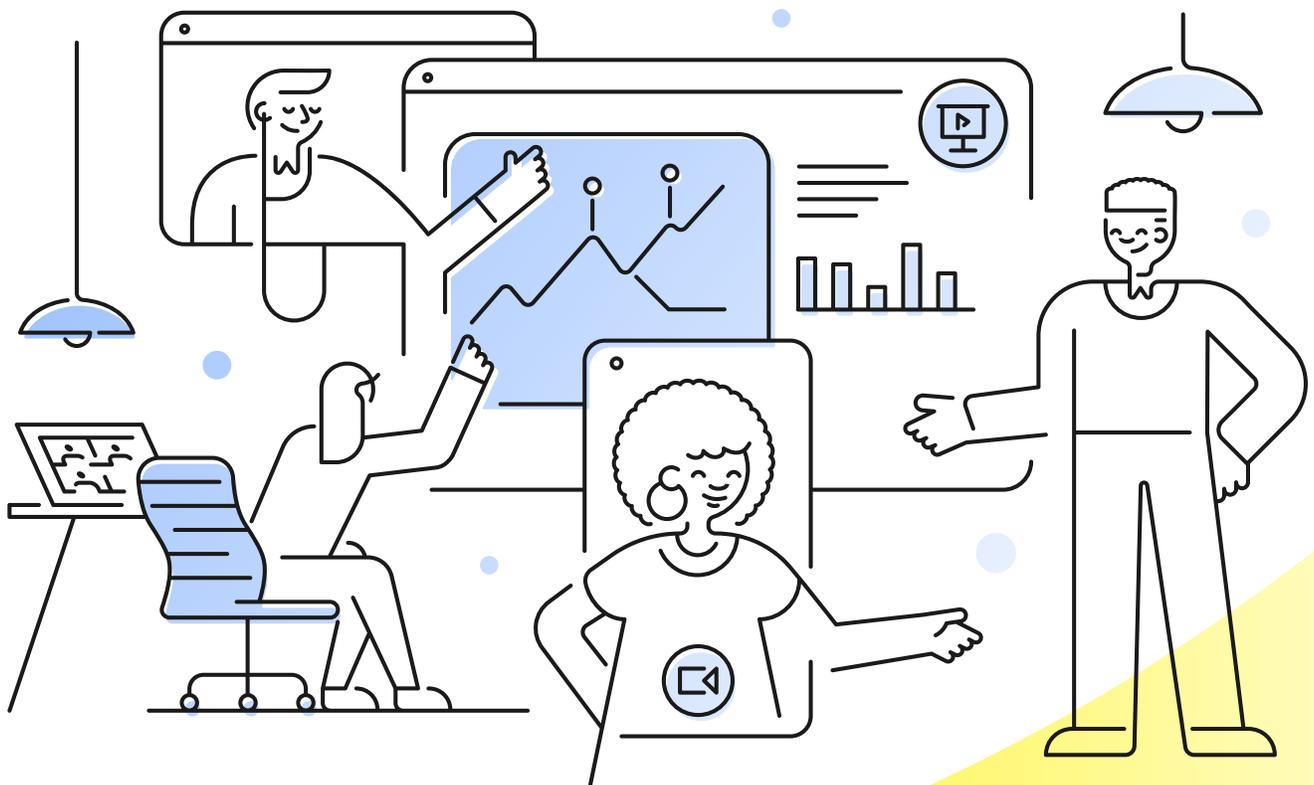


The age of agile HR: 20 changes affecting the workforce of the 2020s





Through what has been the most turbulent year for all employers and employees, Alight has worked with organizations as they rethink how their employees will now work. The need for agility in HR and payroll processes is a big learning from the COVID-19 pandemic.

In an economy that's now largely global, management teams need to build their futures on an agile business model and leverage the inherent growth opportunities within the current environment — one that enables employees to deliver results against fluid business objectives.

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Never before have the expectations on the HR department been so great. Our job is to drive business success by engaging, motivating and empowering the workforce. The focus is on usefulness. What employees do, where they do it from and how they are employed. We've got to be on top of changing trends and innovations. Will these improve or hinder effectiveness.

Working from home is the most talked about current trend. We have to ask: Will this make it easier for employees to do what they're paid to do? We now know that performance is not dependent on having employees in an office. It's about having the right skills to achieve operational goals.

The organizations that grow through the 2020s are those that grow their people's ambitions, skills and desire to work hard for you.

— **Michael Rogers**
CHRO, Alight

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Methodology

The findings in this report combine the views, opinions and experiences of more than 1,500 workers. Many of them are experts in payroll, talent and HR management from around the world. The full breakdown of respondents can be found at the back of this document.



In April 2020, we were scheduled to publish a comprehensive report on the future of work. **HR2025: How will you work?** presented the findings of a comprehensive global survey into the changes business leaders and HR specialists expected to see through the 2020s.

Our research indicated that, 2025, the mid-point of the decade, is the year where most large employers will have moved from traditional, largely facilities-based working practices to remote, digital more agile models.

However, in the weeks prior to the release of the original report, and continuing now, the world changed. The COVID-19 pandemic forced changes in all elements of our lives. The culmination of many saw the future of work quite literally accelerated by five or more years.

The COVID-19 pandemic hasn't solely been responsible for some of the shifts in the way people work and think. Wider societal changes and movements began to be increasingly prominent, including the Black Lives Matter movement and Extinction Rebellion that have gained wider public attention.

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The 2020s will continue to be a dynamic period in which we will see the continued rise of automation. This is a step change in the way we build employee experiences and a move away from the traditional employer-employee relationship to one of greater individual autonomy.

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Major industry influencers in the banking, retail and manufacturing sectors have announced they will not be returning all employees to the physical workplace.

Employees of this accelerated future of work are considering the options available. This new flexibility also poses a threat as job roles continue to change and customer models evolve.

The rise in automation will also continue to impact those traditionally doing routine tasks. New skills need to be learned and the talent pool is wider than ever as proximity is no longer a requirement — the rapid productivity return on your skills is.

To produce this revised report, we revisited the data we collected from the HR leaders. Consequently, we uncovered 20 major changes that happened in 2020 and what we believe these changes imply for the rest of the decade.

The 2020s will continue to be a dynamic period in which we will see the continued rise of automation. This is a step change in the way we build employee experiences and a move away from the traditional employer-employee relationship to one of greater individual autonomy. COVID-19 may prove to be the catalyst for, if not the cause of these changes.

Throughout this report, we'll revisit some of the data we gathered as well as look at the predictions we made at the start of the year and present them in a way that will help you visualize how the world will look in five years' time.

The 20 changes affecting the workforce of the 2020s



1. Equality and diversity

At the start of 2020, equality was on every HR leader's agenda. With gender pay gap reporting a legal necessity in many countries, organizations started to feel the tangible need to embed equality in all its many facets — from gender, to race, sexuality and physical ability — in preparation for a future where companies would be measured by governing bodies, customers and talent in terms of their equality credentials.

However, equality and diversity in the workplace stirred the agenda of the majority of companies following the death of George Floyd in the U.S. and consequent rise of groups such as the Black Lives Matter movement. Companies started to realize they need to do more to address imbalances regarding the make-up of their organizations.

What people said

Our global respondents ranked “culture aligned with personal values” in the top four deciding factors when joining a new company. This is most important to those currently preparing to join the world of work; Generation Z, and to those rising through the ranks into management positions: Millennials.

Several senior HR leaders who we interviewed stated that “everyone within an organization must be empowered to have a comparable career to anyone else.” It was widely agreed that merit should be served on merit alone, regardless of entry qualification, age, nationality, religion or sexual orientation.

What happened in 2020?

While many companies have slowed down or stopped onboarding entirely, this has given them time to evaluate and plan to achieve diversity and equality in the long-term. It remains to be seen whether these strategies will be successful once the global job market reaches normal levels again.

Many companies have been looking at how diverse their workforce is. They have been asking some tough questions of themselves such as looking at unconscious bias or how diverse their boardrooms are.

What do we predict?

To address the diversity imbalance, we may start to see more positive discrimination in employment over the next five years. What this means is that hiring managers will make conscious decisions to hire a more diverse range of candidates in the long-term.

Companies will also see diversity as a key part of their strategy. Especially as more companies become aware of **'stakeholder capitalism'**, where all stakeholders have an interest in the success of a business, not just shareholders. They will have to ensure processes and their workforce reflect the diverse make-up of their customers.

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Everyone within an organization needs to be empowered to have a comparable career to anyone else.

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2. Changing education

If the purpose of schools is to prepare young people for the world of work, this needs to be reflected in an education that moves away from its traditional focus on academia and focuses instead upon developing both the skills and the mentality that will suit the business world of the future.

What people said

More than half (52.3%) of respondents said they felt young people were being poorly prepared for the digital age. This sentiment is strongest in Latin America, Europe and the U.S., where 29.7%, 23.8% and 17.1% say their education system is preparing students 'very poorly'.

This stands in contrast to the more innovative region of Asia, where 57.8% believe their schools are preparing students well for the future. This could be because so many American and European educational institutions are rooted in the tradition of preparing students for specific careers.

However, many of the young people we interviewed told us the word 'career' actually deters them from engaging.

What happened in 2020?

With many schools, universities and other education providers switching to online classes, educators are starting to realize ways to make education more accessible. This has in turn led many educators to reconsider their curriculum and adapt their lessons to meet changing demand.

This switch to online teaching could also present an opportunity to professionals, who may start to find it easier than ever to combine learning with a career.

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More than half of respondents said they felt young people were being poorly prepared for the digital age.

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2. Changing education

What do we predict?

While COVID-19 has had a profound effect on the way schools and education services are run, it remains to be seen whether this will spur a revolution in the way education is governed too.

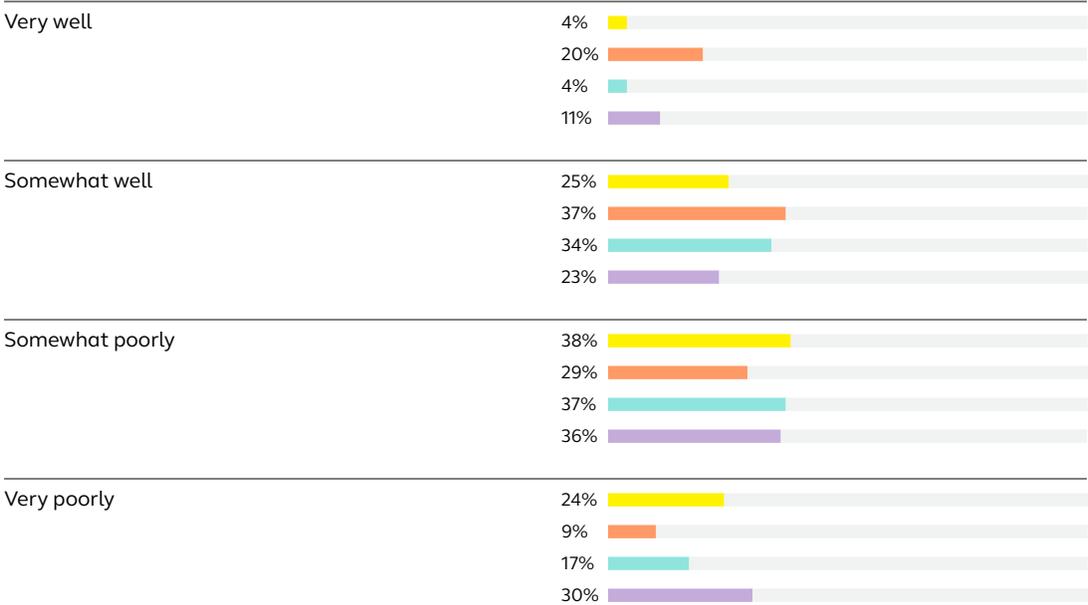
In many places, this will need to start at a cultural or political level, which could take a long time. Employers will need to work

with educators and legislators to co-create agile education programs that fulfill future skills gaps.

However, we feel confident predicting that by 2025 we will have at least seen small steps towards a future in which students are offered alternatives to the traditional model of education, in order to suit the changing future of business and employment.

How well do you think schools and universities are preparing people for the modern workplace?

- Europe
- Asia
- North America
- Latin America



3. Independent working

Entering 2020, a growing number of people around the world were choosing to be self-employed or freelance.

This was driven primarily by the increasing availability of digital jobs that enabled people to work alone using smartphones or computers. This is in addition to a rising number of jobs in the so-called ‘gig economy’, which enabled employees to work for companies without being contractually obligated to fulfill certain hours.

What people said

It’s plain to see from our data that the rise in independent working was set to continue its upward trajectory.

Our respondents told us that by 2025, 20.3% of them plan to be their own boss. The greatest instance of this is in the 40+ age group, but the sentiment was noticeably high in all age categories.

When asked why they were planning to move to flexible working, many respondents told us it was because they had reached a point in their career where they felt they could earn more money working as consultants, rather than just being employed by one company.

Regionally, Asia was predicted to see the greatest growth in freelancers, with 58.6% of respondents saying they would be somewhat or very likely having more than one job in 2025.

What happened in 2020?

While it’s difficult to say exactly how many people have gone self-employed or freelance this year, much harder still is to estimate how many of those took the leap themselves versus how many were pushed, having been let go by their employers. It’s almost certain that the COVID-19 pandemic has led to more people becoming self-employed.

However, while the pandemic helped to prove the feasibility of working independently, another school of thought says COVID-19 may have shown employees the value of having a stable paycheck.

As well as having leadership to help steer operations during unstable times, and being part of a company that offers benefits and perks.

Contrary to this, employers will have realized the advantage of having an on-demand workforce that can be “turned on and off.” This is likely to push the conversation around the “employment of skills versus people” to meet changing company objectives.



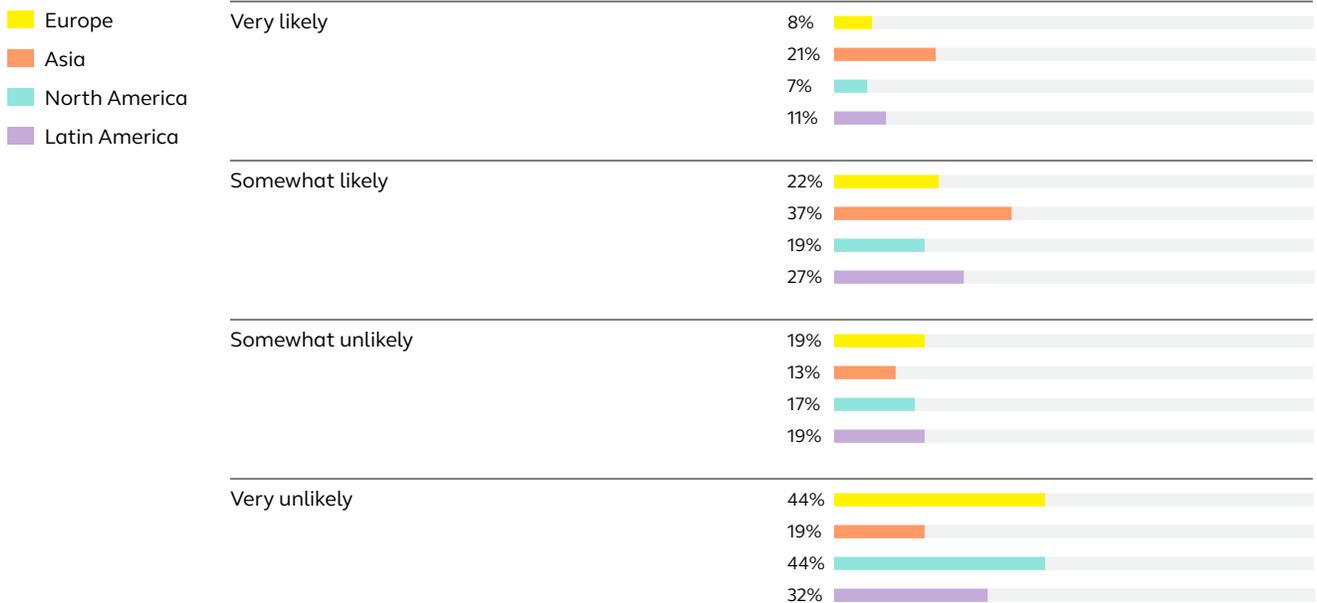
3. Independent working

What do we predict?

We believe the world will continue to see a rise in the number of independent workers by 2025. Based on our survey results, the greatest rise will be among Baby Boomers (17.6%), then Gen X (15.5%) and Millennials (13.1%).

“ Many respondents told us they had reached a point where they felt they could earn more money as consultants, rather than just being employed by one company. ”

How likely is it that in 2025 you will have more than one job?



4. Talent acquisition

As one of the biggest challenges facing HR teams at the moment, it's hard to paint a general picture of the state of talent worldwide. What is easy to say is that getting and keeping hold of staff is as important as ever, while keeping them motivated and productive has proven a significant challenge throughout the pandemic.

What people said

At the start of 2020, we seemed to be on the cusp of the most significant turnaround in the employer-employee relationship in history. However, with the COVID-19 pandemic, the economic outlook changed dramatically which led to a mindset change.

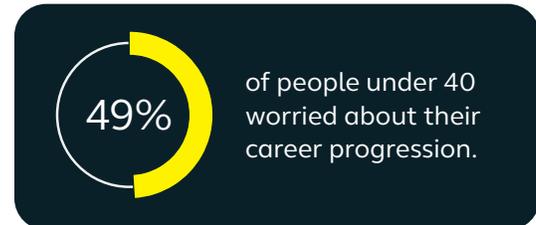
In spite of this, the top three reasons people leave employment include: uncompetitive salary and rewards offering (45.6%), limited career opportunities (42.8%), followed by the desire for new challenges (30.8%). Career progression was the greatest concern for people under 40, with 49% ranking it highly.

What happened in 2020?

While many experts predicted 2020 would see an increase in the movement of talent, this failed to materialize. Companies largely ceased their recruitment drives while employees decided to prolong their job hunts.

With unemployment expected to reach record heights over the coming years, employees are likely to stay at their jobs a bit longer in order to ride out the wave of uncertainty. Meanwhile, companies may be less inclined to take on new staff at a time when their financial futures are less clear.

2020 saw a rise in the number of people working remotely as companies had to embrace this due to the COVID-19 pandemic. This means that location is no longer a barrier to where people can work. It widens the labor



market significantly and means that competition for jobs intensifies.

In fact, with so many companies having to adapt to new ways of working or changing the nature of their business, job searchers may be more inclined than ever to seek new opportunities at businesses who are able to adapt faster.

What do we predict?

With a global recession maybe on the horizon, it may well be that there will be a surplus of labor on the market with many companies having to reduce their headcount.

This should mean that acquiring talent may get a little easier for employers as they can pick and choose who they want. However, the flip side to this is that recruiters will have to sift through far more resumes and candidates over the next few years as there may be many more job seekers out there.

In addition to this, the rise in the number of jobs that can be done remotely and companies' willingness to embrace this means that employers theoretically now have the ability to hire someone from anywhere in the world. Consequently, we see that competition for jobs will intensify as well as the rise of people working for companies far from their home base.

5. Remote onboarding

Necessity is the mother of invention and in 2020, companies had to be creative to “keep the lights on.” Remote onboarding has now come into play, and employees are being sent the tools needed for their job instead of ever having to step into an office of the company they work for.

What people said

As our survey was carried out before many people had even heard of remote onboarding, we spoke to members of our own team who were onboarded remotely this year.

For the vast majority it was a very positive experience. The technology worked and trainers onboarding staff adapted their teaching accordingly as well as learning and adapting as they went along.

A downside of remote onboarding was the loss of human contact. Although new employees were introduced to the company and each other via video conference, many felt that if they had the choice they would have liked to have met face to face.

What happened in 2020?

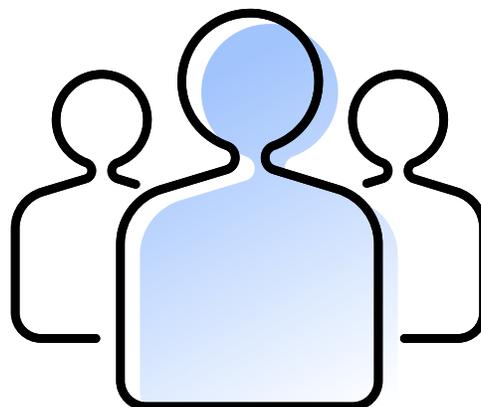
COVID-19 forced many companies to adopt virtual/remote onboarding for the simple fact that they had no option.

Though it takes some getting used to, many employees that have undergone this process, including those at Alight, seem to be pretty satisfied overall.

What do we predict?

As more remote workers will continue to have the ability to work from anywhere, remote onboarding is here to stay, even if it is only for some new employees. But, we do see that in-person onboarding would be the preferred option for many new starters.

It is a strange phenomenon and will evolve as companies get better at doing this, but we see this happening more and more. Especially if employees are a long distance from an office, it would be more cost-effective to ship or mail the tools they need rather than traveling.



6. Humans/AI teams

Already, humans and machines are working side-by-side, but the speed with which jobs will be automated is set to increase rapidly. By 2025, our respondents thought that 40% of today's skills will have changed, if not become obsolete. Our survey also showed that people thought at least 30% of activities will be automated.

In the meantime, many employees will start to notice themselves being part of a 'hybrid workforce,' in which their responsibility will be to oversee software or machines, instead of managing people or executing tasks themselves.

What people said

In our survey, close to 28% of respondents said they already had experience of the hybrid workforce. A further 37% think it will be inevitable in their line of work by 2025. While 14% say they are not concerned by this change, 11% are highly concerned.

Negative sentiments are more common among older generations. 18.4% of Baby Boomers expressed concerns.

What happened in 2020?

With all but the most essential workspaces having to send their staff home, the significance of technology to power processes in the workforce quickly became apparent. Those who had the right digital solutions in place were able to continue operations, while those who did not immediately sought to implement new technology and ways of working, often while absorbing the impact of lost revenue.

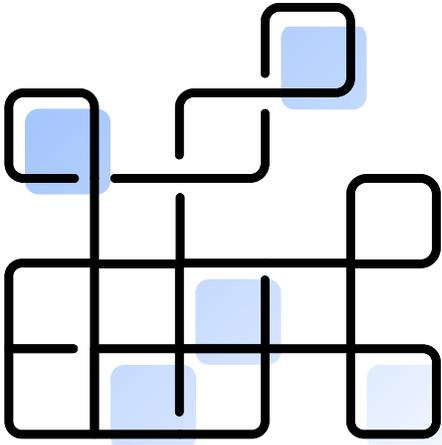
Companies will learn from this pivotal moment so that, in the future, they will be more likely to trust in the resourcefulness and 'always-on' capabilities of technology, which human beings cannot compete with. It's therefore probably fair to say that COVID-19 has accelerated many companies' appetites to invest in automation, artificial intelligence and machines.

What do we predict?

What all of these statistics in mind, we shouldn't start thinking we're all about to lose our jobs to robots.

The rise of automation will actually create more jobs, particularly in fields that rely on skills computers cannot emulate, such as creativity, communication, design and innovation.

These fields, and many others, will not be overtaken, but instead be augmented by technology. Meanwhile, people will be needed to build, program, manage and maintain the software and hardware we are increasingly starting to rely on.



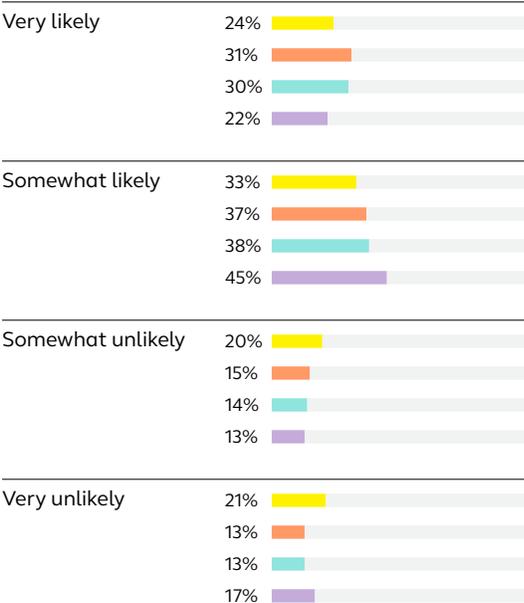
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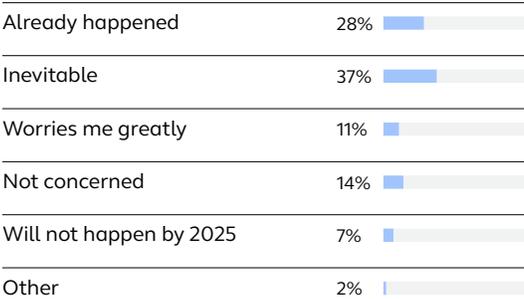
“
 Employees will start to notice themselves being part of a ‘hybrid workforce,’ in which their responsibility will be to oversee software or machines.
 ”

How likely is it that some of the work tasks you do today will be performed by a computer or robot by 2025?

- Europe
- Asia
- North America
- Latin America



How do you feel about people and robots working together?



7. Remote working

Options to work from home have been increasing for some time, lockdowns due to COVID-19, accelerated the trend.

This is just as well because, according to our data, the overwhelming majority (94.8%) of respondents wanted the option to work remotely.

What people said

The most popular option for workers was to be able to combine office working with home working. Almost two thirds (64.8%) wanted this option.

The second most popular option was to have the choice to work anywhere in the world (23.1%). The least popular options were to only work from home (6.8%) and only work from the office (4.1%) What people said showing that choice and independent autonomy are the key factors when it comes to remote working.

The youngest cohort in the workforce, Generation Z, were the most likely to want traditional office hours (20%) and fixed-pattern shifts (8.6%), presumably because they haven't quite reached the age where they would have dependent children.

What happened in 2020?

This is arguably the facet of working life that COVID-19 has had the greatest impact upon. As such, the big question for organizations worldwide is no longer “can we do this?” but rather “can we now ever not do this?”

It's important to remember that a significant percentage of people are still eager to have the option of returning to their office, at least from time to time – which should act as a warning to businesses now considering the idea of offloading their headquarters and going fully remote.

The fact remains that the vast majority of employees feel healthier, happier and more productive now that they have experienced a taste of working from home.

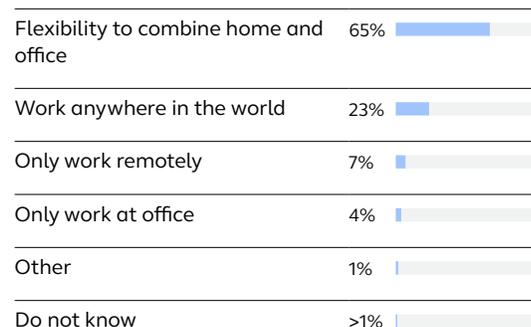
7. Remote working

What do we predict?

It's plain to see that the current migration towards remote working is here to stay. But there is no 'one-size fits all'. Some people don't have the desire or space in their homes to work remotely, and want to work in an office environment. Consequently, we predict companies taking a careful approach to this trend as they could end up alienating a significant portion of their workforce should they make people either work 100% remotely or in the office.

Our initial survey found no major differences in regional responses to workplace preferences, showing this to be a global desire. While there was some discrepancy in terms of age, the majority of each age range were in agreement that this is the way they'd like to work in the future.

Which of the following arrangements would you choose?



However, a CNBC [survey](#) did show regional discrepancies. Whereby in the U.S. and EMEA there would be zero companies where no one works from home, compared with 12.5% of companies surveyed in APAC. It flips for companies saying 100% of staff would work remotely, where 6.7% in the U.S. and 10% in EMEA of CFOs surveyed said they would compared to 0% in APAC.

Even within regions, there are country-level differences, with workers returning to offices post-COVID. In Europe, [the Guardian reports](#) that only 34% of U.K. office workers had returned to the office by August 2020, compared to 83% of in France and 76% in Italy.

Although in parts of the world remote working is and will continue to be embraced, this is not the case everywhere, and multi-national companies need to be aware of that.

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The big question is no longer “can we do this?” but rather “can we now ever not do this?”

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8. Flexible working

Flexible working goes hand-in-hand with remote working and often the terms are used interchangeably. Working 'your own way' appears to be the mantra many people have adopted, especially when more people are working at home and working around their schedule.

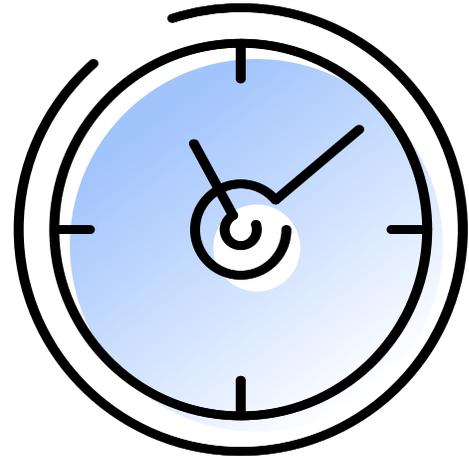
What people said

We also noted that the majority of respondents wanted flexible working hours as opposed to rigid schedules, with over half (53.5%) saying they wanted the option to stagger their hours. This was an especially popular option among older generations, who are more likely to be parents.

With regards to flexible working, there was some disagreement. Far and away the most popular option was to have flexible hours, but fixed shifts and traditional office hours were still popular with around 12% of respondents.

What happened in 2020?

The enforced edict from many governments around the world advising those that could work from to do so led to an increase in flexibility. Employees now seem to be less driven by the clock. Before, if they had a long commute, their days would be long. Yet with remote working and the commute gone, working when you want is really the only option in 2020 for those that can work remotely.



8. Flexible working

What do we predict?

As people have gotten a taste of flexible work hours, the days of the traditional 9 to 5 seem to be numbered.

The integration of work into the home can bring benefits (no commute, more time to run errands), but it can also increase the 'always on' culture, whereby people feel compelled to answer emails around the clock.

We see that more people will look to work flexibly with compressed hours (working contracted hours in a reduced number of days) or different start times to accommodate a person's lifestyle. With more people working across time zones, the ability to be flexible will be even more crucial.

What would your ideal working week look like?

	Gen Z	Millennials	Gen X	Baby Boomers
Traditional office hours	20%	12%	13%	7%
Fixed shifts	9%	8%	5%	2%
Varying shifts	0%	3%	1%	0%
Flexible hours	46%	51%	53%	54%
Compress work hours	14%	23%	26%	31%

9. Employee wellbeing

The wellbeing of employees is vital to ensure your business thrives. Over the last few years employee wellbeing has been rising up the list of priorities for organizations.

What people said

There appears to be interesting differences around the globe, when people choose an employer. In Europe and Latin America, respondents to our survey believed flexible working hours was the most important aspect, whereas salary was the most important in North America.

Other **studies** show that flexibility in working hours and location can help wellbeing, so it is interesting that some areas of the world value this more than a higher salary.

What happened in 2020?

COVID-19 led to companies reassessing how they look after their employees' wellbeing. From the moment the pandemic struck companies had to find ways of supporting their employees in the short term and as the pandemic continued into the longer term.

Overnight, companies had to make sure that employees had the tools they needed to do their jobs wherever they were working. But, employers also needed to support employees' health and wellbeing, from using apps to measure how many of their employees were sick to arranging activities like virtual coffee mornings or exercise classes to support mental health.

The number of people working remotely increased in 2020, even if it was only temporarily. This caused some employees to feel isolated as for some, going into an office was their main source of social interaction.

Consequently, mental health issues can be exacerbated and it's predicted that there will be a **rise in mental health issues** worldwide.



9. Employee wellbeing

What do we predict?

With more people working remotely on a regular basis, maintaining the wellbeing of these employees will be a great challenge for companies of the next decade. They'll need to employ analytics to identify areas of need and concern.

HR will need to take proactive steps in ensuring remote worker's wellbeing is maintained when there is reduced face-to-face contact.

Using technology for informal reasons, like coffee mornings and quizzes, to get remote workers engaged may be more commonplace so people working remotely aren't constantly working.

One area HR will have to manage is the **conflict** between remote workers and those who have to be in an office. This will have to be managed appropriately as we will likely see compensation changes for those who have to travel into the office, while those working at home may lose their salary weighting.

The blur between work life and home life will continue unless companies and individuals take steps to maintain the separation. That blur can affect wellbeing, as people will constantly feel they have to work 24/7 and always answer emails no matter what time they arrive. However, there may indeed be a reaction against this with people recognizing the need to look after their wellbeing.

Top 5 aspects when choosing an employer

	Europe	Asia	North America	Latin America
1	Flexible work hours	Promotes sustainability	Salary	Flexible work hours
2	Option to work remotely	Additional payment rewards and benefits	Additional payment rewards and benefits	Additional payment rewards and benefits
3	Salary	Salary	Culture aligned with personal values	Salary
4	Culture aligned with personal values	Culture aligned with personal values	Flexible work hours	Culture aligned with personal values
5	Clear career development path	Clear career development path	Diversity	Clear career development path

10. The office

The office has been the mainstay place of work for people for well over 100 years. Norms, behaviors and cultures have developed. However, the political, economic, social, technology, environmental and legal zeitgeist has shifted away from people working in a multi-occupancy building in a central location to one of a decentralized approach with people working anywhere.

What people said

Our study showed that younger people prefer to work in an office environment than their older counterparts. That could be due to millennials normally having fewer family responsibilities than older cohorts and that the workplace also helps them develop their social networks.

The younger segment of the workforce also benefits from gaining tacit knowledge of their job when working alongside co-workers in the same building.

64.8% of people surveyed wanted a hybrid model or **'blended working'** where they have the option to work either remotely or in the office.

What happened in 2020?

Although there has been reticence from some companies and line managers to work from home in 2020, many people were forced to work from home if they could.

The fact that companies were forced into letting their employees work from home meant that companies had to setup protocols to ensure staff was working and not simply binge watching their favorite shows.

There may have been some teething troubles with network capacity not holding up in some areas, but on the whole the experiment seemed to work and the infrastructure held up.

Employees in general seemed to like working remotely demonstrated by the fact that in some countries people were reluctant to return to the office. However, people still do want to go into an office now and then to meet their co-workers.

2020 was the year that forced companies and line managers to trust their employees with working remotely. Now that employees have experienced the flexibility, it will be very difficult for companies to say to employees they cannot do their job remotely, if they managed to do it throughout the pandemic.



10. The office

What do we predict?

Although in the short term, many companies will have to maintain their current office real estate (in some cases **increase the amount of space**), due to rent obligations and/or contracts. The pandemic has led to many reassessing whether they need such large offices in the future.

There have been many prominent **business leaders** who have said they will no longer need large city center offices, only to **roll back on their comments** a month or two later.

It's almost certain that companies will likely have smaller office real estate in the long run. But there will still be a need for a base where people can meet and work should they want to.

The future of the office is an agile, flexible office where space is optimized. Smaller spaces means that office space will need to be managed. People will have to manage their time and location more accurately to avoid offices being overloaded on some days and empty on others.

With fewer people commuting to city center locations, this has implications for businesses that support workers in the city. There are many jobs in hospitality and retail that depend on the trade from office workers.

“

The office is dead, long live the office.

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11. Virtual management

Managing people remotely requires an element of trust as well as having the skill set to communicate with people digitally to get the best out of them.

What people said

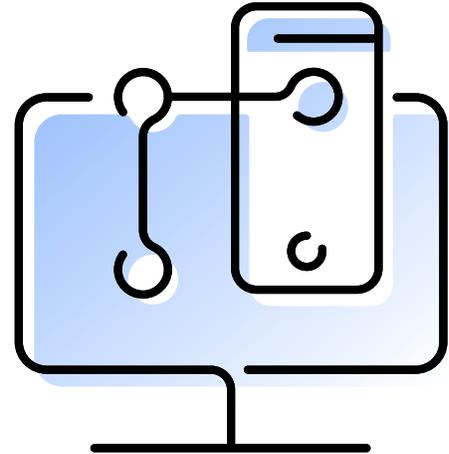
Managing virtually and being managed virtually are difficult skills. Although we didn't explicitly ask about this, our respondents much preferred to interact with a human rather than a chatbot.

What happened in 2020?

With enforced remote working for many office workers, line managers had to quickly adapt to managing their workforce remotely.

Companies that had cloud based Human Capital Management (HCM) systems would be able to manage workers far more easily than those without. In addition, the use of video conferencing and collaboration tools meant that it was possible to manage virtually.

2020 heralded the importance of Continuous Performance Management (CPM) and those companies fully utilizing tools like this would find remote management far easier than those without. The ability to regularly check-in and tweak performance goals was invaluable to employers in such a fast changing environment.



11. Virtual management

What do we predict?

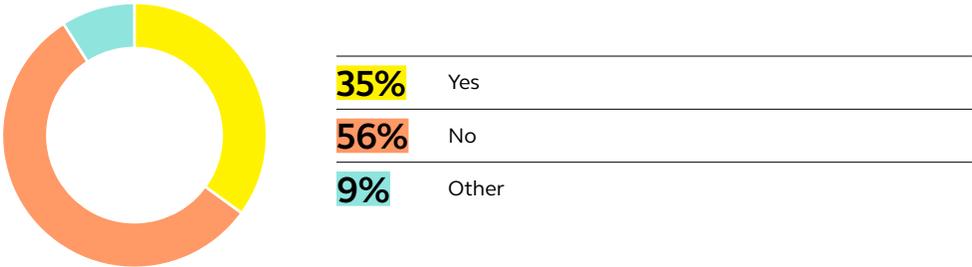
We see that companies will hire line managers that have virtual management experience. There will be growth in training that equips employees and managers with the skills to get the most out of their people and themselves using technology.

HR systems have a vital role in supporting line managers who virtually manage their staff. For companies that struggled to virtually manage their staff, they will no doubt be looking at improving their systems if remote working is the new norm.

Schools and universities should look at teaching their students how to work virtually. Although their generation are already digital natives, they need to be prepared for the digital world of work.

Companies will need to manage the extent at which they implement virtual management as well as the amount of automation as people still prefer to engage with a human rather than chatbot.

Are you happy to interact with a robot or chatbot rather than a human?



12. Continuous Performance Management (CPM)

Continuous performance management (CPM) means performance and development opportunities are reviewed and added frequently within an organization, rather than at traditionally scheduled times – for instance, in the form of an annual salary review.

What people said

Employees are increasingly looking to work for businesses that invest in their career development.

This sentiment is especially prevalent among Generation Z and Millennials. Forty nine percent of these younger cohorts suggested they would leave an employer that failed to offer clear progression.

However, every generation shows a great ambition to continue refining its talents. And while many respondents (29–45%) showed a willingness to seek these qualifications on their own, 42–50% of respondents believed that the expense should fall on the employer.

What happened in 2020?

While the COVID-19 lockdown disrupted normal business processes, employees' desires to receive continuous training and development does not seem to have diminished.

Indeed, many of those employees with more time on their hands — either as a result of not having to travel to work or working reduced hours — have taken learning and development into their own hands.

CPM has been valuable to companies as managers have been able to continually check-in with their employees. The adaptability of CPM has meant that goals that were set at the beginning of the year can be changed to reflect the fluidity of the situation businesses have been facing.

What do we predict?

As we reach the dawn of a new age — where automation, artificial intelligence and robotics will redefine the workplace — the need for employees to re-skill and up-skill has never been greater.

Many people will be feeling anxious, especially if they work in an area at risk of redundancies. These feelings will be heightened in the context of the COVID-19 pandemic.

Therefore, employers must act fast. Firstly, they should reassure their employees. Then, they should work to ensure their workforce has the tools and goals they need to thrive.

We see that CPM will have an ever-increasing role in management. As the world evolves quickly, goals, training and development need to be agile too. Over the next few years, companies will use the data from CPM to identify needs much more quickly so they can take advantage of opportunities that arise.

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As we reach the dawn of a new age — wherein automation, artificial intelligence and robotics will redefine the workplace — the need for employees to re-skill and up-skill has never been greater.

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13. Mindset shift

The mindset in which employees and companies view the way they should work varies throughout the world. Every employee and company have their own mindset, when it comes to work. Some people and companies want to work 12-hour days, whereas others value a work/life balance.

What people said

Our study showed there were regional variations in the appetite for people wanting to work remotely and flexibly. This could be attributable to cultural differences in mindset. In some countries people need to be seen to be in the office.

In terms of staying in the same company, we saw a distinct pattern that Baby Boomers believed they were very likely to be working in the same organization in 2025 (36.5%), compared to only 2.9% of those in Generation Z.

What happened in 2020?

In 2020, there seemed to be a mindset shift (at least temporarily) with firms giving employees greater flexibility. In part, companies were forced to do this. However, it has led to many employees and companies reassessing how they work and how they will work in the future.

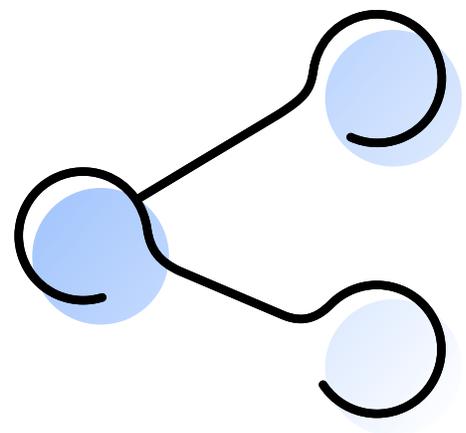
What do we predict?

It's difficult to predict what will happen in the future. Will companies continue to embrace some of the patterns of work that had to be implemented during the COVID-19 pandemic or will they go back to the way of working they did previously?

If companies permanently change their mindset in terms of how they want and will allow their employees to work, then they will have to ensure their infrastructure can accommodate this.

We do predict that in some parts of the globe, there will have been a permanent mindset shift in companies allowing their staff to work more flexibly. Even in regions that move back to their old mindset, 2020 will have shown that change can happen and it can happen quickly, so they will need to be prepared for it in the future.

Economic uncertainty could change the mindset of Generation Z, who thought it would be unlikely they'd be in the same organization in 2025. As the increase in unemployment around the world could make people feel more grateful that they have a job, some may be more inclined to stay where they are rather than move to another one.



14. Communication

Long ago, communication was simple. You either spoke face-to-face or wrote a letter. Over hundreds of years, we have expanded our arsenal of communication methods to include phone calls, emails, text messages, instant messenger applications and video conferences. Today, communication is easier and faster than it has ever been and judging by the current trajectory, there's every chance it will grow exponentially over the next five years too.

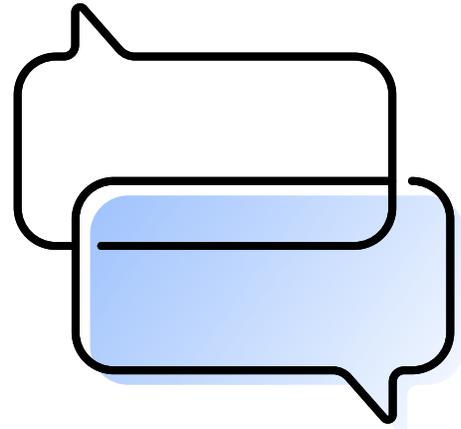
What people said

The most tell-tale statistic to prove the value of communication is that, when asked to rank the skills they thought were most needed to stay relevant at work in the 2020s, our respondents ranked communication as #1. Collaboration, which is closely linked to communication, came second, while emotional intelligence — another essential facet of communication — was fourth.

Furthermore, we asked: “How likely is it that in 2025, most of your online interactions will happen through an app that you have not heard of today?” A staggering 84.9% said it was at least likely, with almost half (45.7%) saying it was “very likely”. Only 1 in 10 (10.7%) thought it was unlikely.

What happened in 2020?

Staying in touch with teams and colleagues moved almost entirely online, with most people in the global workforce having to adapt to new conferencing apps such as Zoom, Skype and Microsoft Teams. For many, these were their first interactions with such products, proving the 85% who thought we would be communicating through an app we hadn't heard of absolutely right.



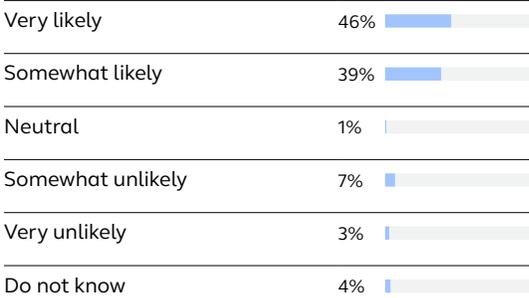
14. Communication

What do we predict?

Moving forward, it's likely communication will continue to solidify itself as an even more relevant business skill. We can therefore expect the suite of communication tools available in 2025 to be even greater than we originally anticipated. Virtual reality is the next frontier for businesses, and we expect that by 2025 it should play a big part in business communications.

“ Virtual reality is the next frontier for businesses, and we expect that by 2025 it should play a big part in business communications. ”

How likely is it that in 2025 most of your online interactions will happen through an app that you have not heard of today?



15. Retention of talent

In the war for talent, it's not enough for companies to compete on salaries alone. They must also offer a company culture, working conditions and perks and benefits that make employees feel valued, and that makes them feel the company plays a positive role in their lifestyle.

What happened in 2020?

Once widespread recruitment is feasible again, talent will continue to be a hotly traded commodity. However, with a global recession on the horizon, many employees will want to remain with their current employers instead of looking for new work elsewhere.

What do we predict?

It is often reported that "Employee loyalty is far from dead." This will be especially the case when there are high unemployment levels and people are more likely to stay in their current job rather than moving elsewhere.

Companies that have adapted their business to remote and flexible working retained staff throughout the crisis and continued to motivate and inspire their workforce may see a payoff. It can be in the form of increased employee loyalty and/or becoming a more desirable place to work for top talent entering the job market.

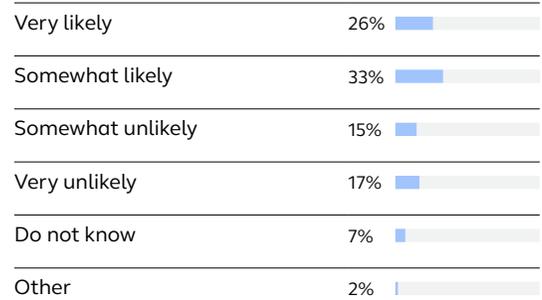
Ultimately, we predict not much will change. Salary, flexible working, development opportunities, a strong company culture and a commitment to sustainability were the five factors our respondents ranked as the highest motivators for loyalty and engagement. These we believe will remain the top five over the next decade.



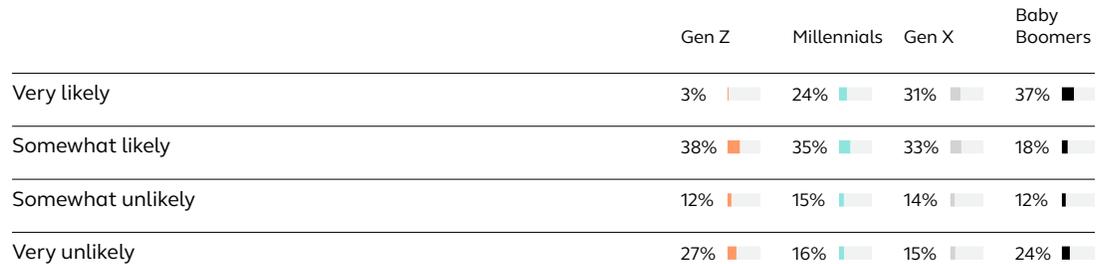
15. Retention of talent

“
 ‘Employee loyalty is far from dead.’ COVID-19 will put this claim to the ultimate test.
 ”

How likely is it that you work for the same organization in 2025?



How likely is it that in you work for the same organization in 2025?



16. Total compensation

The primary reason people go to work is to be paid, which raises two issues. The first is the amount people are paid. Within large organizations, there will be an enormous range between the highest and lowest compensated, and even within pay brackets this disparity can be significant.

The second is how often people are paid. Pay frequencies have remained standard in most countries, but with the rise of fintech, eWallets and electronic currencies, it is now possible to transfer payments instantly and in forms other than cash.

In addition to basic salary, many companies offer additional incentives, which form part of an employees' total compensation. Perks and benefits take many forms and there is some debate about what constitutes a "perk" or "benefit" compared to what should be an integral feature of a company's culture.

For instance, should a tailored progression plan and the option to work from home be considered perks, or should they be considered normal ways of working?

The question is, will people adapt to instantaneous payments and new currencies and would they choose these things if they had the option?

“

Those who were most affected by financial measures may be more likely to demand more urgent payment.

”

What people said?

We asked a range of questions aimed at determining how content people were with the availability of pay data at their company and the frequency of their payments.

The data told us that most people wanted to see more visibility regarding who earns what. This was especially true of the youngest cohort, Generation Z, where almost half (48.6%) said they wanted salary transparency. Surprisingly, Baby Boomers were the second most likely demographic to want salary transparency, with 69.9% saying they would at least like to see salary scales. Fewer than a third of respondents said they would not like to see any form of salary transparency.

As for payment frequency and type, it seems the majority of people are quite happy as they are. Only 3.7% said they would like to be paid instantaneously after completing a shift or a piece of work, while just 6.8% said they would like to receive payment either in cryptocurrency or as credits in a digital wallet.

According to our poll, far and away the most popular benefit was a family healthcare plan (73.1%) followed by performance-based bonuses (69.5%) and personal healthcare packages (61.8%). Of lesser importance, but still significant, were an employer-sponsored retirement plan (61.4%) and paid leave to take care of sick family members (41.7%).

When asked about perks related to company culture, a clear development path ranked highly among Generation Z and Millennials, especially in Asia.

16. Total compensation

What happened in 2020?

The pandemic had a profound effect on many people's personal finances.

Staff in some companies were made to take pay cuts, sacrifice wage growth and take unpaid leave in order to help their business through difficult times. Those who found their jobs at risk may have benefited from government stimulus schemes such as furlough, while others may have had to reduce their working hours.

Those experiencing financial hardship may have been forced to withdraw funds from a pension or 401(k). Furthermore, certain countries adjusted tax rates to account for the financial impact of COVID-19.

For employees affected in these and many other ways, pay frequency and transparency may have suddenly become a far more significant issue.

Do you want to see greater transparency in who earns what in your organization?

	Gen Z	Millennials	Gen X	Baby Boomers
No	29%	32%	32%	30%
Yes	49%	37%	38%	37%
Yes, scales	20%	26%	26%	21%

16. Total compensation

What do we predict?

The full financial effects of the COVID-19 lockdown are yet to be seen, but early predictions are not positive, with recessions and high unemployment forecast for most Western countries.

What effect this will have on employees' attitudes to pay frequency and transparency is yet to be seen. Now, it seems the conversation around these things has stalled somewhat, but as people start to recover financially from the impact of lockdown, they are likely to experience a change in attitude.

Those who were most affected by financial measures may be more likely to demand more urgent payment, transparency within their organization and payment in the form of cryptocurrencies.

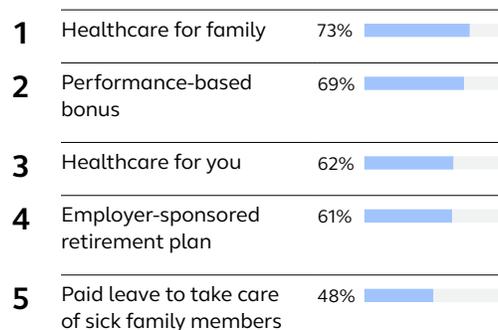
For those employees who have had perks and benefits cut, absence will almost certainly make the heart grow fonder. Once the world of work starts to return to normal, we should expect to see employees eager to recover their perks and benefits.

Whether that means changing companies is yet to be seen, but it's not inconceivable that talented members of staff could look for other jobs if they believe it will help them to enjoy their favorite benefits sooner.

The big question looming over us now is whether employees' attitudes toward perks and benefits will change and, if so, how? Will they start to seek new forms of benefits? Will they start to put greater emphasis other types of benefits that were previously deemed less important?

We believe the trend towards healthcare-focused perks will not only continue, but will be consolidated now the world has lived through a healthcare crisis.

Top 5 employee benefits



17. Business travel

For international companies, business travel was part and parcel for some of their employees. Attending business meetings often around the globe or even within the same country were the norm.

However, since the pandemic many countries curtailed this with orders for people to restrict the amount of face to face contact. Consequently, this led to a cliff edge drop in the number of face to face business meetings and business travel.

What happened in 2020?

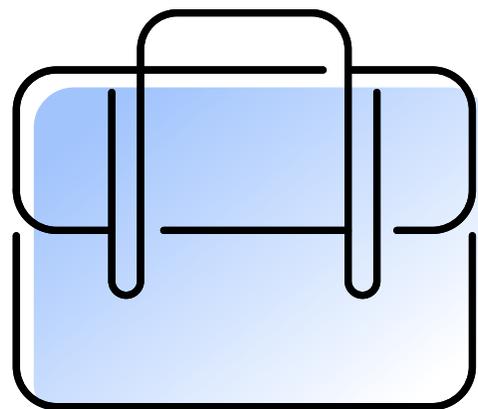
2020 was the year of Zoom, MS Teams and any other video conferencing software you care to mention. Video conferencing enabled people to meet virtually across the globe without needing to travel.

Although video conferencing and cloud collaboration software has been around for years, it was the COVID-19 restrictions that forced many companies to utilize these facilities to maintain business as usual.

What do we predict?

We predict that business travel and face-to-face meetings will gradually return, but not to the extent they were in the near term, if ever. However, companies and business leaders will be far more discerning over what meetings can be done virtually and those that need to be done face to face.

With pressure on budgets as well as companies wanting to reduce their impact on the environment, it seems logical that the days of business travel for meetings will not return anytime soon.



18. Retirement

The global workforce is aging and the 2020s will see more people aged 40+ at work than in any preceding decade.

This, coupled with the fact retirement ages are gradually increasing, plus the fact fewer people are choosing to retire at the traditional retirement age, will create an increasingly older workforce throughout the decade.

With people living longer than ever, many cannot afford to fund the 20+ year retirement that is now common. Fortunately, there is a lifeline in the fact that many older people choose to take only part-time work to top up their retirement funds.

Nonetheless, the need to support an older working population in the 2020s will create unique challenges and cause us to have to rethink retirement.

What people said?

Our respondents were pessimistic about their retirement prospects. 31.7% of people in North America are preparing to have to work full-time after retirement age, while 49.9% of people in Latin America and 42% of people in Asia believe they will have to work at least part-time.

And, only in Europe, where 29.7% see themselves retiring on time.

What happened in 2020?

It's hard to say whether the pandemic will have an effect on people's attitudes to retirement.

It's possible that the shift toward home-based working may have encouraged some people, especially those nearer retirement age, to look into less physically demanding forms of labor as a viable alternative to retirement.

However, it remains to be seen whether COVID-19 will create a marked shift in people's attitudes to something so long-term.

What do we predict?

Even if COVID-19 does not exacerbate the current trend, the data shows that HR teams will need to start making provisions for an older workforce as soon as possible.

Whether this means strategic allocation of less labor-intensive tasks, creating a greater number of part-time roles or introducing job sharing, with many people suffering blows to their personal finances and unemployment right around the corner, the time to act is now.

18. Retirement

Do you think you will be mentally and physically able to work at 70?

Responses by generation

	Gen Z	Millennials	Gen X	Baby Boomers
Yes, full time	11%	14%	24%	34%
Yes, part time	43%	34%	37%	39%
Yes, with special provisions	1%	3%	3%	4%
Very unlikely	17%	25%	18%	16%

Do you think you will be mentally and physically able to work at 70?

Responses by geography

	Europe	Asia	North America	Latin America
Yes, full time	12%	19%	32%	17%
Yes, part time	33%	42%	25%	50%
Yes, with special provisions	3%	3%	2%	1%
Very unlikely	30%	17%	18%	14%

19. Speed of change

Change typically happens quite slowly and incrementally. It is very rare that a global event changes what people hold true. However, the COVID-19 pandemic has had an effect on almost every aspect of everyone's life.

Global events, like a world war, change things overnight and will be remembered for years to come — whether it be both positive and negative aspects that it brought it society as a whole.

What people said?

Rapid change is now a given. 84.9% of respondents in our survey believed that most of their online interactions will be through an app that they will not have heard of today.

This is striking and demonstrates that people are resigned to the fact that change happens at an ever-increasing rate. The events that unfolded in 2020 and how businesses and people adapted to them perfectly exemplifies this.

What happened in 2020?

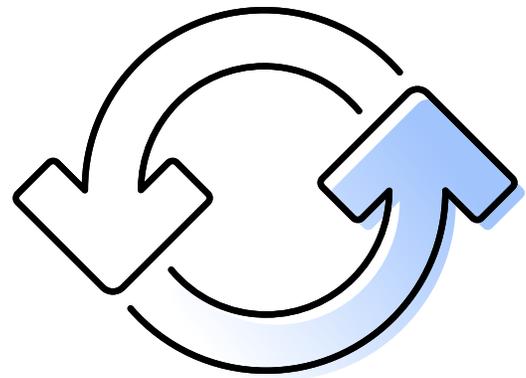
Companies were forced to change their work practices overnight in many cases. They needed to adapt quickly to the new environment.

The companies that were able to change quickly were the ones that had the infrastructure already in place and were in sectors that could adapt easily to the rapid change that was going on.

What do we predict?

Change happens, but the speed of change that happened in 2020 was phenomenal. We predict that there will be a period of adjustment to all of the changes that have happened. Companies will change and evolve, but at slower rate than they did in 2020.

Change is a constant and it will continue, but it remains to be seen how quickly businesses return to the old ways they did things, pre-COVID-19.



20. Stakeholder capitalism and the ‘new normal’

After the changes that companies were forced to make during 2020. Are we now entering what could be considered a new normal?

There had already been signs of an increase in what is known as **‘stakeholder capitalism’** where companies serve the interests of all stakeholders not only shareholders.

What people said?

It became apparent that people we surveyed were more discerning when selecting an employer. Cultural fit with personal values was one of the top five reasons people choose a company to work for.

This was consistent throughout the world and demonstrates that businesses need to be mindful that current and future employees want to work for companies with values consistent with their own.

What happened in 2020?

Many companies were forced to change the way they worked in 2020, with many employees working remotely and flexibly due to the pandemic.

After being forced to make changes to work styles, there seems to be a dichotomy: people who like the new remote way of working and those people who could not wait to get back to the office.

This caused a dramatic divergence in opinion, with some employees and companies embracing the ‘new normal’ and others who were not so sure. It also has a political angle with governments around the world having to balance public safety with maintaining the economy.

The new normal has made it increasingly difficult to satisfy all stakeholders needs, but many companies have demonstrated compassion when supporting employees as well as other organizations with the fight against COVID-19.

Clearly, stakeholder capitalism has started to make an impact as many companies have realized they need to take a holistic approach to their business model to satisfy all stakeholders.

20. Stakeholder capitalism and the ‘new normal’

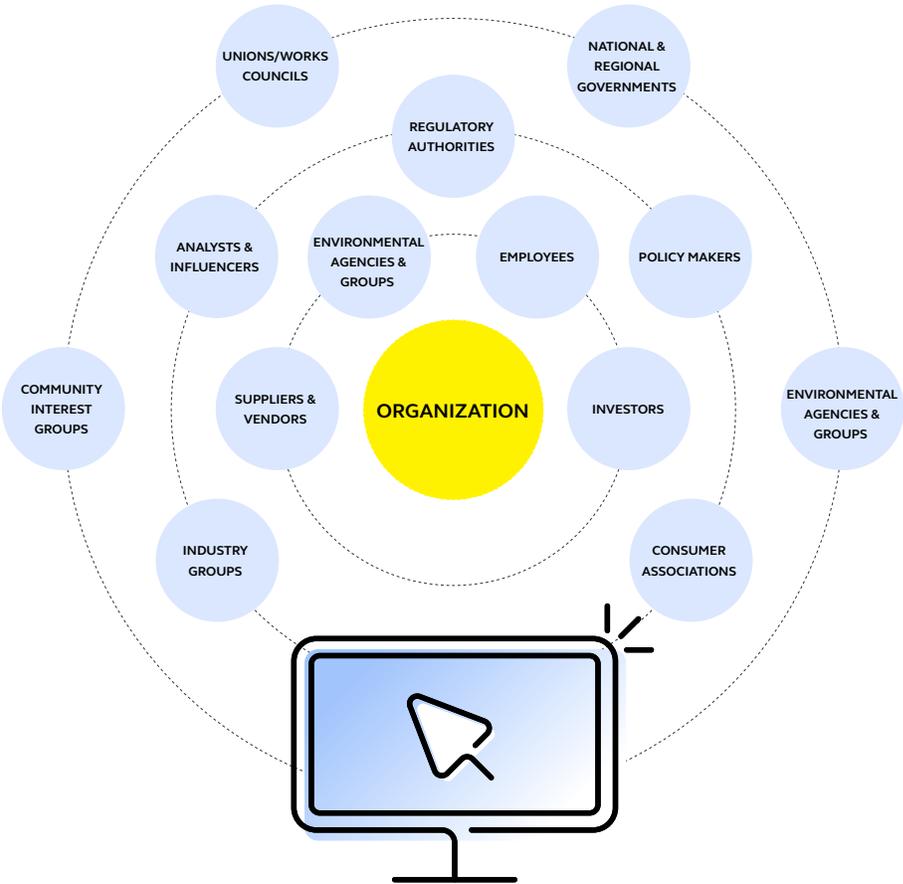
What do we predict?

After the dramatic events of 2020, we do not see things reverting 100% back to the old ways of working. We see that some of the positives remote working has brought to companies and employees to be embraced.

However, we also predict that elements of the old ways of working will return. People will return to their offices, but most likely not in such large numbers as they did before and not every day of the week.

We see that employees and employers will look much further afield for opportunities and talent. People will no longer be restricted by geography. Companies that do embrace this new normal will surely reap the benefits of access to a global talent pool as well as more engaged employees.

Stakeholders are those with an interest in the ethics, behaviors and outputs of your organization



Conclusion

So much has changed as a result of COVID-19, but as we have shown, the wheels were already firmly in motion before this situation appeared.

Businesses are having to adapt much faster than anticipated, but more or less every organization across the planet is in the same boat, and therefore the imperative is motivated by the need to adjust to the new normal rather than a desire to get ahead in the marketplace.

It's important to remind ourselves is that none of the great changes brought on by COVID-19 were new. They were all trends and changes that we, as HR professionals, have had on our radars for many years.

And while the pandemic has been a scary and frustrating time for all of us, it has also created a once-in-a-lifetime opportunity for businesses to revolutionize their ways of working for the benefit of their staff.

Now is surely the time to adapt to change.

Having said that, while adapting to the current situation may seem like an imperative, you must resist the urge to rush your response. For while there are substantial benefits to be had from, for instance, increasing the use of technology in your workplace, this can have a detrimental impact on other areas of your business — e.g., employee wellbeing.

Ultimately, what COVID-19 has shown is that organizations need stable HR leadership more than ever.

The HR function is responsible for managing the changes happening throughout this report — they are the catalysts for the change we all need to see. It is therefore imperative that businesses continue to invest in their HR function, giving them the tools and resources they need to be successful.

Transformation is needed more than ever and, as has always been the case, it should be well managed so as not to add costs or complexity. The hard work of building a business case has, in a sense, already been taken care of by the pandemic. Now all that's left is to realize your ambitions to take your HR function to the next level.

In partnership with HR professionals, businesses and influencers around the world, we undertook a major thought leadership project on the world of work and pay in 2025.

We asked thought leaders, industry experts and practitioners to share their ideas on the future of work, and what that means for HR. They told us how, when and where they think we might work, be paid and manage our careers in 2025 and beyond. Others spoke to us about emerging technologies and their effects on our organizations and HR.

As part of the project, in late 2019, we asked people across the world to take part in our global HR2025 survey into what the future of work might look like. This report reveals the results of that survey, told through the understanding of a post-COVID-19 world.

About Alight Solutions

With an unwavering belief that a company's success starts with its people, Alight Solutions is a leading cloud-based provider of integrated digital human capital and business solutions. Leveraging proprietary AI and data analytics, Alight optimizes business process as a service (BPaaS) to deliver superior outcomes for employees and employers across a comprehensive portfolio of services. Alight allows employees to enrich their health, wealth and work while enabling global organizations to achieve a high-performance culture. Alight's 15,000 dedicated colleagues serve more than 30 million employees and family members. Learn how Alight helps organizations of all sizes, including over 70% of the Fortune 100 at alight.com.



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