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Global Human Capital Trends 2021

The social enterprise in a world
disrupted: Leading the shift from
survive to thrive

Irish special report

Contents

Introducing Human Capital Trends 2021

The social enterprise in a world disrupted

The COVID-19 pandemic has resulted in the largest work experiment in modern history, in which flexible working is just the tip of the iceberg'[1]. In a devastating global health crisis, one of the few positives has been a glimpse into what people are capable of when traditional constraints such as hierarchies, bureaucracy and the 9-5 working day are stripped away.

This year's Deloitte Human Capital Trends survey generated over 6,000 responses from professionals across 99 countries, including 2,363 from Europe who are the focus of this special European report. For the first time in eleven years of the survey, non-HR business executives outnumbered HR executives, underlining the importance of human capital issues in these volatile times. In this report, we focus on the trends affecting HR and business leaders today, within five sections: 'Designing work for wellbeing', 'Beyond reskilling', 'Superteams', 'Governing workforce strategies' and 'Memo to HR'.

The survey results and our accompanying interviews with Irish people leaders confirm the transformational shift in workforce strategies in the European and Irish markets, as business leaders radically rethink ways of working to navigate future uncertainty. We interviewed various clients, both public and private sector in addition to our own CHRO to garner their perspectives and to help translate these trends into reality for Irish businesses. The outputs of which highlighted that executives are shifting their focus away from work optimisation towards fundamentally reimagining work in their organisation.

Throughout the five trends we see shaping the world of work in this report, the unifying thread is a need for executives to prioritise the abilities and adaptability of their workers by 'humanising' work. And there is no "waiting for a better time". The time to start humanising the future of work is now. 2020 witnessed extraordinary displays of human and team reinvention in times of crisis; the challenge now is to sustain that momentum to discover new ways to thrive in the long term, even as disruption constantly resets the path forward.

One year into the pandemic, COVID-19 is not yet under control, but the rollout of vaccination programmes across Europe and Ireland offers a hope of recovery soon. Leaders now face a unique opportunity to move to a higher level of action and vision. We believe that HR can lead the way in the most significant change to the workforce that we have ever seen.

This country report outlines the findings in the European and Irish markets and is a companion to the Deloitte Global Human Capital Trends 2021. We hope you will find them insightful as you prepare for the challenges of 2021. We stand ready to assist you in helping to ensure your organisation is prepared to lead in the new world through driving business success and HR excellence.

Valarie Daunt
Ireland Human Capital Leader

At a glance

The social enterprise in a world disrupted:
Leading the shift from survive to thrive

Key European findings from 2021 Global Human Capital Trends survey

Times of uncertainty call for organisations to fully embrace the role of the social enterprise; delivering lasting positive impact to workers and wider society. Organisations need to continue to humanise work, while empowering and enabling their workers with trust and tools to stay ahead of disruption and uncertainty.

Designing work for wellbeing: Building a sustainable future where workers can feel and perform at their best

The pandemic has brought wellbeing into sharp focus, pushing organisations to build a resilient workforce by shifting from wellbeing programmes adjacent to work to wellbeing as an integral part of thoughtful work design.

Three most important factors chosen by European executives in making remote work sustainable:

40%

Allowing for **person choice** in determining how work gets done

39%

Introducing **digital collaboration platforms**

32%

Establishing **new scheduling and meeting norms**

Yet there is still a **disconnect** between **employers** and **workers** when it comes to **prioritising wellbeing** in work transformation efforts, with workers prioritising it more highly than executives.

Beyond reskilling: Unleashing workforce potential

The pandemic showed that, when given the opportunity to align their interests and passions with organisational needs, workers can fulfil their potential in ways that leaders may never have known they could.

The most critical actions European executives are taking/will take to transform work:

42%

Building **organisational culture** that celebrates growth, adaptability, and resilience

40%

Building **workforce capability** through upskilling, reskilling and mobility
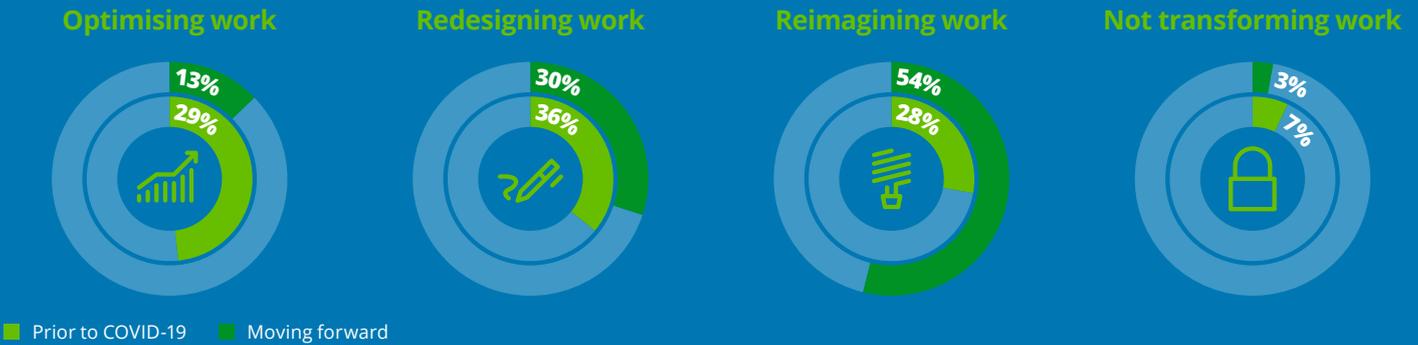
35%

Implementing **new technologies**

"The ability of their people to adapt, reskill, and assume new roles" was identified by European executives as the top-ranked item to navigate future disruptions.

Superteams: Where work happens

Driven by disruption and enabled by technology, leaders today should strive to take what they have learned to the next level by creating superteams – groups of people and intelligent machines working together to re-architect work in more human ways.
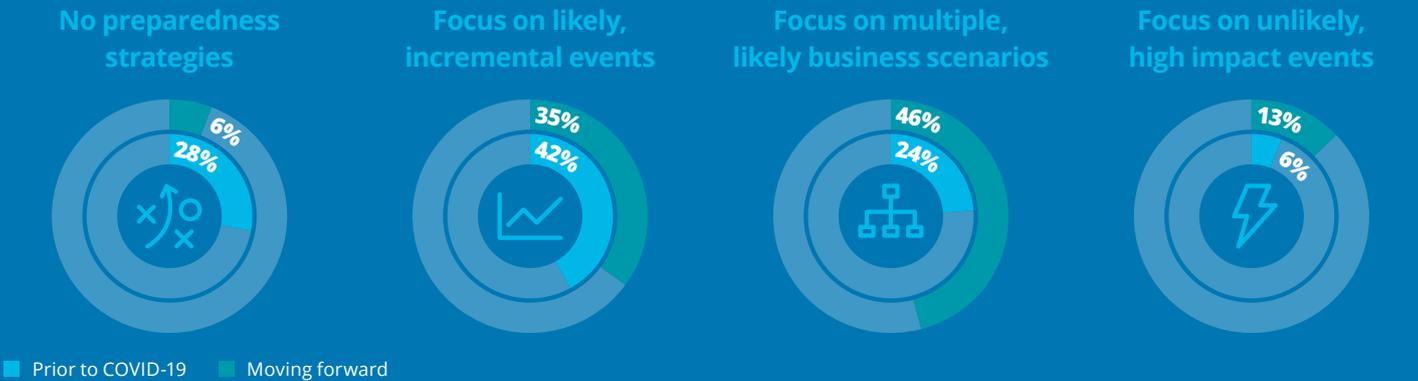
COVID-19 is driving significant changes to how work gets done, accelerating the pace of change and ripping up the status quo of traditional ways of working. This has sparked leaders to shift their focus away from work optimisation towards work reimagination.

Optimising work	Redesigning work	Reimagining work	Not transforming work
13% / 29%	30% / 36%	54% / 28%	3% / 7%

■ Prior to COVID-19   ■ Moving forward

Governing workforce strategies: Setting new directions for work and the workforce

To navigate in the environment of perpetual change and disruption, leaders must move from leveraging retrospective metrics to govern their workforce to using forward-looking data insights used to constantly challenge their approaches to work and the workforce.

Views of preparedness are **shifting** from a **focus on the familiar to planning for the unknown**.

No preparedness strategies	Focus on likely, incremental events	Focus on multiple, likely business scenarios	Focus on unlikely, high impact events
6% / 28%	35% / 42%	46% / 24%	13% / 6%

■ Prior to COVID-19   ■ Moving forward

Memo to HR: Accelerating the shift to re-architecting work

HR was pushed to finally act in ways that future of work always demanded them to do – embracing change and shifting their role from managing workers to re-architecting work.

HR executives are more confident in their ability to **navigate changes** required in the **next 3-5 years** than business leaders.

1 in 4 HR executives are **"very confident"** in their ability to navigate the changes with, only **11%** of **non-HR** executives sharing the same sentiment.

This highlights the importance of HR to closely partner with business leaders and workers to effectively re-architect a human vision of the future of work, while treating the re-architecture of work as an ongoing capability that needs to be embedded in operations.

Diving deeper
Five workforce trends to watch in 2021

In this Irish special report, we explore the journey from survive to thrive through the lens of Deloitte's 2021 Global Human Capital Trends.

1. Designing work for wellbeing: Building a sustainable future where workers can feel and perform at their best

- **The Trend:** Organisations are taking wellbeing beyond work/life balance by starting to design wellbeing into work – and life – itself.
- **Surviving:** Supporting wellbeing through programmes adjacent to work.
- **Thriving:** Integrating wellbeing into work through thoughtful work design.

2. Beyond reskilling: Unleashing workforce potential

- **The Trend:** Organisations need a workforce development approach that considers both the dynamic nature of work and the equally dynamic potential of workers to reinvent themselves.
- **Surviving:** Pushing training to workers from the top down, on the assumption that the organisation knows best what skills workers need.
- **Thriving:** Empowering workers with agency and choice over what work they do, unleashing their potential by allowing them to apply their interests and passions to organisational needs.

3. Superteams: Where work happens

- **The Trend:** COVID-19 has taught organisations that teams and technology are even more important to thriving in constant disruption than they thought before.
- **Surviving:** Using technology as a tool to make teams more efficient.
- **Thriving:** Integrating humans and technology into superteams that use their complementary capabilities to re-architect work in more human ways.

4. Governing workforce strategies: Setting new directions for work and the workforce

- **The Trend:** Organisations are looking for forward-looking insights about their workforce that can help them pivot quickly and set new directions in the face of uncertainty.
- **Surviving:** Using metrics and measurements that describe the current state of the workforce.
- **Thriving:** Accessing and action on continuous workforce insights that can support better, faster decisions based on an understanding of what the workforce is capable of in the future.

5. A memo to HR: Accelerating the shift to re-architecting work

- **The Trend:** The Future of Work always needed the HR function to expand its remit and COVID-19 has accelerated this process by opening up a window of opportunity for HR to re-architect work throughout the enterprise.
- **Surviving:** Having a functional mindset that focuses on optimising and redesigning HR processes to manage the workforce.
- **Thriving:** Embracing an enterprise mindset that prioritises re-architecting work to capitalise on unique human strengths.

Designing work for wellbeing

Building a sustainable future where workers can feel
and perform at their best

Wellbeing was rising on the executive agenda even before COVID-19. The pandemic has brought its importance into sharp focus by making leaders acutely aware of the consequences when their workers' physical and mental health is put at risk. This has driven organisations to move beyond adjacent wellbeing programmes and stand-alone initiatives, to a drastic rethink about how to protect and support their most valuable asset - their people.

Shifting realities

At the start of the pandemic, organisations took immediate and unprecedented actions to address the impact of the crisis on wellbeing and keep workers safe: from adapting workplaces for physical distancing, to establishing remote working arrangements and adjusting policies for emergency medical and caregiving leave. Some of these changes look set to have a lasting impact: for example Unilever announced recently that it will never return to five days a week behind an office desk, and will allow its people to shift to more adaptable and flexible working arrangements post-COVID-19[2].

Yet with rapidly evolving epidemiology and extended lockdowns expected across Europe for much of the coming year, the longer-term effects of social isolation and economic recession on workers' mental health remains to be seen. As work itself changes at a rapid pace, the ways in which an organisation supports individual and team wellbeing must adapt in tandem.

This section explores how organisations can embed the positive changes imposed by the pandemic into their future ways of working and build a sustainable future in which all workers, regardless of where they are working, feel valued and supported to bring their best self to work.

05

Our 2021 perspective

> **OUR HYPOTHESIS**
>
> COVID-19 has reminded us of the dual importance of worker wellbeing and work transformation, but executives are still missing connection between the two. Organisations that integrate wellbeing into the design of work at the individual, team and organisational levels will build a sustainable future where workers can feel and perform at their best.

The COVID-19 pandemic has broken through technological and cultural barriers that in the past have prevented organisations from embracing new ways of working, and transformational change has been achieved in a matter of months. One of the biggest changes has been a widespread transition to remote working, at least for some jobs and occupations. In 2018, fewer than one in 20 European workers reported working from home regularly.

In July 2020 however, 40% of paid work by employees was being carried out at home, with a third of workers working exclusively at home[3].

Seven in ten of the senior business and HR executives we surveyed are confident that today's remote working practices will be sustainable. When we asked them what factors they see as most important in making remote work sustainable (*Figure 1*), overwhelmingly they prioritised options intrinsic to the design of work itself, including allowing for personal choice in determining how work gets done, introducing digital collaboration platforms, and establishing new scheduling and meeting norms – all of which embed wellbeing directly into work. Encouragingly, executives also prioritised investing in team leader training – a critical factor in creating a supportive, healthy working environment, whether their teams are working on site, remotely or a combination of the two.

In our view, this marks a transformative shift from simply reimagining jobs, to rearchitecting the future of work with human considerations at the core.

Figure 1. The top factors in making remote work sustainable were related to work design

What are the most important factors in making remote/virtual work sustainable?

Allowing for personal choice in determining how work gets done
40%

Introducing digital collaboration platforms
39%

Establishing new scheduling and meeting norms
32%

Investing in team leader training
24%

Providing home access to the internet and needed technologies
21%

Reconfiguring the physical workspace at home
17%

Providing enhanced corporate benefits (e.g., family care support and resources)
8%

Offering new wellbeing resources
6%

Other
4%

Note: n=1,231
Source: The 2021 Deloitte Global Human Capital Trends survey, European cut.

66 Employee experience is table stakes now. 99

Sinead M Gogan, Chief HR Officer at Deloitte Ireland

Some changes to ways of working have been widespread, such as offering greater flexibility in working hours, reduced meeting durations and initiatives such as "no meeting days". The Spanish government, for example, has agreed to pilot a four day work week over three years, putting €50 million towards the cost of the project for companies that request to take part[4].

In Ireland, all employees officially have the Right to Disconnect from work and have a better work-life balance, after the Government brought in a new Code of Practice in April 2021. They are part of the Governments's commitment to create more flexible, family-friendly working arrangements, including working from home and working more flexible hours[5]. Others signal a radical change in their approach to wellbeing. One example is Bank of Ireland's 'Power down and Recharge' programme which focuses on reducing the risk of burnout or fatigue. The bank's commitment to its employees is twofold; the encouragement of routines that enhance wellbeing in work while discouraging the expectation for employees to be 'on' outside of working hours. In recognising this will not be embedded into the organisation overnight, and rather requires both behavioural and cultural change, BOI have established a framework of enablers, focused on an employees' wellbeing, working day, workspace and workload; to empower all to review and control their controllable.[6]

Considering mental fitness as a skill or capability that can be developed by the workforce is gaining momentum. This goes beyond resilience workshops or mental health first aid to making skills around mental fitness and wellbeing accessible for everyone. An example is Fika - an online and app-based skills development platform that enables employees to access courses on the key drivers for mental fitness. There is evidence that mental fitness courses prevent the decline of mental health, through skills development[7].

However, despite positive signs of progress, our research also revealed a continuing disconnect between employers and their workforce when it comes to the importance of wellbeing in work transformation. When we asked senior executives, and individual workers about the most important outcomes they hope to achieve in their work transformation efforts in the next one to three years (*Figure 2*), we found that workers prioritise transforming work for wellbeing more highly than executives.

Figure 2. Workers prioritise transformation work for wellbeing more highly than executives

What are the most important outcomes you hope to achieve in your work transformation efforts in the next one to three years?

Rank	Senior Executives
#1	Improving the customer experience
#2	Reducing cost (i.e., eliminate spend or eliminate headcount)
#3	Improving quality
#4	Increasing innovation
#5	Doing new work (i.e., new products or new customers)
#6	Increasing capacity
#7	Growing market share
#8	**Improving worker wellbeing**
#9	Increasing social impact

Rank	Individual Workers
#1	Improving quality
#2	Increasing innovation
#3	Reducing cost (i.e., eliminate spend or eliminate headcount)
#4	Improving the customer experience
#5	**Improving worker wellbeing**
#6	Doing new work (i.e., new products or new customers)
#7	Growing market share
#8	Increasing capacity
#9	Increasing social impact

❝Creating a supportive well-being strategy is really essential to achieving best in class engagement levels. Healthy, happy colleagues are more likely to bring your strategy and purpose to life, so your customers, colleagues and communities will thrive. It's part of the bedrock.❞

Claire Murray, Colleague Wellbeing Lead at Bank of Ireland

In our view, leaders who prioritise wellbeing as a foundational part of work are more likely to reap huge rewards[8]. Having a healthy and resilient workforce is a key strategic advantage, while an organisational culture built around promoting wellbeing serves to attract and retain talent. Seven in 10 young workers in Deloitte's *2020 Global Millennial* survey agreed that their employers' actions to create a diverse and inclusive work environment during the pandemic made them want to stay there for the longer term[9]. Organisations that demonstrate a commitment to employees, especially over the pandemic, will be seen as more attractive employers in the years to come.

Emerging priorities

The radical changes imposed by COVID-19 offer a unique opportunity for organisations to re-architect work to be better for people and to make people better at work. Putting wellbeing at the centre of work transformation will yield benefits in employee engagement, performance and overall resilience.

Organisations looking to build wellbeing into work should consider actions and policies across three levels: individual, team and organisational. Everyone must take responsibility to thrive collectively.

To be effective, the design of wellbeing into work must be developed, strengthened and flexed over time. While the pandemic has been a universal experience, it has reinforced the reality that while we may all be in the same storm, we are not in the same boat. It is critical to tailor wellbeing strategies to accommodate the needs of multiple worker segments, rather than taking a one-size-fits-all approach. Employers need to consider how to enable and empower individuals to identify and manage their wellbeing needs as part of their work instead of simply offering a range of standard wellbeing resources. *Figure 3* shows a starting point of actions that organisations should take to integrate wellbeing into work, driving cultural change from both the bottom up and top down.

The bottom line

Having a healthy and resilient workforce is a key strategic advantage. Putting wellbeing at the heart of work transformation will set the stage for long-term success both during and after COVID-19.

Figure 3. Listen, Respond, Monitor and Improve

		Individual	Team	Organisation
Listen	Identify the real factors that make work stressful, especially in a COVID-19 context. People often struggle to articulate their preferences and it is a joint responsibility to get to the crux of what they need to thrive.	●		●
	Define the critical workforce segments or 'personas' to further understand unique wellbeing needs and 'pain points' that need to be addressed for different parts of the organisation			●
	Create an environment of psychological safety where people at all levels feel safe to speak up and be listened to.	●	●	●
Respond	Formalise wellbeing as a core talent KPI, embedding it into performance and management processes, leadership evaluations, and rewards and recognition programs. Co-create wellbeing metrics with workers to have a meaningful impact.	●	●	●
	Give workers the agency to decide how they work. Provide line managers with the autonomy and upskill capability in creating Human-Centred Leadership to understand and accommodate their team's needs.		●	●
	Establish team norms and model wellbeing behaviours accordingly, such as taking micro-breaks or only making certain meetings video-focused.		●	●
	Leverage technology to support wellbeing and collaboration, but also give people the right to disconnect.	●	●	●
	Embed Mental Fitness into L&D, focussing on proactive skills development for wellbeing (over reactive support).			●
Monitor and Improve	Show the human side of the organisation, with senior leaders remaining visible and supportive champions of the wellbeing agenda going forwards.			●
	Actively listen to the pulse of the workforce, collecting regular insights, rather than just once or twice a year. Create an empathetic dialogue, measuring and communicating progress continuously.		●	●

Source: Deloitte analysis.

Lessons from the frontline

Together we use technology for good

In exploring how best to move to an app-based technology that supports their wellbeing strategy, WaterWipes announced a partnership with Zevo Health in 2019. Zevo designed a creative and tailored wellness solution for WaterWipes' employees, grounded in psychological theory and underpinned by data gathered from WaterWipes' own workforce.

Using smart wearables such as Garmin and Fitbit devices, as well as access to Zevo's health coaches, the Zevo Health technology allows employees access to a progressive wellbeing programme. Each employee has access to nutritional programmes, designed by Zevo's nutritionists, enabling WaterWipes' employees to gain healthy eating habits that can help manage stress, increase fitness, and lead to a healthy heart.

Zevo Health's tailored technology ensures all staff members can take part – enabling the strengthening of teams, encouraging healthy habits and connecting employees through company culture. With access to Zevo's expert health coaches, each staff member can obtain one-to-one advice and support on physical and mental health.

Although wellbeing was evidently always a key part of WaterWipes global strategy, the pandemic has brought its importance into sharp focus. In recognising their employees were facing a huge change to family dynamics, the app was relaunched in 2020 with the aim of helping its staff thrive in an environment of rapid change and uncertainty. WaterWipes executives realised early on that an honest and authentic leadership with deep compassion was vital to a people-centred response to the pandemic. Tone from the top was hugely important in gaining the buy-in needed. Early on communications and PR were designed to aide its relaunch and a calendar of events were agreed upon by leadership to speak honestly about their own personal wellbeing. Employee uptake rates far exceeded expectations, at 87% the app received overwhelmingly positive feedback from their offices across the globe. Optimising employee engagement and supporting mental health in the workplace through leadership commitment and their wellbeing app enabled WaterWipes to go through the pandemic as a more human, compassionate and connected organisation.
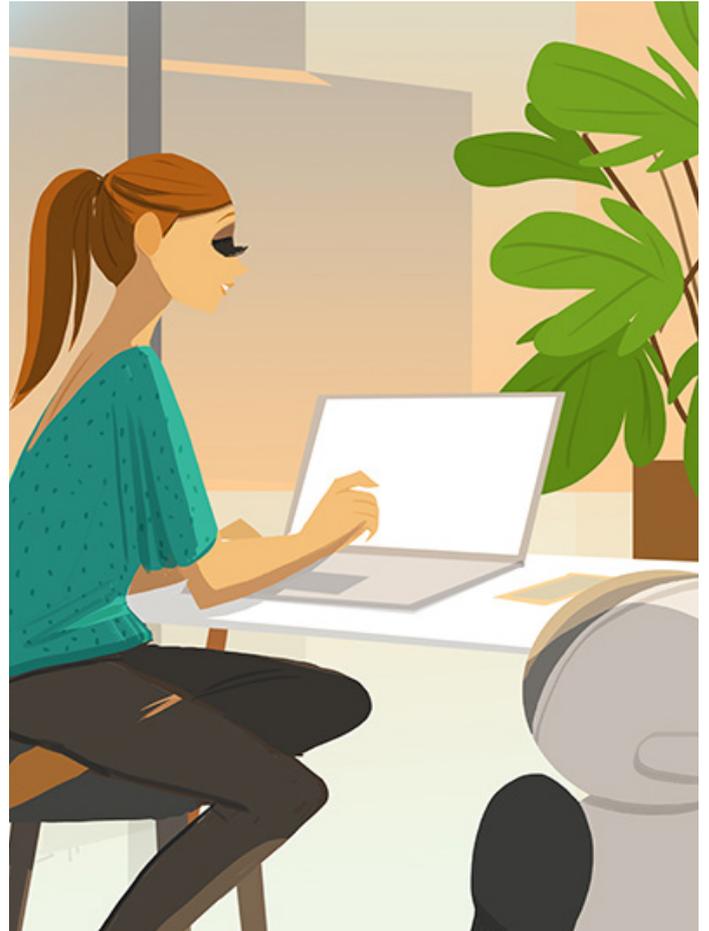
❝Similar to any business initiative, if it doesn't get the leadership engagement it is difficult to launch. Although wellbeing has always been on our agenda, the Covid-19 pandemic completely dialed up the executive sponsorship and buy-in that we needed.**❞**

**Aidan McKee, Chief People Officer at WaterWipes**

Lessons from the frontline

Together we use technology for good

In 2019, Bank of Ireland refreshed their wellbeing approach with the aspiration of their colleagues feeling that their health and wellbeing was truly valued by the bank. The aim of the strategy was for it to be exceptional and accessible from an employee experience perspective while using innovative digital technology and engaging approaches. Ultimately they wanted their employees to be equipped with the knowledge, tools and confidence to look after their own wellbeing and their teams' wellbeing, with a marked emphasis on mental health.

Pivoting to a digital platform, the Bank of Ireland Colleague Wellbeing app was launched in February 2020 which provides access to expert content on fitness, nutrition, mental health and financial wellbeing. The intention behind the app recognises that their employees' wellbeing journey spans their entire life and doesn't start or stop when leaving work.

A less obvious pivot that Bank of Ireland took was recognising the need to place social aspects into their enhanced wellbeing approach. Harnessing the power of virtual reality and events to reduce social isolation was key in creating more connections for their employees.
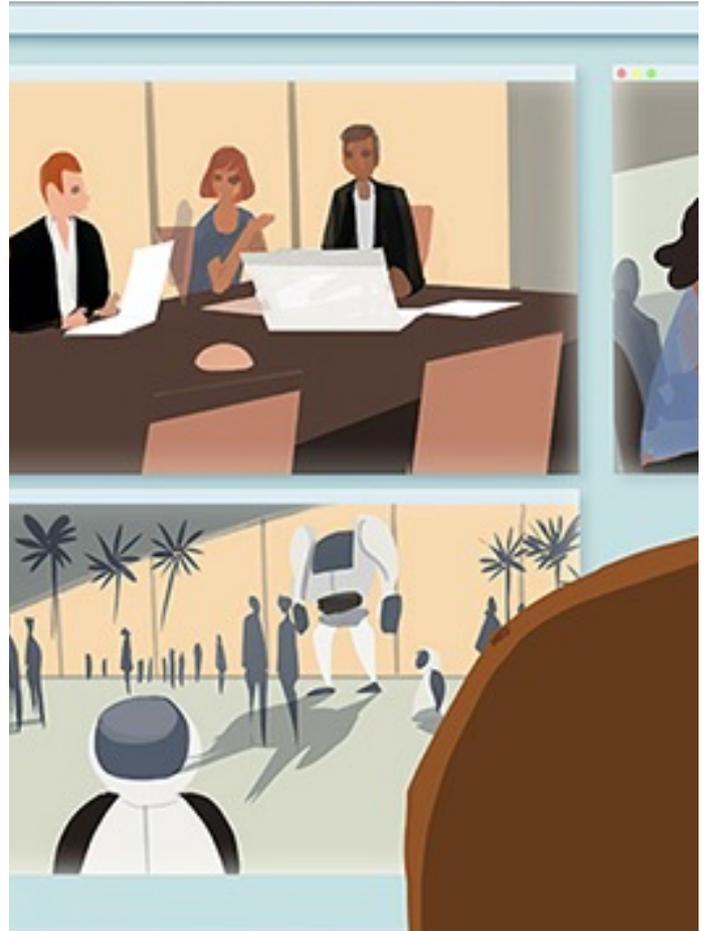
66 Prior to the pandemic, wellbeing was owned and driven by our People Services division who are responsible for defining and driving every aspect of our people strategy and priorities, in partnership with the business. Covid-19 has completely shifted that, now there is a real focus on leadership driving it, from our CEO to senior leadership, right down throughout the organisation. 99

Claire Murray, Colleague Wellbeing Lead at Bank of Ireland

Lessons from the frontline

The power of the employee pulse survey

As part of the work of a new Organisation Transition Board, set up by the Department of Social Protection to look at new ways of working both during and post Covid-19, a Wellness Pulse Survey was completed by over 2,400 staff in May, 2020. The survey results highlighted the view that along with the need to continue to support staff with technology, health and wellbeing required a higher level of organisational priority. As a result, a Health and Wellbeing policy statement and programme was designed, informed largely by the outputs of the regular pulse surveys. Reflecting the needs of their staff during the crisis and beyond was of vital importance to the Department's newly established wellbeing unit.

The unit holds the premise that wellbeing is everybody's responsibility. As such, suggestions regarding the programme and its initiatives are encouraged from staff at all levels. This approach, coupled with the promotion by wellbeing champions ensures that the initiatives delivered remain relevant and meet the needs of their staff.

The unit's goal is to evolve wellbeing from a policy mandated by the organisation to a cultural norm. In achieving this, the Department remain vigilant in listening to the needs of their workforce, constantly gauging staff satisfaction levels and updating their offerings to be reflective of that.

❝We certainly benefited from the hugely supportive HR community in both the public and private sectors with whom we engaged with and who were really encouraging and supportive in sharing their experience of health and wellbeing planning in their organisations. For any organisation taking their first steps, this would be recommended as it will show what's possible, what's available, but more importantly what worked and what didn't work for other organisations.**❞**

Pat Delaney, Principal Officer, HR People and Performance at Department of Social Protection

Beyond reskilling
Unleashing workforce potential

During COVID-19, leaders called upon workers to expand their roles to do whatever needed to be done - and workers rose to the challenge, identifying critical needs and deploying their capabilities against them from the bottom up. The pandemic showed that, when given the chance to align their interests and passions with organisational needs, workers can fulfil their potential in ways that leaders may never have known they could.

Shifting realities

2020 helped organisations understand the power of workforce potential. Throughout the pandemic we have seen remarkable displays of individual and team reinvention. Manufacturers transformed their assembly lines to produce ventilators for COVID-19 patients[10]. Laid-off cabin crew members used their medical training and customer care skills to retrain as assistant nurses[11].

In Ireland, the sudden loss of employment for so many citizens required the Department of Social Protection (DSP) to design new and innovative ways to deliver income supports to large numbers of people within a short timeframe. Over the course of nine months in 2020, approx. 820,000 Pandemic Unemployment Payments (PUP) were processed by DSP staff, many of whom were temporarily reassigned from other roles into claim processing functions.[12]

In this year's *Human Capital Trends* survey, European executives identified "the ability of their people to adapt, reskill and assume new roles" as the most important factor in navigating future disruptions.

In our research interviews with Irish business leaders, a common theme was the recognition of their workforce in rising to the challenge at hand. Sinead M. Gogan, Chief HR Officer at Deloitte Ireland told us that "The amount of innovation and change that dealing with the crisis has driven is extraordinary. The shift in the ways of working has uncovered the potential of individuals that might not have been uncovered before. From an inclusion perspective, opportunity has really been unearthed[13]".

When we asked senior executives about the most important actions they are taking to transform work, their responses showed that they are now prioritising workforce capabilities through upskilling, reskilling, and mobility, as well as the implementation of new technologies (*Figure 4*, see on page 11). Workers themselves are also recognising the need to change: 60% of the 10,000 workers interviewed in this year's *Voice of the European workforce* survey identified the "capacity to adapt" as the most relevant skill they will need to thrive in the labour market[14].

This section explores how organisations can unleash workforce potential by becoming better at identifying and cultivating the critical capabilities needed to thrive in an era of perpetual disruption.

Our 2021 perspective

> **OUR HYPOTHESIS**
>
> Empowering workers creates more value than overly prescriptive approaches. Organisations that give workers the agency and choice to explore areas they are passionate about will be able to more quickly and effectively activate workers around emerging business priorities than organisations that take a prescriptive approach to filling skills needs.

2020 highlighted a gap in organisations' understanding of their workforce – not just their skills and capabilities, but also their interests and capacity for continuous reinvention. In our view, the most effective way organisations can unleash workforce potential is by providing individuals with agency and choice about the work they do, and the freedom to explore areas they are passionate about. Carving out time for such "passion projects" give workers new development experiences and opportunities to learn in the flow of work, rather than on top of it, is critical to success. Another key to success is fostering an organisational culture, where mobility and personal growth are encouraged and expected.

Artificial intelligence (AI) and intelligent automation have a key role to play, not just in capturing insights on the latent potential of the workforce, but also in freeing up workers from routine low-value work to focus on uniquely human capabilities such as creativity, curiosity, empathy, teaming and imagination.

However, every organisation implementing AI and intelligent automation has to ensure it is accompanied by a clear message that the workforce is trusted to be productive and efficient, and that the technology is being used ethically.
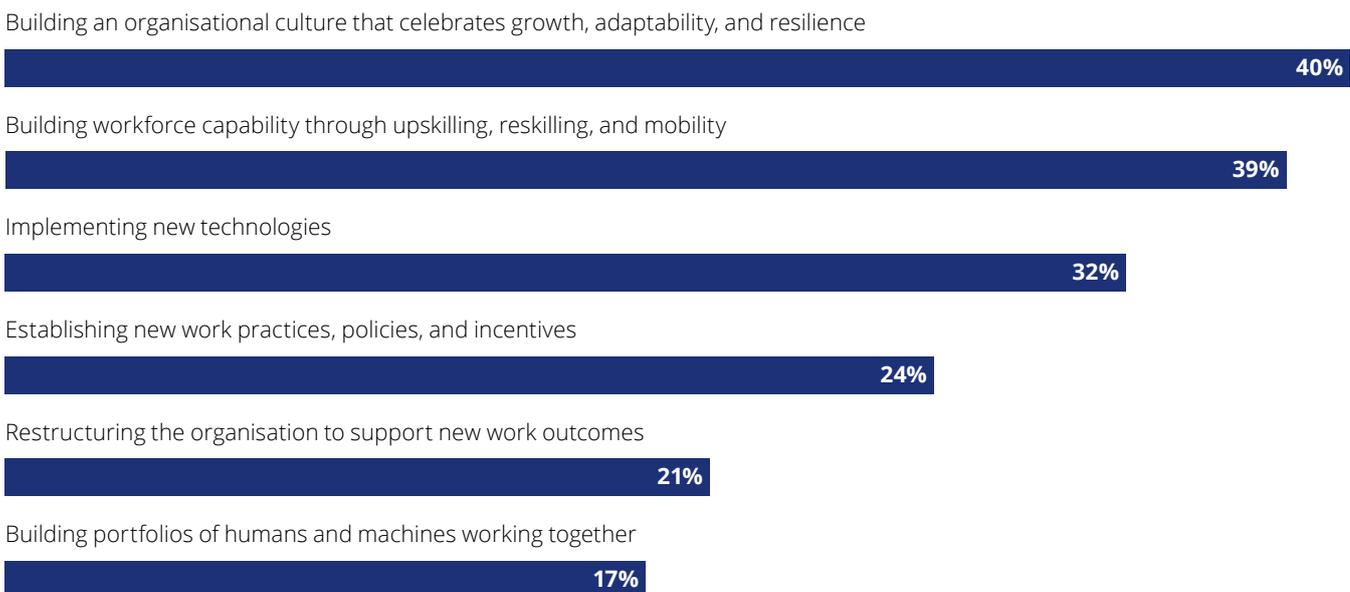
One solution is opportunity or talent marketplaces – platforms that match workers' interests, passions and capabilities with strategically valuable opportunities within and outside the organisation – mentorship, training, promotions, networking, projects. This benefits organisations by shedding light on their workers' capabilities and interests, enabling greater agility to redeploy workers to meet critical business needs[15]. Workers meanwhile become more motivated and purpose-driven, while gaining valuable skills and experiences via their 'passion projects'.

COVID-19 has accelerated the adoption of talent marketplaces[16]. Consumer goods company Unilever used its internal talent marketplace FLEX Experiences during the pandemic to redeploy more than 8,000 employees and 300,000 hours of employee work[17].

Some organisations are not yet ready to take that leap and consider talent marketplaces or the extensive use of AI and other intelligent automation technologies as a solution. However, a good start is to develop a comprehensive strategy that looks into the definition of skills and identifies the impact of technologies on skills and roles.

Figure 4. Both workforce capability and technological capability are critical to transforming work alongside cultural change

What are the two most important actions you are taking/will take to transform work?

Building an organisational culture that celebrates growth, adaptability, and resilience

40%

Building workforce capability through upskilling, reskilling, and mobility

39%

Implementing new technologies

32%

Establishing new work practices, policies, and incentives

24%

Restructuring the organisation to support new work outcomes

21%

Building portfolios of humans and machines working together

17%

Note: n=1,192
Source: The 2021 Deloitte Global Human Capital Trends survey, European cut.

The importance of creating and sustaining a culture of learning was a prominent theme in our research interviews with Irish business leaders.

Aidan McKee, Chief People Officer at WaterWipes told us during our research interview: "As we continue into the pandemic, we are focused on understanding how the consumer trend of shifting from retail to e-tail will effect the shape of our organisation. As a result, we have aligned our Learning & Development strategy to the change in the external market. We actually see this as a great opportunity to reskill and develop our employees" [18]

Incentivising and empowering people to re-skill and-upskill continually requires a total rethink of traditional reward structures and prescriptive curriculum-based learning. Organisations should be transparent about their future skills requirements and democratise learning opportunities, supporting workers to adapt and grow in line with organisational priorities.

Emerging priorities

Strategic workforce planning requires an ability to continuously predict, access and curate skills to future-proof talent. Organisations seeking to unleash worker potential should make learning and development a strategic priority, and consider the following actions to embed a culture of learning and a growth mindset among the workforce:

The bottom line

The unforeseen circumstances and challenges of 2020 uncovered the extraordinary untapped potential of workers and teams. To capitalise and position themselves to thrive in the long-term, organisations must adopt workforce development and deployment strategies that are as dynamic and adaptable as the business problems they are trying to solve.

Figure 5. Unleashing workforce potential: Actions for leaders

Anticipate and Assess...

... the current landscape of skills that informs the work, workforce and workplace of the future

Drive towards real-time, dynamic action:

- Gather and act on workforce data to obtain a current view of workers' skills across the entire talent ecosystem
- Ask forward-looking questions about workers' desired future directions
- Leverage AI-enabled technologies to make sense of unstructured internal and external data to identify latent talent patterns

Identify and communicate the required skills and ways of working in the future:

- Make future skills requirements transparent to everyone, encouraging individual responsibility for learning

Upskill HR to engage internally with business and finance leaders to prepare and budget for strategic workforce planning

Access...

... the skills needed to fill anticipated gaps and enable dynamic workforce management

Shift the supply and demand equation:

- Build marketplaces to expose business/project needs to workers and expose workforce skills to the organisation
- Run incubator programmes to foster a culture of collaboration and innovation

Incentivise learning and mobility:

- Design performance management and pay frameworks to support personal development
- Reward workers who identify critical gaps and reinvent themselves to fill them
- Give people the time and the space to learn, making learning of part of their role, not an add-on

Humanise work:

- Design roles to assume ongoing reinvention
- When deciding whether to build skills, to buy them, to borrow from a partner/talent ecosystem or to use intelligent automation and AI to automate, it is important to build strategically aligned capabilities which capitalise on human strengths, such as decision-making, innovation and adaptability

Encourage collaboration and teamwork:

- Teams are the driving unit of organisational performance. Teams learn and adapt faster than individuals, by challenging others to come up with better, more creative ideas[19]

Curate and Engage...

... the skills of today via personalised, tailored experiences and opportunities

Democratise learning:

- Create a learning environment in which learning is digestible, engaging and available in the flow of work
- Avoid top-down prescriptive curriculum-led approaches
- Empower workers to choose what, where and how they learn
- Provide frictionless user-friendly learning experiences:
- Provide alternative styles of learning to different worker segments, recognising one-size-doesn't-fit-all

Continuously revise learning offerings and curriculum, based on regular assessments of future skills requirements

Source: Deloitte analysis.

Lessons from the frontline

Opportunity to reskill and develop

In response to the change in consumer trends as a result of the pandemic, WaterWipes focused their efforts on understanding the shift from retail to e-tail, and how this might affect the shape of their organisation. As a result, they aligned their Learning & Development Strategy to the change in the external market, viewing this as an opportunity to reskill and develop their workforce.

In identifying a change in direction that WaterWipes believed they needed to take as a business, they approached a change in their competency framework. After recognising the phenomenal grit, resilience and outputs of their employees in their response to the pandemic, WaterWipes sought to incorporate their input into the new re-design of their existing framework. Giving freedom to discuss and explore the development opportunities for their workforce was important in their employee-centered approach.

As their action was largely employee driven, guardrails had to be put up on the redesign of their new framework. In attempting to channel the employee interests and abilities towards the good of the organisation, WaterWipes approached it with transparency. The rational behind the direction that needed to be taken as a business was communicated effectively, in addition to the explanation of the risk of what happens if no change is taken. Freedom was provided within reason to support a culture of learning, initiative and inclusion while thus unlocking potential.

WaterWipess reimagination of learning and reskilling has empowered their people to explore their own passion and development areas, and nurtures the workforce to be more capable of weathering any disruption, while helping unlock potential.

❝Through grit and resilience, we have experienced phenomenal employee outputs. That is why we incorporated their input into the re-design of our new competency framework.**❞**

Aidan McKee, Chief People Officer at WaterWipes

Superteams
Where work happens

In the turbulent times of COVID-19, organisations turned to teams and teaming as a survival strategy to ensure adaptability, speed and agility. Driven by disruption and enabled by technology, leaders today should strive to take what they have learned to the next level by creating superteams - groups of people and intelligent machines working together to re-architect work in more human ways. By amplifying human contributions to new and better outcomes, superteams can play an integral part in enabling organisations to recover, grow and thrive.

Shifting realities

The power of human potential is undoubtably the strongest theme in this year's Human Capital Trends report. Pivoting business in delivering a new product to address a need was showcased by many Irish businesses. Repurposing production lines to manufacture hand sanitser is just one of the many highly innovative responses to the Covid-19 crisis that has emerged from Irish companies. When a global shortage of hand sanitiser became apparent in March 2020, Irish Distillers partnered with Mervue Laboratories in Cork to repurpose their existing systems to manufacture large-scale quantities of the alcohol gel. Together they had the necessary products and supply chain available to manufacture large-scale quantities of sanitiser and were committed to maintaining supply for as long as necessary to the Health Service Executive (HSE). The ability to pivot usual production highlights the importance of teams' agility amid national crisis.[20]

Agile project-based teams have been a life raft for organisations during COVID-19. Teams can learn and adapt much faster than individual workers alone, since motivated individuals can challenge each other to come up with better and more creative ideas, so that extraordinary results can be achieved[21]. As organisations continually re-adjust their strategies and operations to support new priorities, we expect to see a greater reliance on teams to drive adaptability and growth.

The next frontier in teaming is superteams - combinations of people and technology leveraging their complementary capabilities to pursue outcomes at a speed and scale not otherwise possible[22]. Superteams have yet to take hold as a widespread organisational strategy, as many organisations still appear to view technology as a tool. When parts of jobs are automated by machines, the work that remains for humans becomes more insight-focused and experience-oriented and uses the output of machines to interpret data and solve problems.

The top three factors that European executives identified as important in transforming work were organisational culture, workforce capability, and technology – all of which must work together to help envision and assemble effective superteams. Moreover, 20% of European executives prioritised "building portfolios of humans and machines working together" among their top two most important actions they were taking or will take to transform work.

This section will focus on the benefits of superteams and how organisations can discover the potential of technology in re-architecting work, while elevating employee experience and potential.

Our 2021 perspective

> **OUR HYPOTHESIS**
>
> Super teams can give organisations the opportunity to re-architect work in more human ways, leveraging technology to elevate teams' ability to learn, create and perform in new ways to achieve better outcomes.

COVID-19 is driving significant changes in how work gets done, accelerating the pace of change and transforming ways of working. This has sparked leaders to shift their focus away from work optimisation towards work reimagination. The *2021 Global Human Capital Trends* survey showed that 54% of European senior executives will focus on reimagining work in their organisation in the next 1-3 years, compared to just 28% before COVID-19 (*Figure 6*).

WORK TRANSFORMATION DEFINITIONS

- **Optimising work:** Doing the same work more efficiently
- **Redesigning work:** Achieving the same work outputs with new combinations of technology and people
- **Reimagining work:** Achieving new or different work outcomes with new combinations of technology and people

To be successful however, leaders must rethink how they leverage technology to make work better for people, and people better at work. Many organisations are failing to take a human-centric approach to technology implementation or in preparing their workers for the change it will bring. Deloitte's latest *Automation with Intelligence* report found that 58% of organisations using intelligent automation have not calculated how roles in their workforce will change as a result[23].

Organisations must think beyond the use of technology to automate or substitute labour; doing more of the same and doing it faster is not where the real value lies[24]. Instead, they should strive to use technology to augment and empower their workers to perform higher value work, such as problem-solving, innovation and decision-making.

During 2020 there were plenty of examples of ingenuity when people and technology work together in pursuit of a common goal. However, even now, many European executives lack the ambitious visions of their employees. While individual workers see improving quality and increasing innovation as the top priorities of work transformation over the next three years, senior executives are still disappointingly more focused on reducing costs (*Figure 2*, see on page 7).

Figure 6. Organisations are shifting their focus away from work optimisation to work reimagination

How were you thinking about work tranformation prior to the COVID-19 pandemic?
How are you thinking about work tranformation in the next one to three years?

Optimising work

Prior to COVID-19	29%
Moving forward	13%

Redesigning work

Prior to COVID-19	36%
Moving forward	30%

Reimagining work

Prior to COVID-19	28%
Moving forward	54%

We are not transforming work

Prior to COVID-19	7%
Moving forward	3%

■ Prior to COVID-19   ■ Moving forward

Note: Prior to COVID-19 n=1,216; Moving forward n=1,230
Source: The 2021 Deloitte Global Human Capital Trends survey, European cut.

For organisations to capitalise fully on superteams as a key to unleashing human potential, a human-centric approach to work design is critical. The three examples alongside our guidance on Emerging Priorities below illustrate the difference in impact between using technology to replicate human tasks and using technology to transform how people work.

Emerging priorities

Superteams offer great potential to re-architect work: using technology to transform ways of working to optimise human capabilities. To create an environment where superteams can flourish, leaders should consider the following:

- **Set bold goals:** Stop focusing on how to improve existing processes and instead aspire to new, better outcomes. Not every endeavour will pay off, but nobody learns from success alone.

- **Re-architect work to create new meaning for the workforce:** Free up workers from repetitive, low-value tasks, and allow them to focus on the higher-value, creative work they thrive on.

- **Use technology to design work to help people perform at their best:** Working collaboratively in teams, breaking down silos to work across functions and businesses, creating knowledge, learning in the flow of work and personalising the work experience.

- **Make the creation of superteams an organisation-wide imperative:** Leverage the best thinking from HR, IT, the business and the workforce itself.

- **Repeat and refine:** Don't just set up superteams to solve a specific issue and leave it there - redeploy the teams and technological solutions to tackle other challenges.

The bottom line

When you combine exceptional people with the right technology, the possibilities are endless. There is promising evidence from 2020 that effective use of superteams can become a catalyst for recovery and enable organisations to thrive in their rapidly changing environment.

Lessons from the frontline

Tech for tech's sake vs. tech for human's sake

Superteams – Augmentation

Assistive technologies use AI to enhance worker performance.

- Microsoft has embedded 'AI for Accessibility' tools into its services to make workplaces more inclusive, particularly in the context of COVID-19. Microsoft Teams uses automatic speech recognition to create captions, so people with hearing impairments can participate in video calls.
- Microsoft Eye Gaze uses eye movement tracking to enable people who cannot use a mouse or keyboard to operate their computer.
- Microsoft Dictate uses natural language generation, so blind or partially-sighted people can type in Outlook, Word or Powerpoint[25].

Superteams – Hearing all team member's voices

In Deloitte Ireland, the collaborative technology Remesh is used to enable live conversations that give qualitative insights at scale. Using AI, the platform analyses the opinions and interactions of up to 1000 participants, helping the facilitators to understand the responses that best represent the group, all in a matter of minutes. Removing the need for surveys and focus groups, the technology enables live, flexible conversations as participants can submit open-ended responses at once. Deloitte uses the innovative technology to enable insightful conversations that increases the speed and level of teamwork necessary in a virtual world

Automation – Substitution

However, substituting people with technology is not always the right answer. Sportswear manufacturer Adidas trialled robot-staffed 'Speedfactories' in Germany and the US in 2017. However, two years later, the business announced it was abandoning the project because its existing human-powered factories in Asia offered greater production flexibility[26].

Lessons from the frontline

Innovation and collaboration

On March 12th 2020, Ireland moved from containment to delay phase in its response to COVID-19. Department of Social Protection (DSP) immediately recognised that there would be significant and unprecedented economic effects in terms of job losses and temporary layoffs which would impact on the incomes of a major proportion of the work force, and that the measures introduced to flatten the peak and reduce the impact of the pandemic would have the effect of transferring that peak into demand for Department's jobseeker and income supports. On Friday 13th March an unprecedented 20,000 people arrived at DSP Intreo Centres to submit jobseeker claims and a further 4,000 people made an online application for a jobseekers payment.

Although existing claim acceptance and emergency payment processes and structures were robust, it was instantly acknowledged that they were not designed to deal with the level of demand now anticipated and that a new approach was needed.

The Pandemic Unemployment Payment (PUP) was introduced as a fully operational scheme 3 days later on 16 March 2020, as a major part of a suite of new measures to provide financial support to workers affected by the COVID-19 crisis. It was designed to deliver income support quickly to employees and self-employed who had lost work and income due to COVID-19. The innovative approach taken was to utilise a combination of new and existing business processes and IT platforms to very quickly develop a range of solutions to accept applications, manage claims and generate payments to customers in need. PUP represents an innovative solution that proved hugely significant in stabilising a potential societal slide into crisis as a result of COVID 19. It allowed the Department to commence issuing PUP payments in volume to customers in need – 60,000 by 20 March rising to 500,000 a week by 03 April 2020, with in excess of 850,000 people availing of the payment to date. This innovative and rapid response was key to bringing economic stability and social cohesion in the Government's response to the emergency in our country.

DSP developed a new cloud based custom application to allow customers to securely claim PUP online. The PowerApps solution also allowed staff based in offices across the Department, working remotely, and working in other agencies to manage PUP claims and deal with customer queries. The existing SharePoint platform was used to develop a new app to support data entry of paper forms. A new Emergency Online Application (EOA) system was developed to manage the large volumes of payments which was integrated with the existing legacy system. This was rapidly followed by development of online services for customers on MyWelfare that included PUP, Illness Benefit, Jobseekers services, Supplementary Welfare, Change Payment Method, and PUP certification and closure.

The resulting end to end solution is an exceptional example of multiple teams and Departments across the Government and the private sector collaborating together to solve what was an unprecedented problem in the history of the State. By amplifying human contributions to new and better outcomes, the approach in fulfilling customer needs was reimagined.

❝In addition to the Department's governance and management structures that facilitated the project, the single greatest enabling factor is the public service culture of the organisation – personified by exceptional teamwork, quick decision making, and an all-consuming focus on the needs of our customers.❞

DSP PUP Project management Team

Governing workforce strategies

Setting new directions for work and the workforce

COVID-19 was a rude awakening for organisations using retrospective metrics to govern their workforce strategies. With persisting uncertainty about the future of work, leaders must use forward-looking data insights to constantly challenge their approaches to work and the workforce. Asking - and answering - different questions can help organisations meet constant change with the confidence that comes from planning ahead.

Shifting realities

The need for workforce data is nothing new. What has changed is how urgently organisations need to act on it. Last year's *Global Human Capital Trends* survey found 97% of leaders needed additional information on some aspect of their workforce. The challenges of 2020 have only exacerbated this information gap.

Resilient and agile organisations need new workforce metrics and governance to gather forward-looking insights that can help them evaluate risks, inform strategy, and meet the challenges in today's rapidly changing environment. 59% of European executives reported that they are now planning for multiple future business scenarios and unlikely high-impact events, compared to only 30% before COVID-19 (*Figure 7*).

This section focuses on how organisations can take a more action-based approach to harnessing workforce potential and transforming work to meet the demands of the future.

Our 2021 perspective

> **OUR HYPOTHESIS**
>
> We are entering a world in which it's becoming a paramount requirement for organisations to shift from using workforce insights to improve old patterns of work to using them to set new directions.

To deal effectively with multiple possible futures and unlikely events, leaders need to be able to pivot quickly and reset their strategy. One driver of uncertainty is the speed at which technological advances and economic change make some skills obsolete, while other skills are experiencing a surge in demand. As organisations are turning to work re-architecture work by creating superteams – integrating humans and technologies – they need access to real-time information about the current and future capabilities of their workforce.

Another driver lies in human-centred design that demands more transparency and action around inclusion, leadership, culture and wellbeing. Asking the right strategic questions is key to achieving a more dynamic workforce strategy.

One powerful example of using workforce insights to adjust for the needs of workforce is the Department of Social Protections' use of regular employee pulse surveys to look at new ways of working both during and post Covid-19. This approach enabled leadership to better understand their worker's sentiments around a wide-range of matters – from concerns around the requirement of new supporting technology, to matters of inclusion and prioritisation of health and wellbeing. Incorporating the needs and concerns of their workforce was vital in informing their new approach to work in a pandemic.[27].

Figure 7. COVID-19 has prompted many organisations to shift their approach to preparedness towards considering multiple and unlikely futures

Which statement best describes your organisation's preparedness prior to the COVID-19 pandemic?
Which statement best describes how your organisation will define preparedness moving forward?

Identifying likely, incremental events and creating business continuity plans

42%	
35%	

Identifying multiple, likely business scenarios and creating multiple, robust mitigation plans

24%	
46%	

Identifying unlikely, high impact events and creating multiple, robust mitigation plans

6%	
13%	

We did not have preparedness strategies

28%	
6%	

■ Prior to COVID-19　■ Moving forward

Note: Prior to COVID-19 n=1,252; Moving forward n=1,241;
Source: The 2021 Deloitte Global Human Capital Trends survey, European cut.

We have identified three themes on which organisations should focus in the coming year: worker potential, talent ecosystems and translating organisational values into action. We have compiled lists of questions that leaders should be asking to achieve a meaningful impact.

1. Capitalising on worker potential

COVID-19 has demonstrated that workers have the capability and motivation to reach far beyond their job description. However, many organisations are still not capturing either the skills or capabilities they already have, nor their future skills requirements. This makes it difficult to redeploy workers at short notice and impossible to plan how to acquire or cultivate the talent they will need further down the line.

As leaders assess their workforce capabilities and knowledge gaps, they need access to deeper workforce insights to identify their employees' potential for growth, as well as their passions and preferred working conditions that allow them to thrive.

Questions to ask to capitalise on worker potential:

- **Job evolution:** How often are jobs changing, which ones, and to what degree?

- **Future workforce readiness:** How ready is our workforce to perform the work of the future? What are the gaps in our capability, experience and skills, and how are we going to close them?

- **Change ability and agility:** Are workers and their leaders able to adapt quickly and effectively to constant change?

- **Wellbeing and ways of working preferences:** How can we help our workers feel and perform at their best?

- **Future leader readiness:** What new trends, challenges and scenarios are leaders being prepared for? How many of our leaders have the attributes required to succeed?

2. Tapping into the entire talent ecosystem

Talent ecosystems are becoming increasingly complex, with most organisations engaging not just employees, but also a mix of contingent workers: contractors, gig workers, professional service providers, developers, crowdsourced contributors, and more[28]. Ensuring that this distributed workforce stays aligned with the organisation's strategic goals and values is becoming a critical necessity[29]. Similarly, knowing where to find capabilities to plug operational gaps is a key competitive advantage.

Questions to ask to translate values into action:

- **Workforce social contract:** How does our organisation treat its employers, contractors and service providers of every type?

- **Meaningful diversity:** Are workers from diverse communities in a position to wield influence in the organisation?

- **Human capital brand:** How is our culture, workforce and leadership being portrayed externally?

- **Culture risk sensing:** What signals are we seeing that point to outliers in worker behaviour and norms?

Organisations will need to adopt common systems of tracking, measuring and governing workers across their entire ecosystem. To tailor their workforce needs and get the most value out of talent ecosystems, a data-driven approach to understanding workers' skills, motivations and performance is essential.

3. Translating values into action

2020 saw an intensified focus on organisational values such as ethics, fairness and inclusivity. The rise of The Black Lives Matter movement has prompted organisations to re-evaluate their commitment to diversity and inclusion, while widespread redundancies and furloughs during the pandemic put the quality of social contract between employers and workers in the spotlight. The most recent story with Uber confirming their workers will receive pensions, minimum wage and holiday pay is a positive sign of coming change[30].

Organisations are judged today just as much by their impacts on society as by their financial results[31]. To deliver measurable change, leaders must use data-driven insights to gain a holistic view of their workforce and their culture, and share them with workers and the wider community, to drive both direction and accountability.

Questions to ask to tap into the entire talent ecosystem:

- **Workforce footprint:** How many workers provide direct or indirect services to our organisation?

- **Internal talent market health:** How healthy is our internal talent market?

- **Talent ecosystem health:** How much capability can we access across our broader ecosystem?

- **Retention drivers:** Which of our workers are at risk of leaving, and why?

Emerging priorities

While workforce insights will not predict the unpredictable, scenario planning and keeping a finger on the pulse of the workforce enables organisations to respond to change in a more informed and effective manner.

As disruption becomes the new normal, there is increasing pressure for organisations to be able to demonstrate to stakeholders how they are measuring success and how they are using the resulting insights to make better business decisions – both from an economic and social standpoint.

The challenges of the past year have demonstrated to leaders and other business stakeholders the value of workforce data; it's time to act on it.

The bottom line

If you can't measure it, you can't manage it. The events of 2020 write the business case for workforce insights. With so much at stake, guesswork isn't an option. Organisations that leverage continuous, forward-looking workforce insights, will emerge more resilient and prepared to thrive in this new unstable normal.

Dos and don'ts of workforce insights

Do	Don't
Use data to inform meaningful action towards better outcomes	Collect data for data's sake
Leverage continuous data insights to constantly challenge and improve the actions you're taking	Wait for the perfect data set before getting started. Inconclusive or not-quite-perfect data can still identify patterns and provide insights
Ensure workforce data and insights strategies are organisation-wide and include the whole potential workforce – from permanent to contingent	Get so caught up in the mechanics of collecting data that you lose sight of what you're trying to achieve
Integrate external data sets where possible and be transparent about what you find. Stronger insights and open commitments lead to stronger action	Restrict your insights initiatives to inside your organisation or just within individual departments or teams
Make workforce measures regular and expected organisational KPIs (such employee sentiment, productivity, and diversity and inclusion). Only then can you measure progress and drive change.	Collect data in sporadic reporting cycles or only for one-time specific events
	Consider workforce measures a nice-to-have for HR and leave them forgotten in spreadsheets or unread presentations

Lessons from the frontline

The power of workforce insights

Deloitte Ireland experienced significant growth from 1,600 employees in 2015 to almost 3,000 employees in 2019. Its previous HR system couldn't support a business committed to attracting, retaining, and developing top talent. Deloitte selected Workday as its preferred HRIS for its ability to scale with the company's continued and rapid growth.

The benefits and results Workday enables Deloitte to realise are plentiful, but in particular, its decision support on workforce strategies has placed the organisation in a great position in the current climate of disruption. The reporting and analytics dashboards assist HR with tracking key processes, such as performance, and reviewing key metrics, such as retention, diversity, and recognition. The people dashboards provide instant insights and reports into Deloitte Ireland's people data.

Workday makes sense of the available workforce data to uncover rich, actionable insights which was of huge benefit during Covid-19. The Adaptive Planning feature empowers HR, finance, and the business leaders to collaboratively plan – and enable decision support to quickly put those plans into action.

Deloitte's use of regular pulse surveys coupled with the advanced analytics offered by Workday is a powerful example of using workforce insights to adjust for the needs of the workforce. This approach enabled leadership to better understand their workforce in a time that mattered most.

❝Driving value through business acumen and data fluency has always been a collective developmental goal of our team. And with Workday we are in a great position. It is really impressive what it enables us to do in real-time by supporting the right conversations in the right moment.**❞**

Sinead M Gogan, Chief HR Officer at Deloitte Ireland
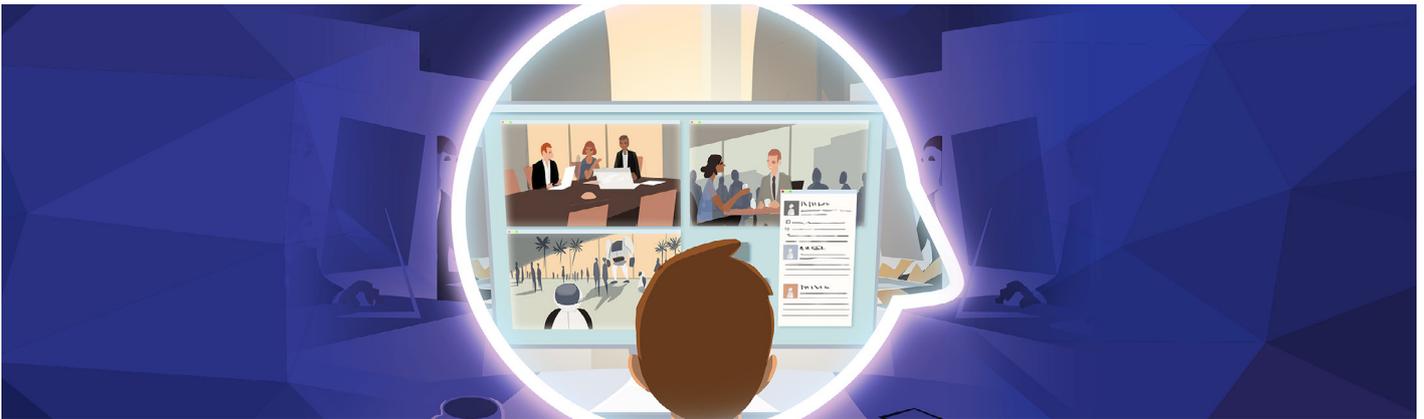
Memo to HR

Accelerating the shift to re-architecting work

COVID-19 has required people to work in radically different ways, whether remotely or in-person with safety and social distancing procedures in place. HR was pushed to finally act in ways that the future of work always demanded them to do - embracing change and shifting their role from managing workers to re-architecting work. The big question is - will COVID-19 go down in history as an unseen early disruptor or will it prove itself as a 'time machine into future'? As organisations emerge from the pandemic, HR has a mandate to 'bottle the brilliance' achieved during this challenging period and drive better outcomes that position organisations to thrive.

Shifting realities

Of necessity rather than choice, organisations were forced by the COVID-19 pandemic to rewrite, trial and test new ways of working far beyond just remote working. Workers were propelled into cross-functional task teams to solve business-critical challenges and were provided with the autonomy to make rapid decisions. Meanwhile digital transformation and automation were accelerated, providing workers with the agency to create new products and delivery models rapidly[32].

In this real-life experiment, where workforce issues became a core business issue, HR was thrust to the forefront and extended its influence beyond workforce management and policy enforcement, to orchestrating work across the entire enterprise. It is now time for HR professionals to apply what they have learned and re-define work to elevate worker potential and experience.

Deloitte's *2021 Human Capital Trends* survey found that 54% of European HR and business leaders combined are now focusing on work reimagination, compared to only 28% before the pandemic. Organisations are shifting their focus from work optimisation and redesign towards work reimagination.

However, only 25% of HR executives are currently "very confident" in the ability of their function to navigate the changes required in the next 3-5 years. Confidence in HR among other business executives is lower, with only 11% "very confident" (*Figure 8*).

This section will focus on how HR functions can ensure they understand and meet the business needs, while taking confident ownership of the work transformation agenda and drive stronger organisational performance.

Our 2021 perspective

OUR HYPOTHESIS

The Future of Work always needed the HR function to expand its remit and COVID-19 has accelerated this process by opening up a window of opportunity for HR to re-architect work throughout the enterprise. HR professionals now need to build on this momentum and take confident ownership of the work transformation agenda, to re-architect and reimagine ways of working to benefit both their people and the organisation.

Throughout this edition of *Human Capital Trends*, we have discussed the notion of reimagining the future of work to unleash worker potential, improve performance and drive new organisational outcomes. We believe the future of work is not just about producing outputs; it's about humanising work to strengthen organisational relationships, unlock creativity and innovation, and embed collaboration at every turn.

With people matters at the heart of their remit, HR is uniquely positioned to lead this change. However to be successful HR professionals need to shift from a functional mindset to an enterprise and impact mindset. In the context of the four other *2021 Human Capital Trends*, *Figure 9* (see on page 24) illustrates how HR can expand its focus to deliver increased value to the organisation and shape the future of work.

For example, when considering remote working arrangements, a traditional HR response may have focused on providing home office equipment subsidies or providing access to wellbeing support. However, by looking more broadly, HR can contribute a bigger impact by evaluating feedback from employees to embed positive learnings into future work models.

Sinead M Gogan, Chief Human Resource Officer at Deloitte Ireland told us that "the phrase that comes to mind during this pandemic is "being more human"; getting to those connections and human aspects. Our graduate campaign this year was titled 'Humans Wanted'. There has never been a better time to bring the CHRO perspective into the business and into decision-making. Organisaitons are looking for these insights because everybody is scrambling to adapt to this new world. In some sectors, they've leapfrogged their road maps by years in terms of digitisation and use of technology, and that affects how we deal with people as well".[38]

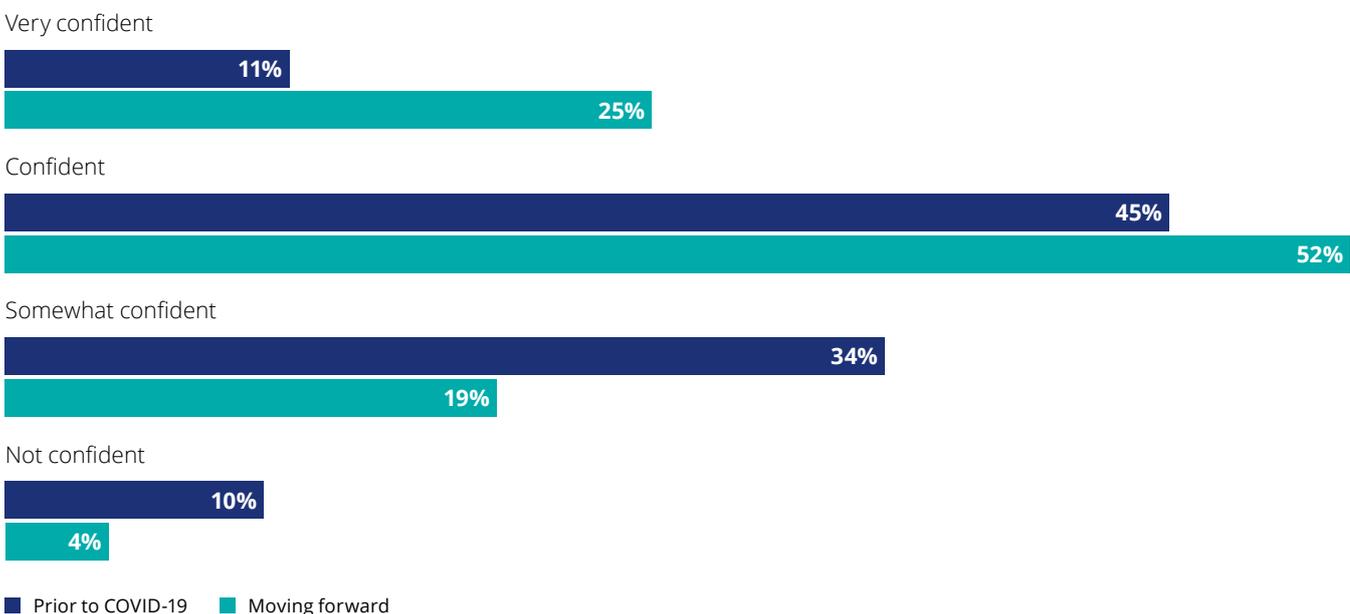**DEFINITION: RE-ARCHITECTING WORK – REIMAGINATION IN ACTION**

The reimagination of work to achieve new value has been a consistent focus of Deloitte's *Human Capital Trends* series. If reimagining is the destination, re-architecting is the path to get there. The *how* of effecting change, re-architecting work turns the potential of reimagination into a reality. It is one thing to envision new work outcomes, but it is quite another to deliver those outcomes in a way that unleashes worker potential by delivering a distinctly human future of work.

❝Covid-19 has presented as an excellent opportunity for people professionals to present a much broader skillset than that was typical for HR. As a result, the world is shifting in terms of the profession proving the true capability of HR.❞

Aidan McKee, Chief People Officer at WaterWipes

Figure 8. Highest confidence in HR's ability to navigate changes required in the next 3-5 years
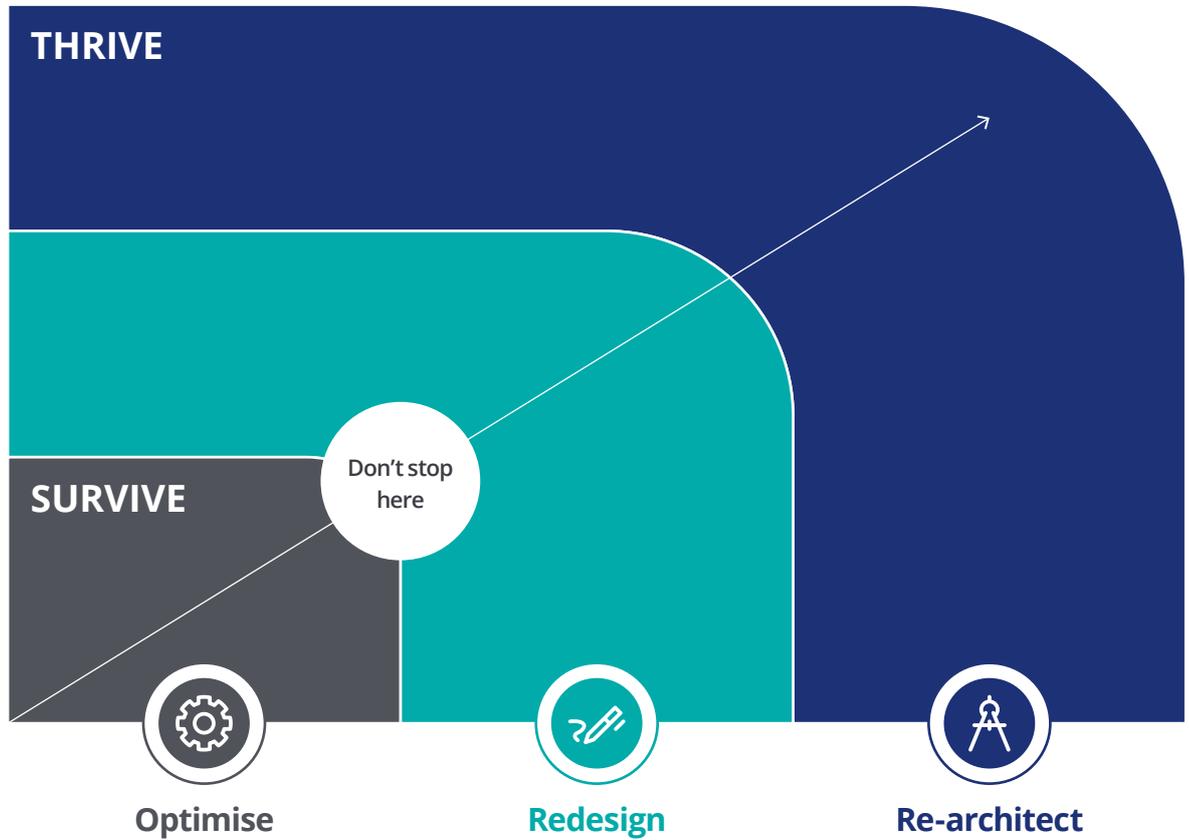
Based upon HR's role and impact during the COVID-19 pandemic, what is your level of confidence in HR's ability to navigate changes required in the next three to five years?

Very confident
- 11%
- 25%

Confident
- 45%
- 52%

Somewhat confident
- 34%
- 19%

Not confident
- 10%
- 4%

■ Prior to COVID-19 ■ Moving forward

Note: Prior to COVID-19 n=1,252; Moving forward n=1,241;
Source: The 2021 Deloitte Global Human Capital Trends survey, European cut.

Figure 9. From optimise to redesign to re-architect: HR's path to achieving new outcomes

THRIVE

SURVIVE

Don't stop here

Optimise — Redesign — Re-architect

	Threshold 1	Threshold 2	Threshold 3
Wellbeing	Improve employees' health and safety and their access to tools and programs for remote work	Extend wellbeing from employees to all workers and all aspects of workforce wellbeing	Lead the integration of workforce wellbeing in the flow of work (and life)
Beyond reskilling	Accelerate skill development programmes for high-demand skills and roles	Implement new learning technologies and talent marketplaces to build new skills, and provide employees choice in development	Focus on and unleash worker potential, and play a lead role in re-architecting work for new outcomes
Superteams	Implement and manage change around work automation	Focus on building "superjobs" to augment workers' skills to improve their productivity with technology	Facilitate and develop superteams, integrating workers and technology for new solutions and services
Governing workforce strategies	Improve the generation of and access to historical employee data	Extend to the full workforce ecosystem with analyses to improve performance, establish benchmarks, and identify issues	Generate forward-looking, real-time insights to sense opportunities and set new directions and actions for business leaders, workers, and external stakeholders

Source: Deloitte analysis.

Emerging priorities

To effectively re-architect a human vision of the future of work, HR will need to partner closely with business leaders and workers, treating the re-architecture of work as an ongoing capability that needs to be embedded in operations. The following eight steps demonstrate how HR can take the lead in shaping the future of work:

1. **Manage people not numbers:** Instead of treating workers mechanistically in terms of their static job descriptions, HR should consider them as a creative force: individuals with diverse experiences and interests, capable of continuous growth. Capturing workforce capabilities and interests requires a data-driven approach, while unlocking potential requires HR to open up opportunities for more personalised meaningful work.

2. **Elevate the employee experience:** Employee engagement, wellbeing and effectiveness are all influenced by their experience at work. HR must create an inclusive, flexible environment where individual working styles and schedules are respected, so workers can feel and perform at their best.

3. **Ensure technology works for humans, not the other way around:** HR must challenge IT and technology buyers within the enterprise to take a human-centric focus when implementing technology solutions, striving towards superteams of humans and machines. Technology should augment worker performance and experience, freeing up capacity for more rewarding work.

4. **Future-proof talent:** HR should move beyond traditional mandates of recruitment and distributing centralised learning curriculums, to leading strategic workforce planning – advising the business on how to best utilise their talent ecosystems, identify the critical skills for the future and continuously revise the current learning offering and curriculum to build strategically critical skills from within.

5. **Keep taking the pulse of the workforce:** Instead of irregular quantitative reporting, HR should leverage continuous qualitative insights to inform their workforce strategy and measure the impact of their actions. Employee wellbeing and diversity and inclusion should be formal talent KPIs, and continuously monitored and challenged.

6. **Shape the next generation of leadership:** The future of work will require leaders and managers to be capable of maximising worker and team performance across hybrid ways of working. HR will need to shape leadership development plans and performance indicators to support this.

7. **Drive a culture of collaboration, learning and growth:** Shifting from viewing career progression as a linear path, HR can drive a culture of internal and external mobility, designing reward and performance incentives to encourage development – reinforcing the concept that employees work for the organisation, not the department or manager[33].

8. **Lead by example:** As the pioneers of re-architecting work, HR should disrupt its own operating model, breaking down functional silos and becoming adaptable, agile, human-focused and technology-enabled[34].

The bottom line

The experiences of COVID-19 have shown that nothing is impossible. Millions of workers across sectors experienced a big change in their ways of working from the start of the coronavirus crisis, and HR was at the centre of that work transformation, pushed to the forefront to effectively navigate the disruption. A moment of opportunity has occurred to 'bottle the brilliance' achieved due to the disruption. It's time for HR to lead their organisations and humanise the future of work by shifting the way they think about human potential, superteams, wellbeing, and workforce governance.

❝People Services have absolutely stood up and been tested while producing excellent results. Although we have always had a seat at the table, we now have a real sense of heighten ownership.❞

Barbara Nestor, Director of Group Culture Transformation and Internal Communications at Bank of Ireland

Leading forward
Leading the shift from survive to thrive

Since Deloitte launched the first edition of *Human Capital Trends* eleven years ago, considerable economic, social and technological disruption has shaped the world of work. 2020, though, brought disruption of a new magnitude – it was the year of change and the year to change.

The COVID-19 pandemic, and the political, economic and social upheaval it caused, shone a light on the inextricable link between business and society[35]. The time has come to embrace fully the role of social enterprise – combining revenue growth and profit-making with respect for the environment, while delivering a lasting fairer, ethical and positive impact to workers and wider society.

The 'Great Reset'

As part of its 'Great Reset' mission to transition to a fairer, more sustainable post-pandemic world, the World Economic Forum is calling for business leaders to reset their future of work agendas and invest in their people as core drivers of long-term resilience and future success[36].

Our *2021 Human Capital Trends* research shows signs that this reset is starting to take shape: over half of European business leaders are planning to fundamentally reimagine work in their organisation over the next one to three years (*Figure 10*, see on page 27) and they see upskilling and reskilling their workforce as the route to get there.

As we have explored in our deep-dive discussions on wellbeing, reskilling, superteams, workforce strategies, and the role of HR, preparing work and the workforce for an uncertain future is impossible without embedding the human element into everything that organisations do. Organisations should continue humanising work, while empowering and enabling their workers with the trust and tools to stay ahead of disruption and uncertainty.

Lead with the heart... and the head

Times of uncertainty call for bold and resilient leaders who express empathy and compassion for the human side of upheaval[37].

Sinead M Gogan, Chief Human Resources Officer at Deloitte Ireland, stated during our research interview: "Post economic crash, it was the climate for the role of the CFO. Now it is the climate for HR."[39]
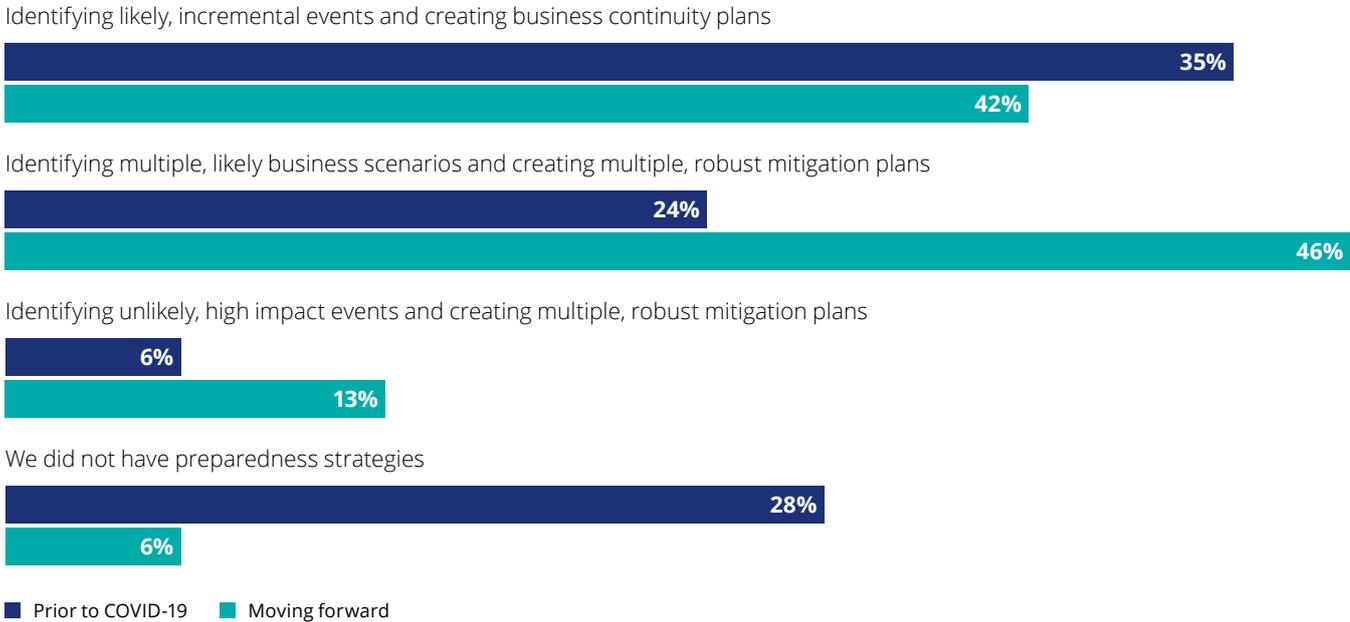
Marilyn Chaplin, Chief Human Resources Officer at NTT Ltd., stated during our research interview: "It's about doing what's right every time, even when no one is looking."[38]

In our final call to action in this year's *2021 Human Capital Trends*, we call upon leaders to embrace three core attributes to position their organisation to thrive in a world of perpetual disruption.

Figure 10. COVID-19 is shifting organisations' views of preparedness from a focus on the familiar to planning for the unknown

Which statement best describes your organisation's preparedness prior to the COVID-19 pandemic?
Which statement best describes how your organisation will define preparedness moving forward?

Identifying likely, incremental events and creating business continuity plans

35%	
42%	

Identifying multiple, likely business scenarios and creating multiple, robust mitigation plans

24%	
46%	

Identifying unlikely, high impact events and creating multiple, robust mitigation plans

6%	
13%	

We did not have preparedness strategies

28%	
6%	

■ Prior to COVID-19   ■ Moving forward

Note: Prior to COVID-19 n=1,252; Moving forward n=1,241;
Source: The 2021 Deloitte Global Human Capital Trends survey, European cut.

Adopting a thrive mindset – three actions for tomorrow's leaders

1. Purpose: Establish a North Star
Organisations that embrace purpose can unite workers to overcome competing priorities and solve critical business and societal issues. Leaders should strive to create a shared sense of purpose which will help mobilise their people to pull in the same direction when they face current and future challenges.

2. Potential: Capitalise on human capabilities
Organisations that dynamically analyse and activate workforce potential are better able to capitalise on human ingenuity and achieve organisational speed and agility. Leaders must trust people to work in ways that allow them to fulfil their potential and offer them opportunities to align work to their interests and passions, while putting wellbeing at the centre.

**3. Perspective: Re-architecting work to take bold steps forward**
Organisations that view uncertainty as an opportunity to set new directions and write their own future are better placed to navigate disruption. Leaders should embrace the perspective that reimagining work is the key to achieving new and better outcomes in a world that is itself being constantly reimagined.
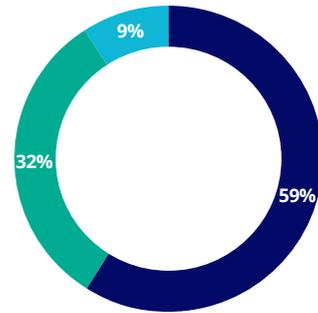
Appendix
Survey demographics

Function
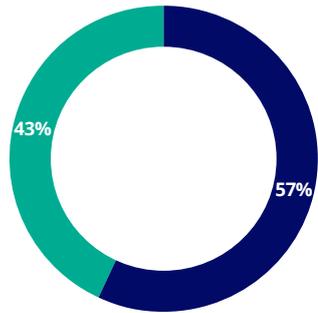
57% Business
43% HR

■ Business
■ HR

Note: n= n=2,363;
Source: The 2021 Deloitte Global
Human Capital Trends survey,
European cut.

Sub region

59% Western Europe
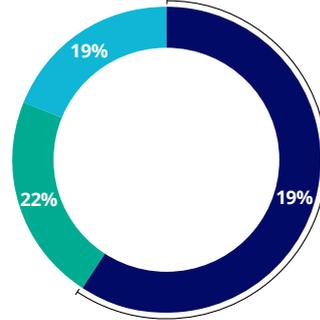**32%** Central & Eastern Europe
9% Nordic Countries

■ Western Europe
■ Central & Eastern Europe
■ Nordic Countries

Note: n= n=2,363;
Source: The 2021 Deloitte Global
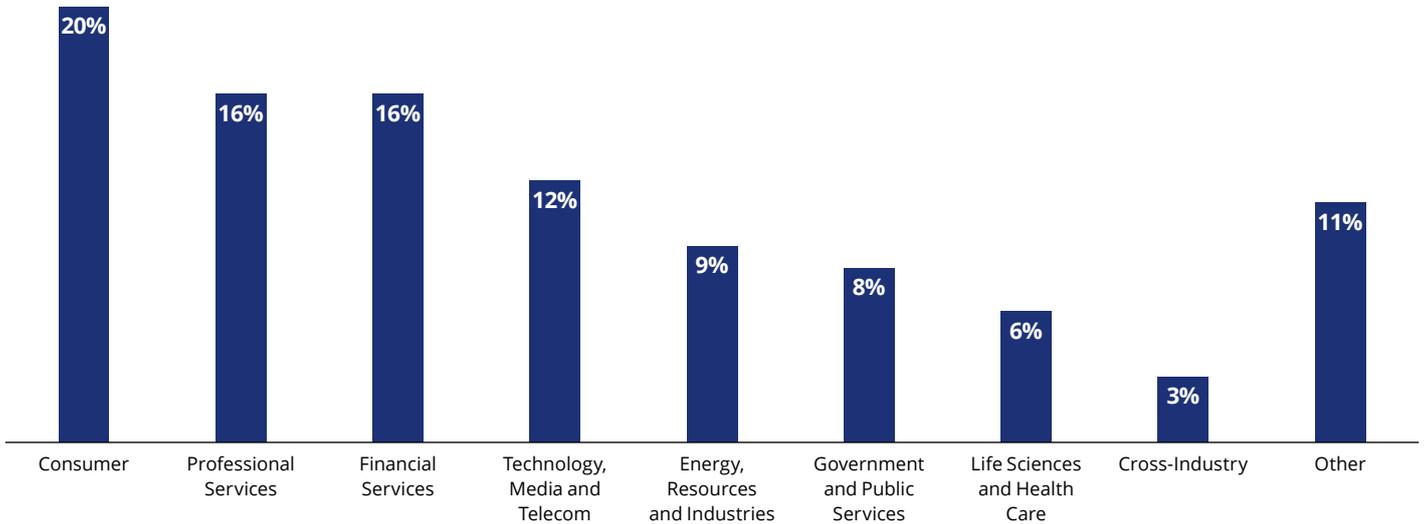Human Capital Trends survey,
European cut.

Level

19% Executives
22% Managers
19% Individual Contributor

Executives:	
Vice President & Director	**23%**
Senior Manager	**17%**
C-Suite	**12%**
Board Member	**7%**

■ Executives
■ Managers
■ Individual Contributor

Note: n= n=2,363; because of rounding, numbers may not tally with the total
Source: The 2021 Deloitte Global Human Capital Trends survey, European cut.

Industry

Consumer	Professional Services	Financial Services	Technology, Media and Telecom	Energy, Resources and Industries	Government and Public Services	Life Sciences and Health Care	Cross-Industry	Other
20%	16%	16%	12%	9%	8%	6%	3%	11%

Note: n= n=2,363; because of rounding, numbers may not tally with the total
Source: The 2021 Deloitte Global Human Capital Trends survey, European cut.

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