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Our Year of Opportunity

Annual Workplace Predictions
from The Workforce Institute

Annual workplace predictions from The Workforce Institute at UKG are informed by our global advisory board of HR, workforce management, and payroll practitioners, thought leaders, and visionaries.

Predictions That Will Define the Workplace in 2021



**A note from Dr. Chris Mullen, Ph.D.,
SPHR, SHRM-SCP, Executive Director
of The Workforce Institute at UKG**

Trustworthy, honest, compassionate, and intentional leadership has successfully led many employees and organizations through a tumultuous year that was defined by the global COVID-19 pandemic, social injustice, and divisive politics around the world.

Despite welcoming a new year, these very same issues will define our immediate future. Although we cannot presume to know how 2021 will unfold, 2020 taught us so much about workplace resiliency, creativity, and business continuity.

While 2020's legacy will be one of immense disruption—not just in the world of work, but our fundamental way of living as a society—2021 presents us with an opportunity: to learn from what worked and what didn't; to put people ahead of profits; to build work experiences centered around people's lives; and to continue to reinvent HR and people management to lead these efforts.

Together, we can chart a new course for the way organizations should behave and raise the bar for how they'll engage with their most valuable asset—their people.

Wishing you a happy and healthy New Year,

A handwritten signature in white ink, appearing to read 'Chris Mullen', written in a cursive style.

Chris Mullen



The Great Reset: Work will be (re)shaped in real time as organizations decide which pandemic-era practices stay and go

We're on the verge of the Great Reset. The circumstances of 2020 brought out the creativity and resiliency of workplaces worldwide, as many businesses did things they once thought impossible.

With months of data to analyze the impact of actions, over the next year we'll watch in real time as organizations make conscious and deliberate decisions about policies, processes, and practices. They will move beyond reacting and begin to refocus and reinvent.

Which pandemic-era policies will stay and go? Which will be refined? Which "old ways" of work will come back? The answers may take years to solidify, which illustrates the true future of work will be steeped in the ability to embrace uncertainty.

2020 will provide valuable lessons about employee safety and well-being, alternative scheduling, and remote work—among countless other areas—as leaders seek to balance financial sustainability in a recovering economy.

During the Great Recession, organizations with a strong CFO and CEO survived. For this Great Reset, the triumvirate of the CEO, CFO, and CHRO developing policies that protect their people and their bottom line while moving the business forward will gain a competitive edge.

Additionally, the importance of internal reskilling efforts will be paramount, and organizations that emphasize protecting employee jobs will increasingly turn to internal gig marketplaces to redeploy talent as needs evolve.



Trust will become a foundational imperative for successful organizations

While some organizations faced high-profile internal strife between employees and business leaders in 2020, those with cultures built on trust and mutual respect thrived. In 2021, trust will be more broadly viewed as a foundational imperative to drive true engagement—one that not only defines and differentiates an organization's employee experience, but also unlocks an ability to embrace uncertainty. Trust will also extend to customers and communities.

Trust will be a necessary component to successfully navigate the years ahead as organizations develop new policies, manage hybrid workforces, and consider unprecedented requirements for employees—up to and including potential vaccination mandates.

With all employees struggling, trust will be especially important for people who must be present to do their jobs—a population increasingly faced with mental, emotional, and physical burnout as the COVID-19 pandemic continues. Organizations will explore new avenues to support the unique needs of their entire workforce, mitigate the effects of burnout, and best position themselves as a destination for talent.

Although not all organizations will successfully make this transition, those that do will give trust to employees instead of making them earn it. They will transform processes and policies to imagine what's possible when you assume good intentions. They will achieve more because employees will enjoy an elevated experience that is only possible when they are treated as stakeholders in the business.

Prediction

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Compassionate and inclusive management that puts employees' lives ahead of work will become a leadership mainstay

Last year, we predicted that wholistic employee wellness would take center stage—but we could never have imagined the scope of what unfolded.

Physical and emotional safety, mental wellness, burnout, depression, isolation, social unrest, and political turmoil have weighed heavily on everyone. While businesses have done more than ever before to protect workers, their families, and the broader community, cracks run more deeply each month.

Organizations that will excel in 2021 will be led by compassionate and inclusive management that emphasizes empathy, wellness, and belonging. An intentional approach to understanding unique challenges specific to their own business—and even

specific locations within the business—will result in foundational solutions built on diversity, equity, and fairness. They will focus on employees' lives, not just their work.

Deliberate steps must but also to guarantee that disproportionately impacted groups—including women (especially working mothers), people of color, people with disabilities, and veterans—do not fall even further behind as the potential chasm widens. Returning to the status quo will be insufficient.

Lastly, an influx of new Gen X CEOs and CXOs will bring diversity—in gender, race, and thought—to executive suites. More diverse than their Baby Boomer predecessors, they will be embraced as heralds of cultural change.



Outside forces—including the pandemic, economy, and regulatory change—will push businesses to the brink

In addition to uncertainty created by the pandemic, businesses face the absolute certainty that labor regulations will undergo a seismic shift buoyed by a new presidential administration in the U.S. and Brexit negotiations between the U.K. and European Union. This will create an even more complex compliance landscape: Labor laws, workplace rules, migration policies, minimum wage, and COVID-19-related regulations—whether they are extended or reformed—will keep evolving.

2021 will see a surge in HR and labor violations. People operating under tremendous stress and uncertainty for such an extended period of time will be at increased risk of making poor decisions even with the best of intentions at heart. Burnout may lead to high turnover despite the struggling economy.

Organizations do not need to wait for regulations to be put forth to do what is right for their workforces. By exceeding the baselines created by governments, organizations can free themselves from chasing a constantly moving target; instead, they can focus squarely on creating finely tuned operations powered by highly engaged workforces that have an advantage in recruiting top talent.

As part of this, organizations should consider compliance as a piece of their overall engagement strategy, identifying work processes—ranging from preventing and resolving timecard exceptions, self-scheduling, and more—that will empower employees to have control of their own destiny while still meeting the needs of the business.



Expectations of technology—especially practical AI and automation—will be higher than ever

The pandemic has ushered in new technologies that have reshaped our personal and social lives. Zoom calls with friends and family. On-demand grocery pickup. Two-day delivery for virtually any product imaginable. The list is endless, and this will put even more pressure on organizations to deliver a workplace technology experience that matches their employees' consumer technology experience.

While many organizations have undergone years' worth of digital transformation in mere months, emerging technologies face a day of reckoning: The focus on AI's overhyped promises that may never come will be replaced by a demand for practical AI and automation use cases that have an immediate impact on their people and operations.

Abstract or intangible moonshots will be replaced with actionable insights and tangible recommendations. Successful AI deployments will

unburden managers and empower employees. They will help gauge sentiment and accelerate decision-making for everyone.

Organizations (and their employees) will pay closer attention to current and prospective technology, demanding significant value from systems—both old and new—while ensuring they measurably enhance performance, productivity, and the overall employee experience. Technologies that do not will find themselves with a short lifespan as cloud-native solutions make it easier than ever to change vendors.

With little to no separation between work and life, technologies must make the next leap to help executive leadership, HR, and people managers enhance their employees' lives.

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The Workforce Institute at UKG

The Workforce Institute at UKG provides research and education on critical workplace issues facing organizations worldwide. By bringing together a global consortium of HR and workforce management thought leaders, the think tank is uniquely positioned to empower organizations with practical ideas for optimizing today's workplace while also providing an important voice for employees, including frontline and hourly workers. Founded in 2007, a hallmark of The Workforce Institute's research and education—including books, podcasts, surveys, blogs, and its annual list of workplace predictions—is balancing the needs and desires of diverse employee populations with the interests of organizations to manage absenteeism, fight burnout, develop equitable work schedules, and build strong leaders to drive inspired performance.

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