

Turbocharge with analytics: Benchmark your tech talent attraction strategy against key talent segment competitors to measure employment branding, job offer competitiveness and candidate experience.

Tool to get started: Strengthen Your Employee Value Proposition
Organizational resilience

What’s happening?
Prior to the COVID-19 crisis, the majority of organizational redesigns were focused on increasing efficiency. The pandemic shows the need for resilience.

Lean operations created limited flexibility during the pandemic

Process breaks down because of disruption

Source: Gartner

HR actions

- **Critical skills and competencies**: Evolve modeling of skill needs to quickly course correct as conditions change.
- **Diversity and inclusion**: Incorporate D&I into role design; create flexible work systems to ensure you consider employees of all backgrounds and needs.
- **Organization design and change management**: Design roles, structures and processes around outcomes rather than tasks to increase responsiveness and flexibility.
- **Talent analytics**: Collect data to support resourcing decisions and define the minimum critical inputs for deciding when to change or flex a process.

- **Talent mobility**: Provide employees with more varied, adaptive, flexible careers so they acquire valuable cross-functional knowledge and training.

 Turbocharge with analytics:
Differentiate between critical roles and critical skills and map enterprisewide pipelines for key skills.

Tool to get started:
10 Attributes of Resilient Enterprises
Organizational complexity

What’s happening?
The crisis may prompt bailouts, and global M&As will likely increase as the pandemic subsides.

HR actions

- **HR function strategy and management:** Shift to agile operating models and flexibly deploy assets to solve problems. Dismantle bureaucracy and move to a minimum viable product mindset.

- **HR in growth markets:** Let regional/BU HR leaders lead integration efforts for talent and other processes.

- **Performance management:** Customize performance management for regional/BU business needs.

- **Talent mobility:** Support reskilling and career development. Develop resources and build out platforms to provide visibility into internal positions.

- **Total rewards:** Harmonize total rewards plans as organizations engage in M&A activity.

Tool to get started:
Managing Organizational Complexity
Next steps to differentiate your company from competitors in the pandemic era

1. Stay on top of these trends and how they evolve

2. Understand the potential ramifications for your organization

3. Make selected changes in strategy to incorporate the predictions in accordance with your values

How can Gartner for HR help?

The decisions HR leaders make today can impact their company brand for the next five years. It’s critical to have trusted support:

- Peer-powered insights drawn from expert analysis and our client network provide clarity on an unprecedented climate.

- Our team of more than 2,250 experts and advisors can offer tailored guidance to your specific organization’s challenges and needs.

- Speed time to strategy implementation using our tools, benchmarks and resources related to each trend to guide strategy setting and fuel efficient execution.

** Turbocharge with analytics:** Simplify complex talent decisions with global labor market intelligence from Gartner TalentNeuron™.
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