

Eight Meta-Trends Impacting Human Resources in 2021

The Future of Work Came Yesterday, and
Here's What HR Needs to Prioritize Now



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HR Research Team for SAP SuccessFactors Solutions

Autumn D. Krauss, Chief Scientist

Lauren Bidwell, Senior Scientist

Lauren S. Park, Research Scientist

Caitlynn Sendra, Research Analyst

Alexandria Brown, Research Analyst

Joshua Acosta, Research Analyst

As HR leaders prepare for a post-COVID-19 work environment, questions abound. Should hybrid and remote work continue in the new normal? How can a winning, high-performance culture be sustained in such environments? How does HR need to evolve to help businesses thrive and drive better decisions at the executive level? The annual HR trends analysis conducted by the HR Research Team for SAP® SuccessFactors® solutions can help by providing forward-looking insights you need now to create a better tomorrow.

HR: Guiding Organizations Through Unprecedented Disruption

The pandemic had extraordinary impacts on global economies and nearly every dimension of work and life. And for most of us, things will never be the same. With the rollout of vaccines, however, organizations are preparing for what's next – and they are increasingly optimistic about the future.

This effort will continue to place human resources departments front and center – and for good reason. More than ever, business leaders understand the strategic importance of their people and the vital role HR plays in creating an agile, resilient workforce that can respond swiftly to evolving crises, markets, and customer demands with speed, excellence, and understanding. At the same time, with many people working from home, HR teams have been challenged by the pandemic to rethink how to operationalize and manage business processes, from recruiting, talent acquisition, and onboarding to skill management, training, organization and collaboration, and employee engagement.

Along the way, HR roles, objectives, and performance metrics have changed dramatically – most notably because HR is increasingly involved in the strategic planning and decision-making of the business. More than ever, if you are leading HR, you are expected to bring future-oriented insights and recommendations to the executive table.

The HR Research Team for SAP SuccessFactors solutions is here to help. Our group of PhD-level organizational psychologists conducts original applied research on “future of work” trends and shares our findings to inform your company's

strategy and planning and provide market and customer thought leadership. Each year, we aggregate and synthesize data from a wide range of reputable business press sources that put out HR trends and predictions and conduct a content analysis to derive key themes, or “meta-trends,” common among them. Our goal is to gain a comprehensive understanding of the most prevalent and important HR and workforce trends for the upcoming year.

This year, the analysis involved 40 reputable business press resources from which our team derived a list of 267 individual trends. Through content analysis, we identified eight meta-trends for 2021:

1. The rise of the hybrid workforce (18%)
2. Employees owning their learning and mobility (15%)
3. The purpose-driven organization (15%)
4. Renewed emphasis on holistic well-being (12%)
5. HR in the spotlight (12%)
6. Balancing data intelligence with data privacy (12%)
7. Individualizing the employee experience (10%)
8. Agility – from buzzword to business imperative (6%)

The percentages indicate the extent that a particular meta-trend was represented in the population of the 267 HR trends that we reviewed. As such, consider them metrics of prevalence and importance. Because there was a wide distribution of representation across the eight trends identified, we determined that all eight deserve consideration by HR leaders.

Eight Trends Every HR Leader Needs to Know

Let's take a deeper dive into these meta-trends – and share our team's insights on each.

1. RISE OF THE HYBRID WORKFORCE

Looking retrospectively at how companies faced COVID-19-related disruptions in 2020, it's clear that remote work is not only possible but also profitable. These practices are expected to endure, in particular:

- The shift from fully remote or in-person workforces to hybrid workforces that combine both remote and in-person work settings
- Flexibility regarding when, where, and how work gets done
- Acceptance of alternative work arrangements such as part-time work options

These changes can yield significant benefits, including greater employee autonomy and the ability to adopt borderless talent strategies. Compensation and benefits practices will be a primary area of HR revamp in 2021, as more workers relocate to lower-cost areas and new hires can be sourced to work from anywhere.

However, we are concerned about the decision-making process and input that HR leaders will need to take into consideration as they determine the optimal hybrid work arrangement that balances employee autonomy, cultural cohesion, and workforce productivity. Employees across industries need significant, close mentorship over years to truly master jobs and be prepared for management and customer-facing roles (such as consulting). Success will involve more **integration between HR technology and workforce productivity software**, as many employees will increasingly “live” in remote work technologies.

We also suspect that as organizations move toward hybrid work arrangements for their corporate workforce, the already existing cultural divide between corporate and field teams will continue to grow. Most new and more flexible work arrangements aren't applicable to many workers, which creates resentment. Equally important, those forced to work inside company walls will face greater health risks, especially if their job places them in close physical proximity to others.

CONSIDER YOUR BUSINESS

- Does your organization plan to permanently adopt a hybrid work arrangement?

- What are the factors you are considering in making this decision, and which organizational stakeholders are leading this decision process?

- How will the rise of the hybrid work arrangement impact your company culture?

2. EMPLOYEES OWNING THEIR LEARNING AND MOBILITY

When the pandemic prompted a halt on external hiring, many organizations were forced to adopt a “build” (versus “buy”) approach to closing skills gaps. This raised management’s awareness of the criticality of strategic internal mobility (in other words, redeploying existing staff to meet new demands), effective talent management, and advanced online learning systems so people can upskill and reskill from anywhere. Specifically, our analysis revealed that organizations now understand:

- The **value of comprehensive and accurate employee capability data** for workforce planning and forecasting, as well as to facilitate positive learning experiences
- The **ongoing necessity of online learning**, which will accelerate meeting companies’ demands for a better learner experience, more flexible content authoring and delivery tools, and greater utilization of advanced learning technologies (for example, using virtual reality and providing microlearning content)

We anticipate that corporate learning cultures will get increased consideration in 2021, as companies will attempt to integrate continuous learning into the flow of the work employees do every day. They will endorse the perspective that their workers need to be responsible for their own development, but we believe many organizations will struggle with how to actually enable and empower their people to do this. While asking a workforce to take ownership of its learning and development makes sense – especially now that more people are working remotely – we highlight the need for companies to instill a positive learning culture enterprise-wide. This is vital to making the goal of many organizations today – continuous learning in the flow of work – not only possible but successful for all parties.

CONSIDER YOUR BUSINESS

- How has your organization’s learning strategy changed since the disruption of the pandemic?

- What practices and solutions are you putting in place to realize internal workforce mobility?

- How are you trying to better capture and act on broad employee capability data?

3. THE PURPOSE-DRIVEN ORGANIZATION

The year 2021 will be the one during which organizations are forced to “walk the talk” when addressing social justice issues and creating a workplace where all employees, regardless of their social identity, can thrive. Consumers and employees expect organizations to take action and demonstrate tangible impact – for example, by expanding their diversity, equity, inclusion, and belonging (DEI&B) efforts beyond HR policies and practices and into business strategy.

The question is, how will they go about achieving these goals? Without a doubt, efforts to facilitate DEI&B will be front and center, with a focus on embedding these priorities across the employee experience. We see an opportunity to integrate people sustainability with other sustainability efforts under the context of a company’s comprehensive purpose strategy. At the same time, as organizational psychologists, we focus on building a psychologically safe culture and defining team norms that help employees feel comfortable disclosing and expressing themselves.

Moving forward, organizations will need to grapple with both wanting to understand and **support their diverse workers and respecting their privacy** and abiding with region-specific legislations (for example, laws regarding whether or not an employer can require workers to provide proof of COVID-19 vaccination before returning to work). They will also need a way to assess the impact of their company’s collective purpose-driven efforts, which will require a **robust data gathering and measurement approach**.

Finally, HR and the business must work together to build **psychologically safe cultures and practices** whereby employees feel comfortable to disclose their identities and reach their full potential at work. This will require leaders to be equipped with the knowledge and skills to have effective diversity-focused discussions with their team members.

CONSIDER YOUR BUSINESS

- How are you measuring the effectiveness of your organization’s DEI&B activities? What enhancements do you want to make to this approach?
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- To what extent are you integrating your sustainability efforts, including people sustainability, into one enterprise-wide, cohesive strategy to build a purpose-driven organization? How do you see this changing?

4. A RENEWED EMPHASIS ON HOLISTIC WELL-BEING

Early on, COVID-19 forced organizations to prioritize the physical well-being of their employees and customers, with many office doors shut almost overnight. Well-being shifted from a benefit to a business imperative, particularly regarding physical employee health. But several months into the pandemic, it became clear that COVID-19 was resulting in unprecedented levels of stress and anxiety and quickly leading to exhaustion, lack of engagement, and burnout – even for those working from their homes.

Looking ahead, we believe companies must design well-being into work itself and across the employee lifecycle, with a focus on physical, mental, emotional, financial, and spiritual wellness. This will mean addressing everyday challenges related to community, culture, and work-life integration, especially for those working in a hybrid work arrangement. In addition:

- HR will play a critical role in supporting employees by having open conversations to understand their workforce's unique well-being needs and **designing well-being into jobs and work environments**.
- The **boundary between life and work blurred** in 2020, and companies will need to decide if they will continue to embrace this integration or encourage employees to return to a clearer demarcation between these two domains.
- Workforce well-being **strategies will expand beyond benefits to systemic organizational factors** that are impacting employee well-being such as culture, HR practices, leadership behavior, and team norms.
- Leveraging new technology, HR can foster positive employee well-being **across the employee lifecycle**.

CONSIDER YOUR BUSINESS

- Assuming the pandemic increased the importance of well-being in your company, will this increased attention stick?
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- Is the attention on one facet of well-being, or are you addressing well-being more holistically, for example, across physical, psychological, financial, career, and digital aspects of people's lives?
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- Is your company endorsing full work and life integration for your workforce or attempting to reinstate some amount of boundary between the two? What are the advantages and disadvantages to each approach?

5. HR IN THE SPOTLIGHT

No doubt, HR has played a leading role through this public health crisis. HR leaders have led COVID-19 tracking and compliance, helped formulate their business' COVID-19 response, and helped their workforces navigate through the challenges of remote work, extended leave, furloughs, unemployment, government orders, and economic spikes and slowdowns.

Looking ahead, we expect HR's leadership role in tracking, compliance, and COVID-19 response strategy development to continue. In fact, we anticipate that HR leaders will work even more closely with operational leaders and assume the role of "expert advisor" on matters such as requiring vaccinations and handling COVID-19 test results. Ideally, this increased HR influence can be used – at least in part – to lean into business and digital transformations already underway, as well as to ensure that cultural and workforce transformation initiatives result in wins for both employees and the business. Specifically, we anticipate that:

- The **connections between culture, workforce, digital, and business transformation** will be better recognized and leveraged to increase the likelihood of transformation success, creating an opportunity for HR to collaborate with the full executive team.
- There must be **stronger alignment between HR and the rest of the business** if organizations want their reskilling, DEI&B, and cultural transformations to be truly successful.
- HR will be expected to lead the way with **massive reskilling and upskilling** efforts across the enterprise in support of the business' strategic workforce planning.
- HR will **bring data science and user experience experts in-house** by reskilling its own workforce through learning investments. By enhancing HR professionals' data literacy, people analytics, and user experience capabilities, HR can make better decisions, be better strategic advisors to the business, and collaborate more closely with heads of operations.

CONSIDER YOUR BUSINESS

- How did the role of the HR function change in 2020, and how do you expect it to continue to evolve in 2021 and beyond?
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- What new roles or capabilities are being added to your HR team to increase its ability to support the business and its people strategy in the future?

6. BALANCING DATA INTELLIGENCE WITH DATA PRIVACY

Since the pandemic, data-driven decision-making has taken center stage, with HR using new technologies and analytical techniques to understand the impacts of COVID-19 on productivity, engagement, and more. Although intelligent technologies will be increasingly leveraged to improve the employee experience, information tracking and data privacy will be major concerns going forward. It will be important to apply the latest psychological science and research to understand employee attitudes toward intelligent technologies and focus on use cases that truly help, rather than hinder, the employee experience.

As you plan ahead for 2021 and beyond, we recommend keeping in mind that:

- Data privacy laws will become stricter as both **intelligent technologies and monitoring technologies** are implemented, and HR will need to balance the value of information with the right to privacy.
- Intelligent technologies have the potential to unintentionally damage the employee experience. Finding **fit-for-purpose use cases** will be critical to helping ensure technology facilitates a positive employee experience rather than hinders it.
- Factors outside (societal or regional) and inside (cultural) the organization influence **employees' attitudes and behaviors toward data sharing and intelligent technologies**. These need to be taken into consideration during design and implementation.

CONSIDER YOUR BUSINESS

- How have you already implemented intelligent technologies to improve the employee experience and productivity, and what additional use cases are you planning?
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- How are you taking employees' attitudes regarding data privacy into consideration during the design and implementation of intelligent technologies?

7. INDIVIDUALIZING THE EMPLOYEE EXPERIENCE

The value of an investment in the employee experience (EX) in terms of business outcomes was largely proven out in 2020. Now, as HR departments are capturing even more employee sentiment data using intelligent technologies, businesses can potentially use this data to curate an individualized, consumer-like employee experience.

From our perspective, success going forward will require gaining a deeper, more meaningful, and individualized understanding of what employees are feeling, wanting, and needing and then acting on that intelligence in the moment. Looking ahead, we anticipate:

- There will continue to be a **heightened interest in all forms of “listening,”** such as EX-focused census surveys, individualized microsurveys, town hall meetings, intimate listening tours, and sentiment analysis powered by machine learning and natural-language processing.
- EX creates an opportunity for collaboration between HR and the rest of the business, as there is increased recognition that **EX spans all domains of work.**
- As EX data becomes more prevalent, the business will need to decide **what level of experience curation will be most impactful and possible** given strategic priorities, available resources, and practical constraints.
- Collecting but not acting upon EX data will **violate an employee’s psychological contract with the organization,** impairing their trust.

CONSIDER YOUR BUSINESS

- How have your employee listening practices evolved over the past year?

- What additional changes are you planning? Are you currently using implicit data capture?

- To what extent are you currently collecting EX insights at the individual level and using them to curate an individual employee’s experience? What considerations do you need to think through for this level of EX data collection and usage?

8. AGILITY – FROM BUZZWORD TO BUSINESS IMPERATIVE

Business agility became a very real and urgent necessity for organizations in 2020. For example, they needed to respond to sudden changes to business strategy, quickly upskill and redeploy employees as needs changed, and rely more heavily on temporary, contingent workers to fill gaps. Being able to adapt all aspects of operations with speed and excellence is vital to responding to and succeeding through future disruptions.

Looking ahead, when it comes to addressing agility within HR practices, we advocate strongly for a full agile overhaul. This means:

- The success of agile HR processes will be limited without **addressing rigid foundational structures** (for example, static organizational hierarchy, role definitions, and work team membership).
- Agility needs to be **embraced as a corporate value** and embedded at the organization, team, and individual levels and across leadership, people, practices, and environment dimensions.
- As companies move through their agile business transformation, they will seek **metrics to understand their workforce's change readiness, change capacity, and resilience** as leading indicators of organizational agility.

CONSIDER YOUR BUSINESS

- Which HR practices are you focusing on for an agile overhaul this year?

- To what extent does your scope include tackling organizational structures such as organizational charts, team membership, and role definitions?

- To what extent is “people agility” a focus for your agile transformation?

- How are you using people agility – or planning to use it – to increase your workforce's capacity to be ready for and resilient to change?



LEARN MORE

Clearly, 2021 will be a year of continued leadership and evolution for HR organizations. By anticipating these eight trends, you can make more-informed strategic decisions and investments that will benefit your workforce and your business best.

To learn more, please visit:

- [HR Knowledge Center](#)
- [HR Research Team](#)
- [Human experience management \(HXM\) wins](#)

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