

5 Megatrends Facing Orgs and How People Functions are Responding

Rising Inflation

INCREASING COMPENSATION



More than 1/2 of HR leaders in the U.S. said their company expect average merit increases of more than 5%.¹

People functions are revisiting their budgets, as most employees are expecting wage and salary increases to keep up with inflation.



Our question: Are orgs augmenting comp changes with improvements to employee experience?

Tightening Labor Market

PEOPLE FUNCTIONS ARE FOCUSING ON RETENTION



4.5M # of employees who quit their jobs in Nov 2021².

Worry about losing employees is at a frenzied high, causing people functions to double down on retention efforts.



Our question: Should orgs look at more than just retention – onboarding more quickly, upskilling and reskilling and better mobility within the org?

IMPROVING OPPORTUNITIES



Employees who see good opportunities to learn and grow are **2.9 times more likely** to be engaged.³

People functions are doubling down on development and mobility as a way to attract, upskill, and engage employees.



Our question: How much are orgs looking at other types of development beyond courses?

IMPLEMENTING A SKILLS MINDSET



1/2 of the global workforce will require reskilling by 2025.⁴

Skills initiatives are finally coming into their own. As the labor market tightens, orgs are considering what skills they already have and seek to more quickly develop the skills they need.



Our question: How are orgs building a long-term strategy for skills, and how will they evolve people practices to reflect that?

Stakeholder Capitalism / Employee Activism

REORIENTING AROUND PURPOSE



1 in 3 employees have left their job because the org remained silent on a societal or political issue they believed it had an obligation to publicly address.⁵

Employees, customers, and investors are choosing orgs based on their values and beliefs. Orgs are making their purpose more clear, internally and externally.



Our question: How are orgs infusing their purpose throughout their people practices? What role do different players play?

CREATING GREATER EQUITY



36% of HR leaders said they struggle to hold business leaders accountable for DEI outcomes.⁶

#BLM, #MeToo, and other social movements put pressure on orgs to walk the walk when it comes to equity and equality. DEIB is a C-suite issue.



Our question: What progress have we actually made since June 2020, and what people systems are preventing more progress?

SHARING MORE DATA



6.3%, or 58 out of 931 companies from the Russell 1000 Index publicly disclose DEIB data from EEO-1 reports.⁷

Although there is trepidation, a small, but growing, group of companies are making Diversity, Equity, Inclusion, and Belonging data public.



Our question: What are orgs doing to normalize this type of transparency? Is it coming from the top?

COVID Continues

ADDRESSING MENTAL HEALTH



85% of C-level and HR leaders believe mental health is not just about mental illness, but affects all employees.⁸

The corporate wellness and mental health market continues to grow, and orgs continue to provide apps, programs, books, and other tools to employees to take care of themselves.



Our question: If we reengineered unhealthy cultures to take stress out, would we need so many wellness programs?

SUPPORTING MANAGERS



Managers open to new information **has decreased by 10%** from the height of the pandemic.⁹

Orgs are providing information, guides, help, coaching, tools, and technology to managers' jobs easier and make the experience of being managed more consistent.



Our question: How are orgs adapting their traditional manager development to help managers be open to new ideas and different ways of working?

CONNECTING EMPLOYEES



Professional and personal networks have **shrunk close to 16%** during the pandemic.¹⁰

Orgs are working to counteract employees' propensity to "hunker down" by actively trying to connect them with others in the org.



Our question: How are orgs increasing connection and belonging, particularly in this hybrid world, rather than just focusing on engagement?

Refocus on Humans

LEVERAGING TECH



Companies now use an **average of 16 HR systems**, up from 9 in 2019 and 10 in 2020.¹¹

Orgs have upped their spend on technology used to manage and support people – professionally and personally, increasing their spend by 57%.



Our question: How are orgs intentionally and strategically deploying tech that enables people to work more efficiently, as opposed to adding stuff to their plate?

CLAIMING INFLUENCE



"HR has cemented its position as the **right hand of the CEO**, helping navigate complex people-centric challenges."¹²
Naveen Bhateja, CPO, VP of Medidata Solutions

With a renewed focus on the humans, people function leaders are seeing more influence and less struggle for budget.



Our question: People functions have a seat at the table - have they sat down?