

Human Capital Trends in 2021

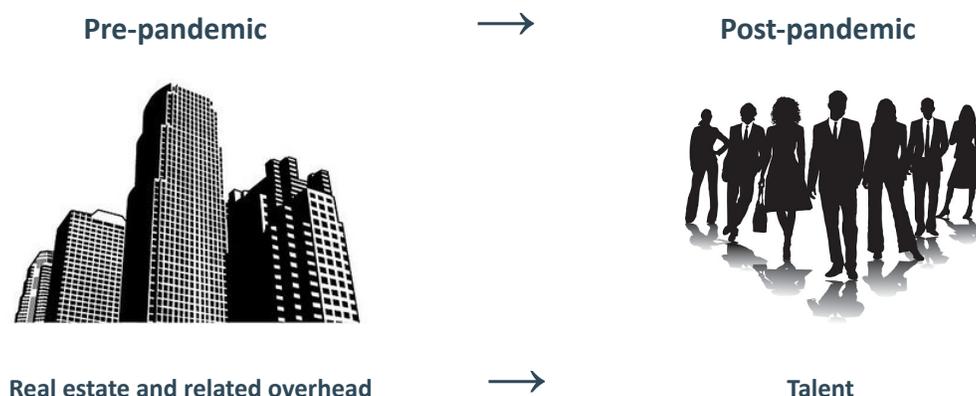
2020 was a year of unprecedented change. 2021 promises to bring more change, but unlike the quick shifts made early in the pandemic, many current changes will permanently alter how we live and work.

As we move to permanently remote and hybrid models of work, the impact on how we recruit, engage, and retain talent will be significant. Do you have the capacity to launch and manage the upcoming workplace evolution?

Hybrid Workplace = Customized Employee Experience

Hybrid workplaces mean out with a one-size-fits-all model of work and in with a customized employee experience. Some companies, like [Salesforce.com](https://www.salesforce.com), have already announced plans to offer their employees multiple ways to return to work post-pandemic (remote, hybrid, or entirely onsite). Salesforce.com is not alone--customized employee experiences will soon become the norm. For organizations, the potential and the potential challenges are vast.

While organizations have a lot to gain (e.g., by shrinking their real estate footprint and related overhead), recruiting, engaging, and retaining talent remotely will necessitate a shift in investment.



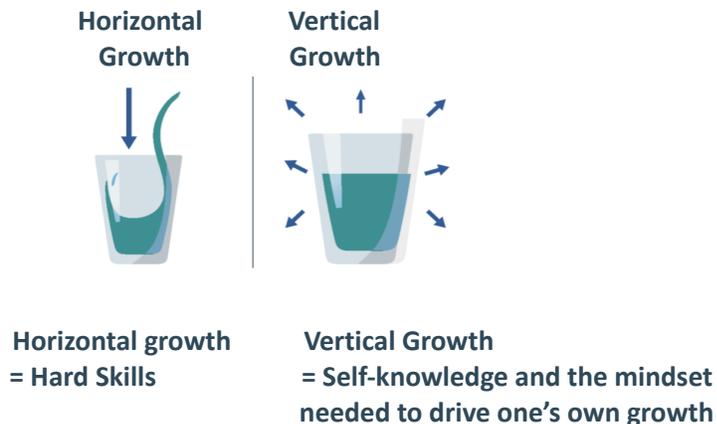
Impact on Organizations

- **Increased focus on employee experience**, including a heightened increase in the whole employee (wellbeing);
- In some industries, **employee experience will directly impact customer experience** (the way your employees experience you as an employee will impact customer experience);
- Organizations will face **more micro human capital decisions** (e.g., who gets to work remotely and when? How are jobs rescoped based on employee preferences?);
- **Expectations and accountability will need to shift** to respond to the new and varied contexts in which people are working;
- **Organizations will need to invest more in their culture, collaborations, and community** (having a clear shared purpose will matter more than ever before);
- **Nothing will be business as usual** (i.e., deliver results at any cost); success will rest on having a clear focus and being exceptionally agile;
- **Leaders will need to be increasingly flexible** and will thrive by seeking out new ways of leading;
- **Managers will need to learn how to manage individuals** and create equitable working conditions, even as workers increasingly work under vastly different conditions.

Upskilling and Reskilling = New Approaches to Talent Management

As remote and hybrid workplaces become the norm, organizations will need to recruit talent exceptionally skilled at adapting, self-managing, and collaborating remotely. In the flexible workplaces of the future, change will become the new normal. Employees will need to upskill by 10 percent annually just to continue successfully doing their current jobs.

HR can't be fully responsible for driving this change. Successful organizations will be those who a.) recruit and retain employees who hold a strong capacity to take ownership of their upskilling and reskilling, and b.) support the expansion of this capacity over time.



Impact on Organizations

- There will be a **surge in demand for people experts** (i.e., chief people and relationships officers);
- **Training and reskilling responsibility will shift** from managers and HR to individuals;
- **Vertical growth will become as important as horizontal growth;**
- **Hiring will shift from demonstrated skills to demonstrated potential** to keep learning over time.

The New Management = Relationship-Drive, Not Compliance Driven

As work becomes customized, flexible, and agile, management will need to change. If management was once largely compliance-driven, effective leadership will be increasingly relationship-driven. Doing this well means radically rethinking how we manage and lead.

- Remote management is challenging, but so far, it has hinged on legacy relationships (relationships established in-person and onsite pre-pandemic); moving forward, **managers will need to learn how to foster relationships that are born digital;**
- **Onboarding talent will become increasingly tailored to role and level of experience** (organizations need to be prepared to invest more time and resources in onboarding, especially early-career employees who may have no memory of the pre-pandemic workplace culture and its expectations);
- **Remotely, managers will have less room for error;** expectations, alignment, and accountability will become increasingly important;
- As more employees work from remote locations all or part of the time, **empathy will become a key managerial skill;**
- **Managers must be agile and attuned to the biases that will structure these new remote and hybrid workplaces.**

Change Management = Open-source, Not Top-Down

As employees opt to work remotely or divide their time between home and the office, organizations will have to manage a growing number of unknown variables that may impact everything from their culture to productivity. With more variables impacting how and where work happens, change will also become a constant. In the past, managing change tended to be top-down. As change becomes the norm, change management will need to shift to an open-source model.

- **Open-source change management, like open-source code, will permit managers to gather the most input possible and adopt the very best solutions;**
- Open-source change management **is more collaborative and inclusive;** it also takes more time;
- Again, **doing this well will rest upon the ability to build strong and trusting relationships;**
- Shifting to an open-source change management approach **drives results;** according to a recent study by [Gartner](#) doing this:
 - Increases the probability of success by **24%**
 - Decreases resisters by as much as **19%**
 - Decreases implementation time by as much as **33%**
 - Reduces employee time spent on change by as much as **12.6 hours/wk/employee**
 - Increases employee engagement by as much as **38%**
 - Increases intent to stay by as much as **46%**
 - Increases discretionary effort by as much as **19%**

How AIM Leadership Can Help You Prepare for this Shift

Reskilling: From Skillset to Mindset

In 2021 and beyond, sustained success will rest upon:

- **Employees** adopting the *mindset* needed to take control of their own learning;
- **Leaders and employees** building the resilience needed to keep moving forward amid change;
- **Organizations** re-engineering how employees engage and solve problems (i.e., moving beyond certification and looking at the transformation of the whole self).

Work with AIM Leadership to Build Capacity

The most effective way to support your team members and your organization is to help each team member build the capacity and mindset needed to take control of their own learning. This means shifting focus from training (*horizontal growth*) to building self-awareness, self-efficacy, and agility (*vertical growth*).

Ready to start? Set up a time to talk to Dr. Camille Preston to learn more about AIM Leadership's [customizable and scalable solutions](#) for employees, leaders, and organizations.