

# Top 2021 Talent & Culture Priorities & Practices

*How organizations are adapting to an uncertain, ever-evolving world*



Lockton Talent & Culture Institute



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# Introduction: Lockton Talent & Culture

*Strategies & resources to make your workforce more agile & resilient in any climate*

Every day brings new HR, talent and culture challenges that impact your business success. Are you making the right decisions to attract, engage, grow and retain your greatest competitive advantage?

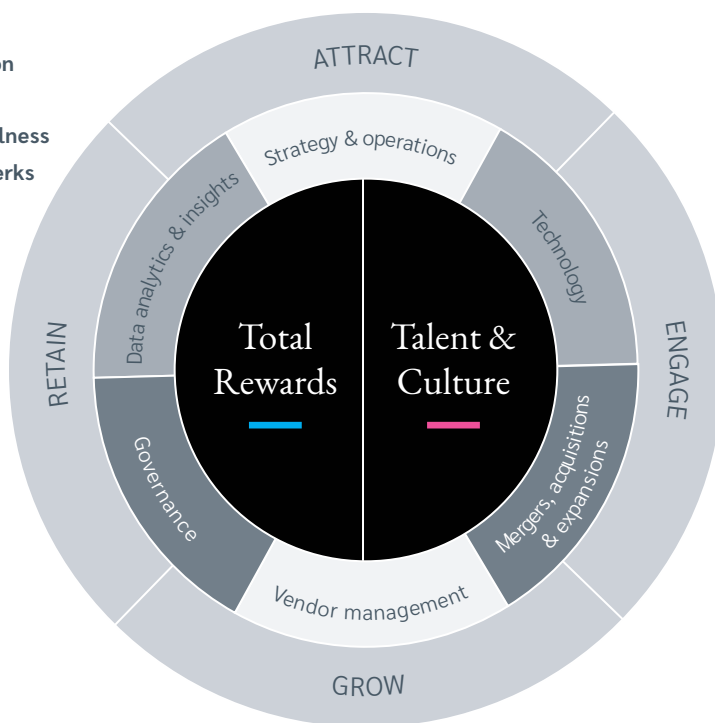
Workforce needs and HR expectations are changing rapidly. Keeping ahead of trends, regulations and new technologies is not easy, but it is critical to ensure business continuity and success. Creating a more agile and resilient workforce requires smarter HR decisions and investments, but you don't have to do it alone.

*Your “go-to” HR advisor & super connector*

## LOCKTON HUMAN CAPITAL

### Total rewards

- Benefits
- Compensation
- Retirement
- Health & wellness
- Rewards & perks



### Talent & culture

#### Insights // Solutions // Optimization

#### HR strategy

- Culture
- Talent analytics & insights
- Diversity, equity, inclusion & belonging
- Employee experience
- Motivation & recognition

#### Organization effectiveness

- Organization design
- Organization & team dynamics
- Change management

#### Talent acquisition

- Talent sourcing
- Talent assessment & selection
- Employment brand
- Candidate experience

#### Talent development

- Onboarding
- Leadership development & coaching
- Learning, reskilling & upskilling

#### Talent management

- Performance management
- Succession management
- Transitions & outplacement
- Workforce planning & alternative workforce

**GET IN TOUCH:** Remaining agile and resilient in any climate requires smart, efficient HR decisions and investments. We can help. Reach us at [talentandculture@lockton.com](mailto:talentandculture@lockton.com) and [lockton.com/talent-culture](https://lockton.com/talent-culture).



# Lockton Talent & Culture Institute

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The Lockton Talent & Culture Institute is an initiative of Lockton Talent & Culture designed to foster mutual learning and growth among our clients and communities. Institute incorporates three inter-related work streams: virtual learning series, original research reports and Talent & Culture Advisory Council.

## VIRTUAL LEARNING SERIES

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A “public square” for talent and culture topics of interest, the Virtual Learning Series features interactive live and on-demand virtual panel events with leading experts and practitioners focused on talent and culture topics of interest. Events are approved for SHRM and HRCI CEUs, unless otherwise stated.

To access the Virtual Learning Series hub, [click here](#).

## RESEARCH

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Lockton Talent & Culture Institute conducts and publishes research on employer practices, challenges, priorities/needs, perspectives, resources, and provider trends related to talent and culture.

## ADVISORY COUNCIL

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The Talent & Culture Advisory Council, powered by Lockton, is an invitation-only global thought leadership coalition of forward-thinking HR executives from employers of choice across a range of employer sizes and industries.

# The authors & researchers

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**Kelly Reed, Ph.D.**

Founder & Managing Director, Talent & Culture

Kelly leads the Lockton Talent & Culture’s client-facing strategy and growth activities, including go-to-market strategies, P&L responsibilities, and the Talent & Culture Institute at Lockton. Prior to joining Lockton, Kelly spent more than a decade with a management consulting firm in a variety of roles, ultimately as vice president and market leader. Kelly received her Master’s and Doctoral degree in Industrial-Organizational Psychology from Saint Louis University. She serves on a variety of civic and industry association boards and hosts the SIOP Conversation Series podcast.



**Renée DeRouin-Jessen, Ph.D.**

Head of Talent & Culture Institute

Renée consults with clients on their talent and culture needs and directs the Institute’s applied research program, virtual learning series for HR leaders, and regional HR executive advisory councils. Renée’s consulting background includes 12+ years with global organizations, serving as a senior strategist and advisor on talent solutions. Renée holds a Master’s and Doctoral degree in Industrial and Organizational Psychology from the University of Central Florida, is a member of the Organizational Leadership Committee for United Against Poverty Orlando (UP Orlando), and serves on the Board of the Greater Orlando Organization Development Network.

## LOCKTON TALENT & CULTURE INSTITUTE ANALYSTS

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**LeVonte Brooks, M.S.**

Talent & Culture Analyst



**Frank Shu, M.S.**

Talent & Culture Analyst



**Tina Pham, M.S.**

Talent & Culture Analyst

# Executive summary

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The year 2020 presented unprecedented challenges for organizations. A global pandemic, social unrest, and high unemployment required companies to re-evaluate their HR strategies and priorities. Organizations swiftly pivoted their communication methods, adopted new technology, and changed how and where work was done.

As 2020 came to a close, the Lockton Talent & Culture Institute asked employers to shift their focus to the coming year. From December 2020 to February 2021, nearly 600 HR leaders shared their organization's top talent and culture priorities for this year. We also asked a subset of respondents about their organizational practices and experiences in 2020 and their plans for 2021. From a detailed analysis of qualitative and quantitative responses, four key trends were revealed:

## 1 CULTURE, ENGAGEMENT & THE EMPLOYEE EXPERIENCE

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Although many companies have traditionally recognized the value of developing culture, engagement and the employee experience, the pandemic challenged organizations to examine this area more critically. In 2021, over two-thirds of our survey respondents indicated that they are focused on building, strengthening or transforming these areas.

## 2 DIVERSITY, EQUITY & INCLUSION

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The events of 2020 shined a spotlight on the importance of DE&I in the workplace. In addition, the composition of the workforce is becoming increasingly diverse. By 2044, it is estimated that groups historically considered minority will reach majority status (*Diversity*). Due to these and other reasons, companies are more dedicated than ever to investing in DE&I initiatives in 2021.

## 3 CHANGE & TRANSFORMATION

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COVID-19 pandemic drove organizations to adapt how their organizations operate. Heading into 2021, employers will continue to focus on and invest in organizational change.

## 4 LEADERSHIP DEVELOPMENT

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Organizations are continuing to focus on preparing leaders for today and the future with the greatest focus on building skills in team engagement and motivation, leading virtual and hybrid teams, and communicating.



Hear HR executives from leading organizations weigh on these top four priorities.



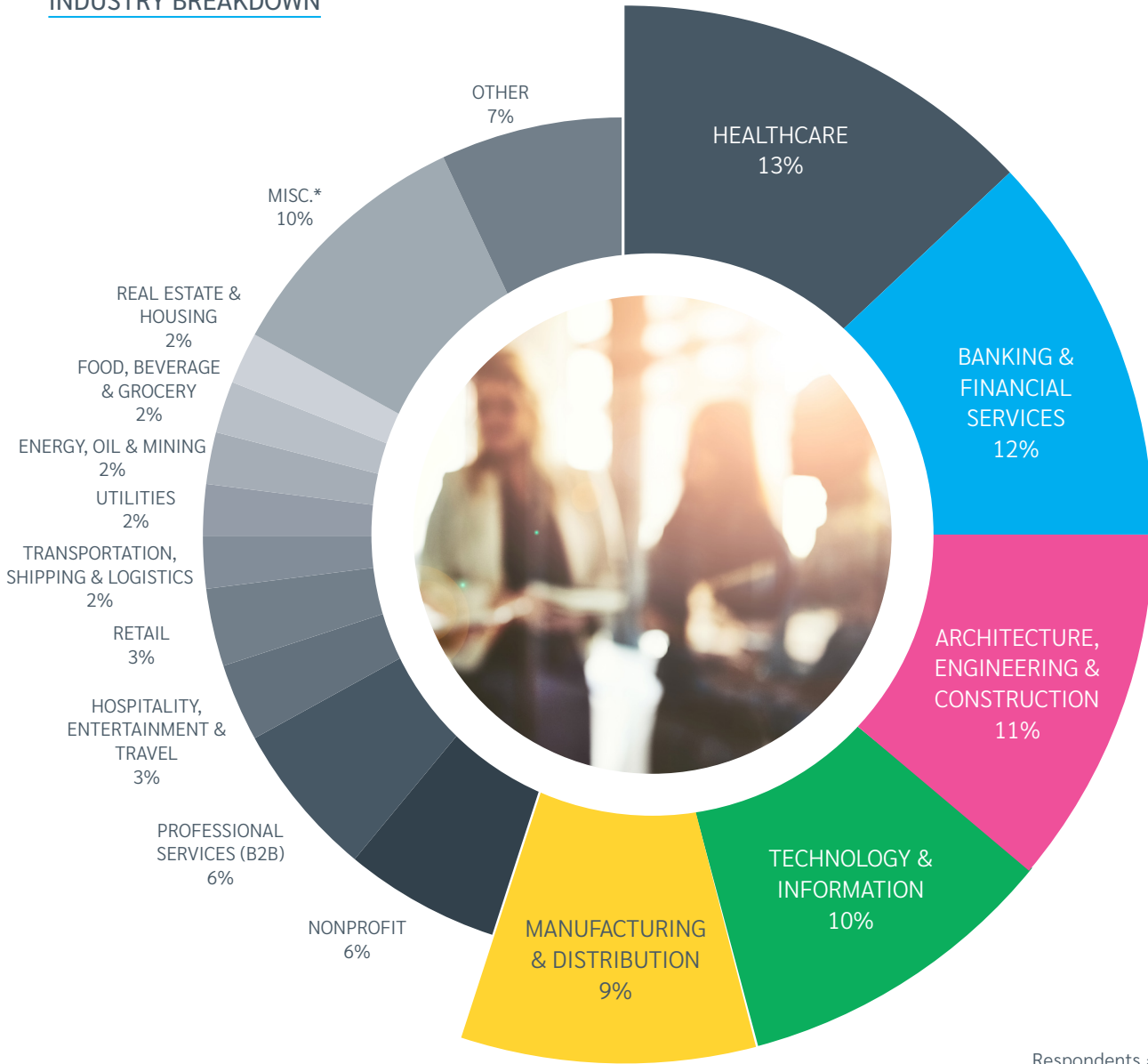
## Purpose & methodology

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Between December 2020 and February 2021, 581 HR and business leaders responded to Lockton's survey about the top talent and culture priorities for 2021. These leaders represented 235 organizations across 29 industries. Most were from healthcare (13%) followed by banking & finance (12%), architecture, engineering & construction (11%) and technology/IT (10%). Organizations ranged in size from under 100 to 10,000+ with the majority between 500 and 1,499 employees.



**INDUSTRY BREAKDOWN**



Respondents = 574

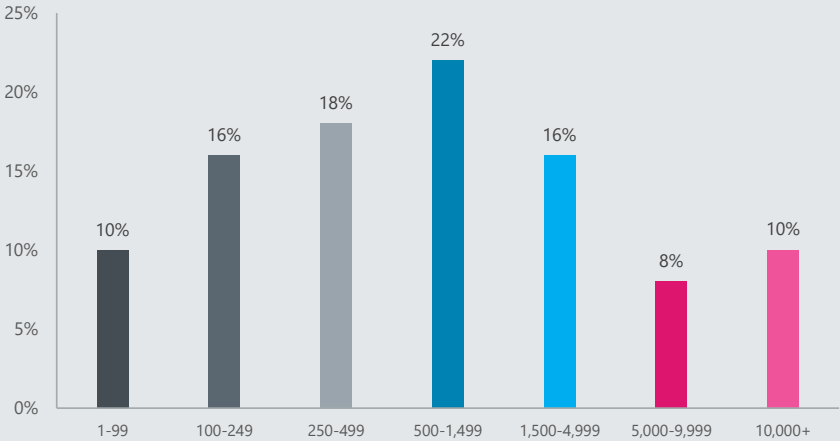
\*Misc. industries account for 1% or less each (agriculture, automotive, legal, senior living, private equity, medical devices, distribution of building materials, education (higher ed.), scientific research/government contractor, government and public administration, pharmaceutical & medical supplies, education (k-12), media & communications).



Over two-thirds of respondents were senior-level leaders: director-level (27%), vice president/senior vice president (25%), c-level positions other than CEO (13%), and president/CEO (4%). The remainder were sr. managers (4%), managers (12%), and individual contributors (7%).

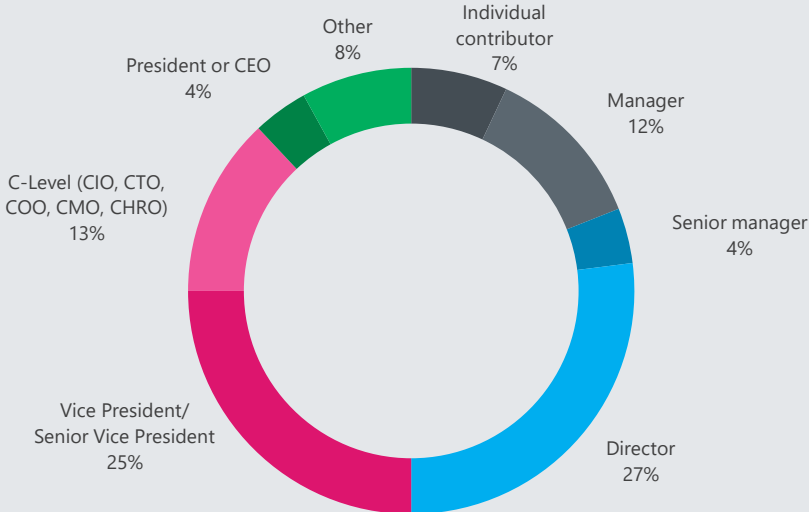
To dive deeper into the four talent and culture trends, we surveyed a subset of respondents for their perspectives and organizational practices. Throughout the report, as relevant, we highlight the number of survey participants by question.

**SIZE OF WORKFORCE**



Respondents = 576

**ORGANIZATIONAL ROLE**

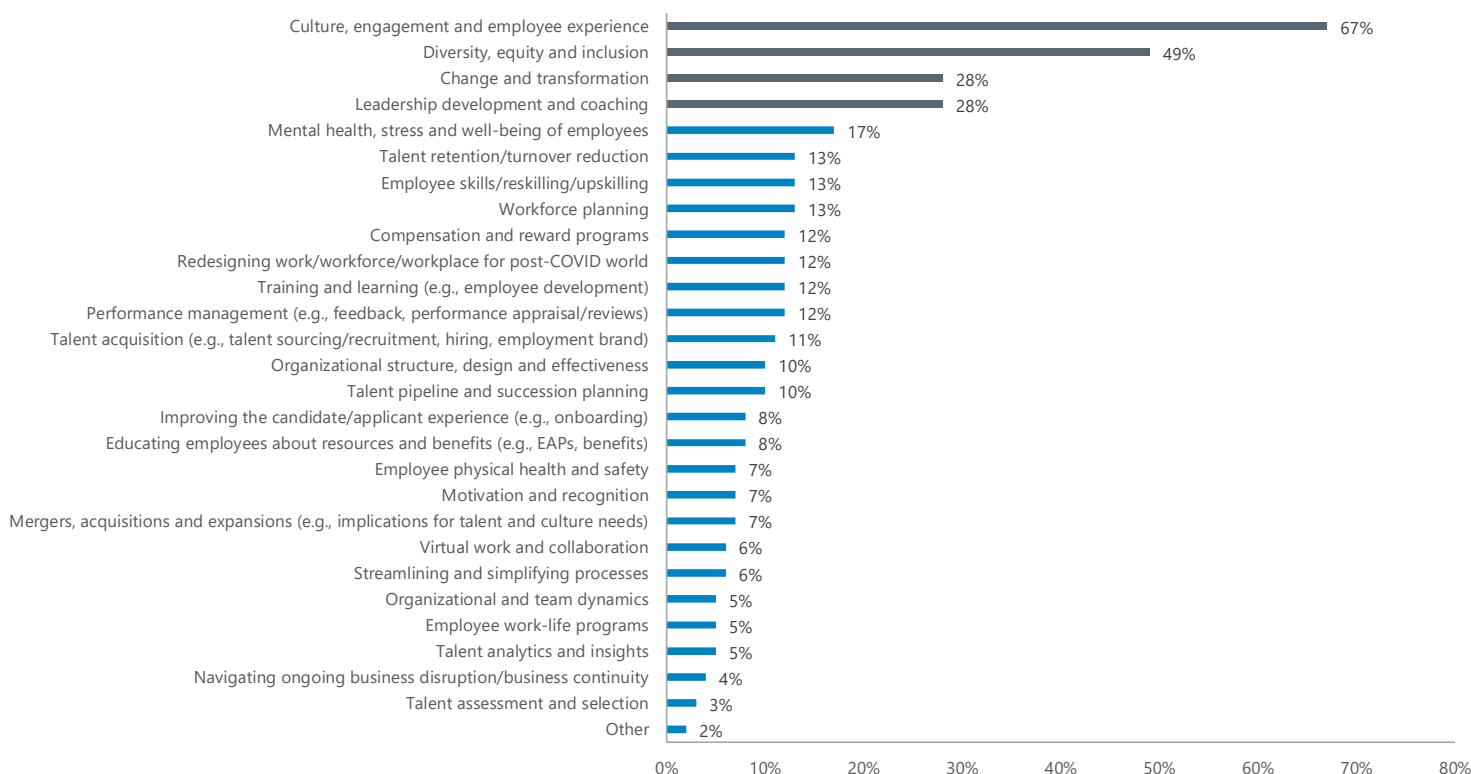


Respondents = 577

# Top 2021 talent & culture priorities

This year, employers are prioritizing four key talent and culture drivers. When asked to identify their top priorities, over two-thirds of our HR and business leader respondents indicated they were focused on culture, engagement and the employee experience; almost half on diversity, equity and inclusion; and over a quarter each for both change and transformation and leadership development and coaching. These four priorities are consistent with key workplace trends identified by other organizations ([SHRM](#), [SIOP](#), [Gartner](#)).

## WHAT ARE YOUR ORGANIZATION'S TOP TALENT & CULTURE PRIORITIES FOR 2021?



Respondents = 581



# 1 CULTURE, ENGAGEMENT & THE EMPLOYEE EXPERIENCE

As organizations experience changes and challenges like never before, maintaining and strengthening organizational culture, employee engagement and the employee experience is critical to recruiting and retaining talent.



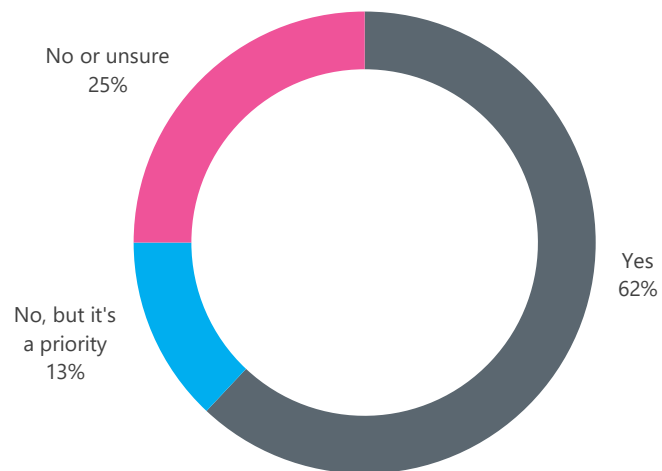


*Culture is similar to the personality of a human. It is learned and created but not innate or permanent. It can be evolved.”*

–Carol Sanford

**A focus on organizational culture and engagement is not new to many organizations; however, it became heightened in 2020.**

IN THE PAST YEAR, HAS YOUR ORGANIZATION ENGAGED IN DEVELOPING, TRANSFORMING, AND/OR EVALUATING YOUR CULTURE & ENGAGEMENT PRACTICES?



Respondents = 111

Over 60% of respondents to our survey indicated they focused on developing, transforming and/or evaluating their culture and engagement practices in 2020. Additionally, 13% of employers who were not actively addressing culture and engagement practices over the past year still highlighted them as priorities. This increased focus was likely in response to the quick adaptation to a virtual workplace for many organizations and the need to build engagement and motivation under interesting (to say the least) conditions. For organizations with essential workers who could not work remotely, organizations were likely examining how they could continue fostering their culture and engagement practices.



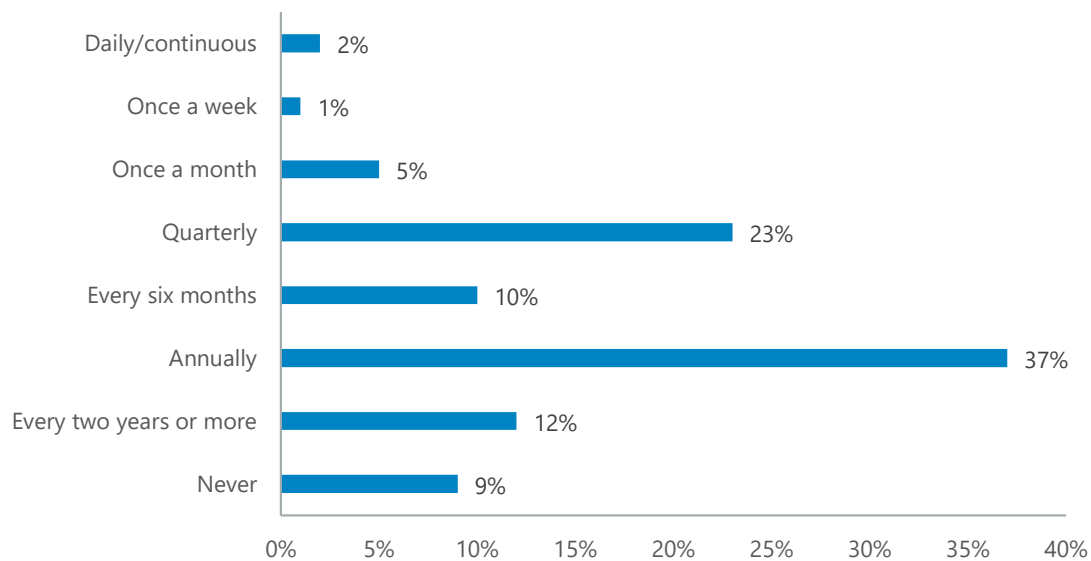
Hear HR executives from leading organizations weigh in on their top culture, engagement and employee experience practices.

### Why should we care about culture, engagement, and the employee experience?

- **RETAIN TOP TALENT AND DRIVE PERFORMANCE:** Happier workers tend to stay longer and are more engaged and productive (SHRM).
- **STRENGTHEN YOUR CULTURE AND BRAND:** Designing a positive employee experience can help sustain and build your culture, attracting new talent to your organization.
- **AGILE, INNOVATIVE, AND PROFITABLE:** Organizations that thoughtfully design their employee experience report more agile workers, 2x the innovation, and 25% greater profitability (Avanade).

## Most employers are evaluating the employee experience at least once a year.

### HOW FREQUENTLY DOES YOUR ORGANIZATION ASSESS/MEASURE EMPLOYEE EXPERIENCE?



Respondents = 81

The majority of organizations reported assessing their employee experiences annually (37%) or quarterly (23%). This was followed with evaluations held every two or more years (12%) and every six months (10%). Interestingly, almost one-tenth of our respondents indicated they do not perform these types of assessments at all.

While there is no standard for how frequently organizations should review the employee experience, organizational leaders should consider 1) whether they have the tools to assess experience, 2) whether the metrics are relevant and comprehensive, and 3) whether there is enough time to see the impact of any changes made to enhance the experience.



### **Some employers are adopting a mix of platforms and methods to receive frequent and in-depth feedback.**

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Pulse surveys can be useful for rapidly gathering information on time-sensitive topics. They can be developed quickly and customized to specific contexts, and they provide a standard method to track progress over time.

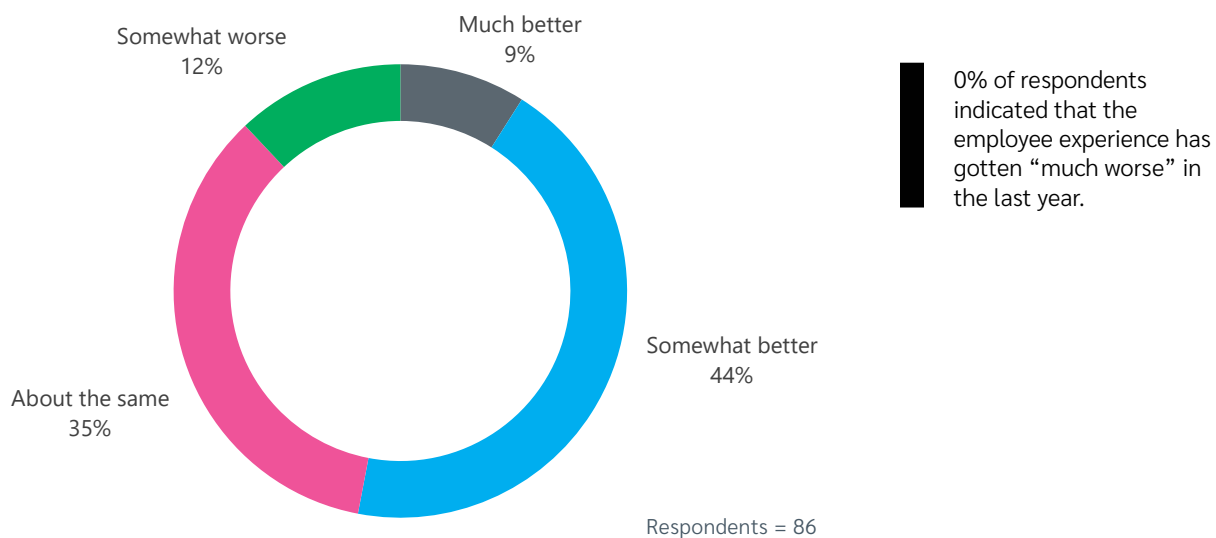
A few employers in our survey noted implementing continuous feedback practices in areas that happen frequently and don't have predictable "cycles." Specifically, assessing onboarding and training practices (e.g., reaction surveys, opinion polls) were cited as areas where receiving continual feedback and assessment was important to maintain a high standard of practice.

One practice on the rise among employers in our survey was the use of more frequent and less formal virtual meetings with teams and supervisors (e.g., one-on-ones). An unexpected benefit of more frequent virtual interactions was that they could keep an "informal pulse" on workplace experiences while also building better relationships and a unified culture.



## Most employers reported an improvement in the employee experience over the course of 2020.

### HAS THE EMPLOYEE EXPERIENCE AT YOUR ORGANIZATION GOTTEN BETTER OR WORSE IN THE LAST YEAR?



Encouragingly, most of our survey respondents believed that the employee experience at their organization had gotten better (53%) throughout 2020, but, from that group, most indicated that it had gotten only “somewhat better” (44%). While this may be an indicator that organizations are taking action to improve employees’ experiences, this could also be an indicator that the advent of more flexible and remote work has provided a benefit to work-life balance for some of their employees ([Slack](#)). A significant portion of respondents still said that things were “about the same” (35%) or had become “somewhat worse” (12%).

#### Why did some respondents report that the employee experience was negatively impacted in 2020?

- Massive workforce reduction and/or furloughs
- Lack of unified culture and sense of belonging after transition to work from home
- Reduction in bonuses, benefits and compensation
- Stress and anxiety from work, but mainly due to COVID

“

*We have implemented an online peer-to-peer recognition system that allows employees to recognize their colleagues through e-cards.”*



“

*We held a ‘get outside’ contest that encouraged employees to get away from their desks, take a break and enjoy the summer weather and gave everyone a ‘yay day’ to ensure they had time to participate ... employees posted pictures of their activities and/or travels using their ‘yay day.’”*

### **Organizations got creative (and continue to be) with how they engaged employees.**

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Throughout 2020 and now into 2021, organizations have been finding new ways to build connection and belonging in a hybrid work environment. They’re using virtual communication tools, virtual social events and other creative ways for teams to feel connected. Some of our respondents gave examples of what they’re doing to build engagement.

## *Culture, engagement & the employee experience: What is here to stay?*

Survey respondents provided several examples of how they've overcome some of their challenges and the practices that have created the most impact for their organization and employees. Below are the major themes reported in our survey.

|  |  |
|--|--|
| DESIGNING CULTURE, WORK & THE EMPLOYEE EXPERIENCE FOR WELL-BEING | Many expressed that mental health and declines in employee well-being were greater threats to their organization than productivity and performance declines. Designing a culture and experience that promotes mental health and well-being provides more positive, lasting and sustainable benefits to employees and organizations (Deloitte).   |
| GREATER TRANSPARENCY & INCLUSIVITY                               | Employers noted the benefits to culture and the employee experience of being transparent and inclusive in their decision-making. Examples include asking employees what they'd like from their work experience, communicating how decisions are made by leadership, and allowing for opinions to be shared. Some methods that our survey respondents described include town halls, open discussion forums, virtual office hours, and more frequent and detailed updates. |
| PROVIDING FLEXIBILITY & IMMEDIATE AID                            | From funding work-from-home office equipment to hosting social hours to eliminating the need for a standard work schedule, employers noted that these direct and personal benefits provide the most positive and immediate impact for employees.   |



## *What else can employers do to strengthen organizational culture, engagement & the employee experience?*

|  |  |
|--|--|
| DEFINE YOUR COMPANY CULTURE                        | Define your organization's vision, mission, values, and priorities and share/reinforce at all levels.  |
| ALIGN COMPANY CULTURE WITH THE EMPLOYEE EXPERIENCE | Ensure all aspects of the employee life cycle are explicitly linked to your company culture and include bottom-up approaches to promote inclusivity and alignment between your employee experience and organizational culture.   |
| MEASURE ENGAGEMENT & THE EMPLOYEE EXPERIENCE       | <p>Select metrics that are relevant and comprehensive. Ensure the right tools, experts and resources are available to accurately assess engagement and the employee experience. Using a range of flexible and continuous evaluation tools can help keep your culture and organization proactive and agile.</p> <p>Potential metrics include:</p> <ul style="list-style-type: none"><li>• Employee satisfaction</li><li>• Employee engagement</li><li>• Employee net promoter score</li><li>• Organizational commitment</li><li>• Teamwork and team cohesion</li><li>• Turnover attitudes</li><li>• Mental health and well-being (e.g., stress and burnout)</li><li>• Perceptions of fairness</li><li>• Awareness of resources</li><li>• Perceptions of physical and psychological safety</li></ul> |
| BE TRANSPARENT & COMMUNICATE                       | Communicate your values and metrics and how any assessments or feedback will be used.  |
| DEVELOP MANAGERS & FUTURE LEADERS                  | Identify managers and leaders who can help promote cultural values while also modeling and developing others in the values and behaviors that promote a strong, positive culture.  |

## Keep employee mental health & well-being in mind

The COVID-19 pandemic led to significant declines in mental health. In a poll by the Kaiser Family Foundation, 45% of adults reported that stress from the pandemic had a negative impact on their mental health ([KFF Health Tracking Poll](#)).

Several reasons may account for this, including record-high unemployment rates, reduction of hours, work furloughs, the stress of balancing work and dependent care, and navigating feelings of isolation. With these increased stressors, it is not a surprise employers are prioritizing mental health and well-being initiatives in 2021.

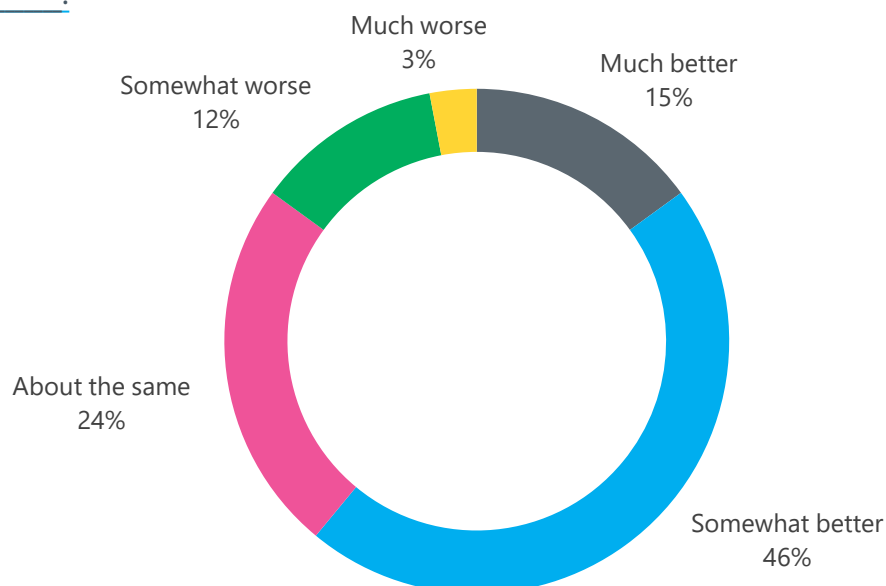
### Most employers saw positive changes in employee well-being practices compared to the previous year, but over one-third said practices stayed the same or worsened.

Encouragingly, almost two-thirds of the leaders in our survey indicated that their organizations experienced improvements in their work-life/well-being practices, although most were moderate improvements. This is likely due to a stronger attention being placed on employee mental health and well-being, the addition of new offerings and resources for employees, and the marketing of existing resources.

About one-quarter reported that their employee mental health and well-being initiatives did not change compared to the previous years, and 15% indicated that practices worsened.

Employee mental health and well-being are key for a thriving work environment. Employees who feel mentally and physically healthy are more motivated and engaged. Further, workplaces that acknowledge and support employee mental health and well-being are more likely to experience reduced absenteeism and enhanced productivity.

### COMPARE TO LAST YEAR, EMPLOYEE WORK-LIFE/WELL-BEING PRACTICES AT YOUR ORGANIZATION HAVE BECOME \_\_\_\_\_.



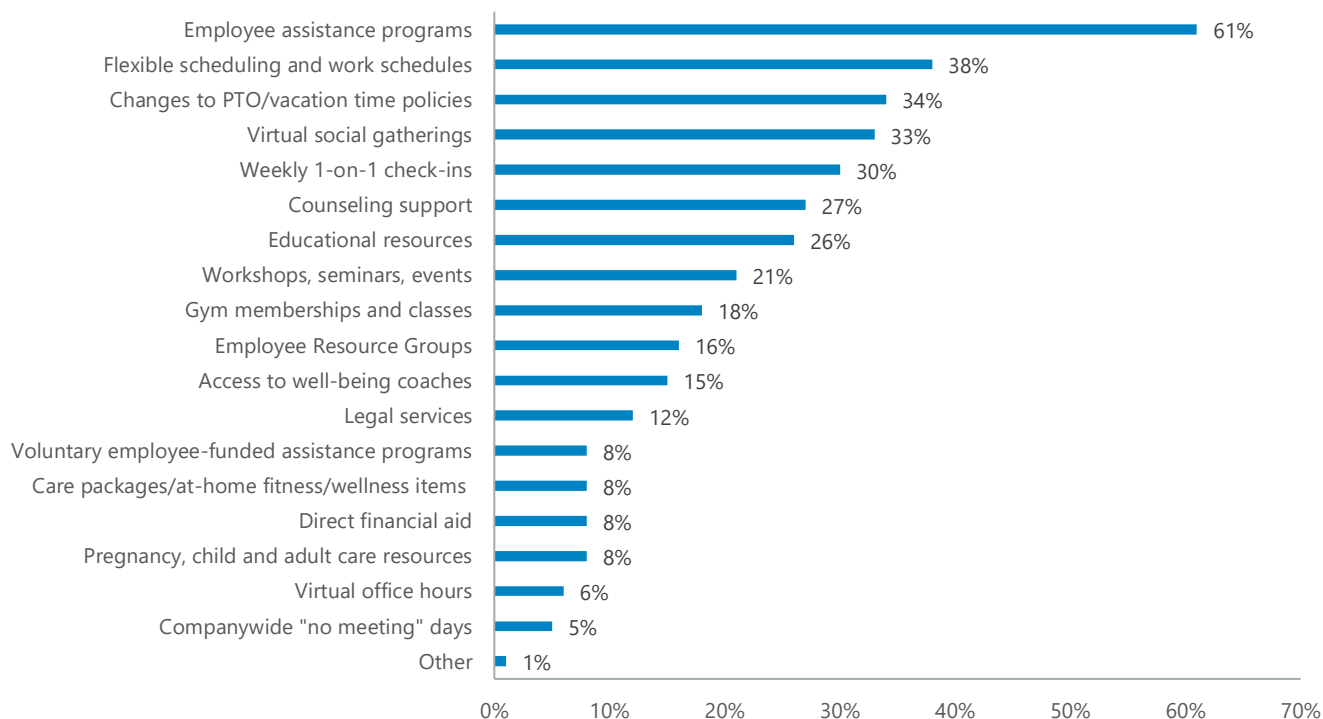
Hear HR executives from leading organizations weigh in on their top employee mental health and well-being practices.

Respondents = 89

## Employers are applying a variety of approaches for supporting mental health and well-being with employee assistance programs being the most popular.

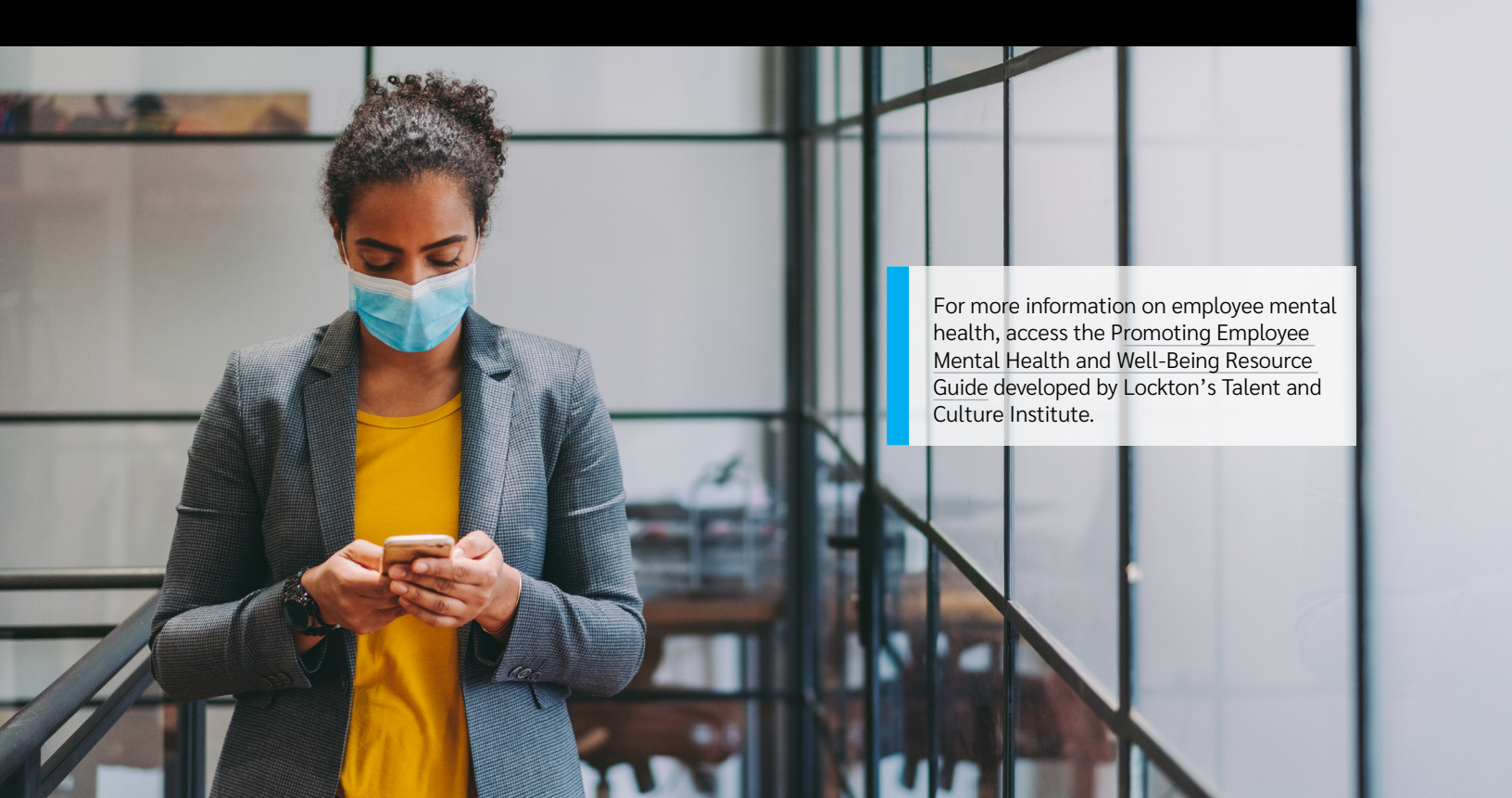
Given the broad spectrum of mental health and well-being solutions available, we asked employers to share the mental health and well-being initiatives and resources their organizations were currently offering.

### WHAT TYPE OF WORK-LIFE/WELL-BEING INITIATIVES AND RESOURCES DO YOU OFFER YOUR EMPLOYEES?



Respondents = 109

The highest-rated offerings were employee assistance programs, flexible scheduling and PTO/vacation time policies. Moreover, HR leaders are finding ways to create a sense of belonging for their employees through virtual social gatherings, increasing one-on-one check-ins and educating their employees. What's important to keep in mind is that most of these options have limited to no cost to the organization but offer significant potential benefit to employee mental health and well-being.



For more information on employee mental health, access the [Promoting Employee Mental Health and Well-Being Resource Guide](#) developed by Lockton's Talent and Culture Institute.

## *What else can organizations do to support mental health & well-being?*

The [World Health Organization](#) also offers several best practices for creating a healthy workplace:

### DO

- Promote mental health by developing the positive aspects of work.
- Promote the strengths of employees.
- Address mental health problems regardless of cause.
- Promote awareness in the workplace.
- Understand the needs and opportunities of individual employees while developing better policies for workplace mental health.
- Involve employees in decision-making.
- Create programs for employees' career development.
- Recognize and reward the contribution of employees.

### AVOID

- Inadequate health and safety policies.
- Poor communication and management practices.
- Limited participation in decision-making.
- Low control over one's area of work.
- Low level of support for employees.
- Inflexible working hours.
- Unclear tasks or organizational objectives.



Hear HR executives from leading organizations weigh in on their top practices for supporting parents and caregivers during COVID-19.



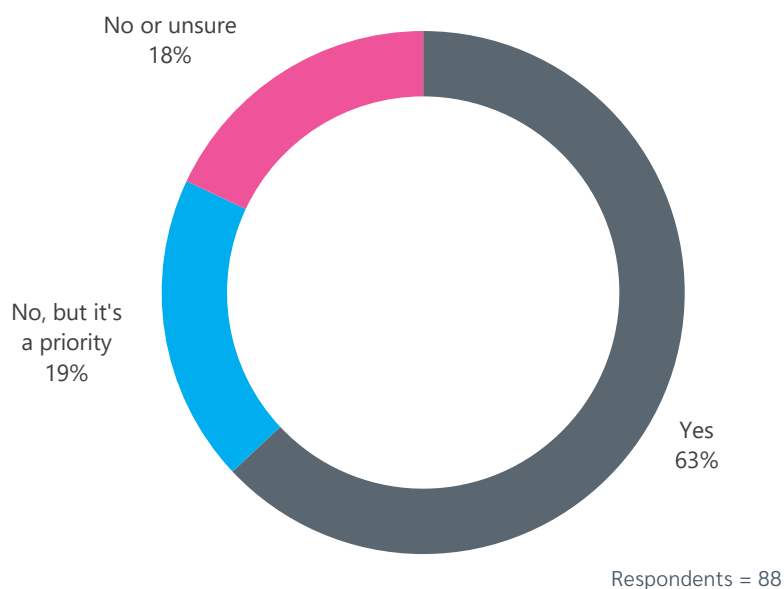


## 2 DIVERSITY, EQUITY & INCLUSION

The social unrest due to the events in 2020 brought DE&I concerns to the surface. Employers are taking a critical look at DE&I in their organizations, making sure to build awareness and confront systemic bias. Doing so often involves evaluating the current state of DE&I, analyzing workplace practices, and building DE&I strategies to ensure governance and alignment across the organization. In addition, employers are taking action to drive strategic, systemic change that involves advocacy and investment in racial and social justice initiatives.

## Organizations are examining DE&I practices with a critical eye.

IN THE LAST YEAR, HAS YOUR ORGANIZATION ENGAGED IN DEVELOPING, TRANSFORMING, AND/OR EVALUATING DIVERSITY, EQUITY & INCLUSION PRACTICES?



Reflecting the nation's increased attention to DE&I, a majority of our survey respondents (63%) reported that their organizations were actively engaged in developing, transforming and/or evaluating DE&I practices over the past year, and almost one-fifth of employers stated their organization considered it a priority, but were not actively addressing it.



*Diversity, equity and inclusion is not just a checkmark for good business, it's a way to transform the world."*

—Dr. Nika White

Diversity, equity and inclusion are beneficial for a workplace's finances, culture, and ability to recruit and retain new talent. From a financial perspective, a study by [McKinsey & Company](#) found that organizations with more gender and racial diversity experience better financial performance in comparison to organizations with less diversity. In addition, organizations with a diverse workforce have employees who experience a higher level of psychological safety, job satisfaction and engagement.

DE&I is also relevant when it comes to attracting and retaining new talent, as Gen Z employees — the most recent employee group to enter the workforce — are the most passionate when it comes to DE&I.

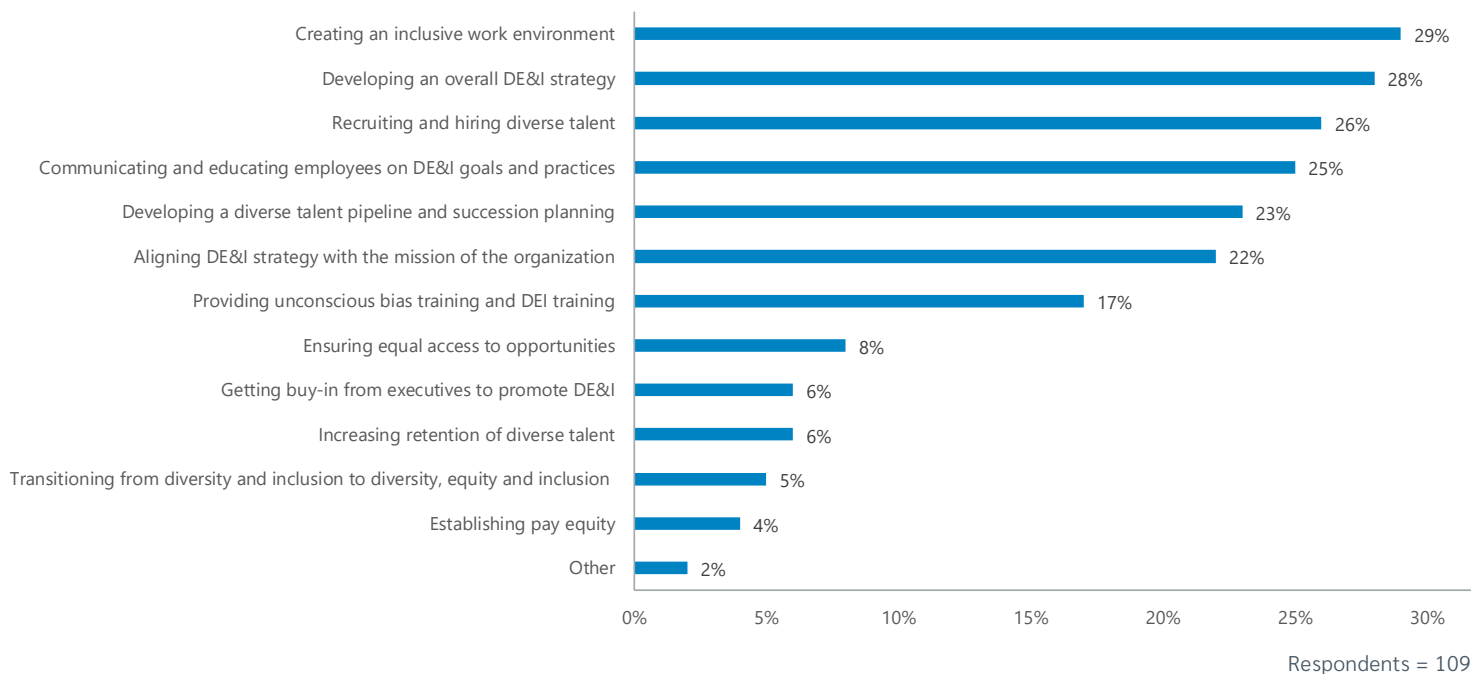


Hear HR executives from leading organizations weigh in on their top diversity, equity and inclusion practices.

## Beyond quick-fix thinking: Organizations are concentrating on inclusion, strategy and talent.

When we asked employers about their top DE&I priorities, we found that organizations are targeting a variety of different areas. At the top were creating an inclusive work environment, developing an overall DE&I strategy, and recruiting and hiring diverse talent. In addition, many employers are implementing ways to communicate and educate employees on their organization's DE&I goals and practices, developing a diverse talent pipeline and succession planning, and aligning DE&I strategy with the mission of the organization.

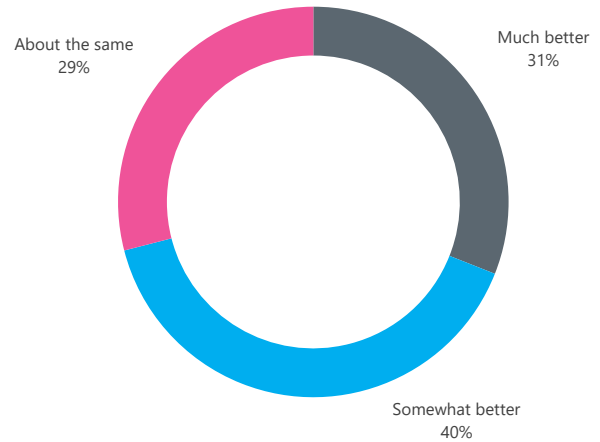
### WHAT ARE YOUR ORGANIZATION'S TOP PRIORITY AREAS REGARDING DIVERSITY, EQUITY & INCLUSION?



## For the majority of employers, DE&I improved in 2020.

Just over 70% of our respondents said their DE&I practices improved over the past year. From this group, 31% said their organization experienced a significant improvement, whereas 40% said their organization only somewhat improved. The other 29% of survey respondents reported their organization's DE&I remained about the same. On a positive note, no respondents indicated that DE&I had been negatively impacted in their organizations.

### COMPARED TO LAST YEAR, DEI PRACTICES AT YOUR ORGANIZATION HAVE BECOME \_\_\_\_\_.



Respondents = 70

## *Diversity, equity & inclusion: What is here to stay?*

We asked leaders about the most beneficial DE&I practices, and the following three practices emerged: DE&I training and workshops, having leadership communicate DE&I strategies and initiatives, and creating DE&I teams.

### DE&I WORKSHOPS & TRAINING

Leaders identified DE&I education, including unconscious bias training, as an impactful initiative in their organizations.

### COMMUNICATING DE&I STRATEGIES & INCLUDING YOUR TEAM

Another impactful practice was having leaders actively communicate DE&I strategies to their team and facilitate guided conversations about DE&I.

Please note: Having leaders or managers facilitate guided conversations about DE&I can be challenging and may often be better led by a third party; if managers choose to lead these conversations, [Diversity Best Practices](#) offers tips for creating a safe space and starting these conversations.

### CREATING DE&I TEAMS

Another beneficial practice was creating DE&I teams. DE&I teams are vital for an organization to champion DE&I and represent the workforce.



## *What else can organizations do to increase the impact of their DE&I strategy?*

DE&I is complex, and a one-size-fits-all approach will not work with all organizations. Each organization has its own set of unique DE&I goals, and aligning these goals with organizational values is a journey that requires HR leaders to form a unique and tailored solution.

|  |   |
|--|---|
| CONNECT DE&I TO YOUR ORGANIZATION'S PURPOSE          | DE&I should not be considered in a vacuum. As you build your DE&I strategy, connect it to your broader organization's purpose, mission, and values.   |
| PAIR STRATEGY WITH ACTION                            | An effective DE&I strategy is one that is actionable and SMART (Specific, Measurable, Attainable, Relevant, Time-Bound). Organizations must ensure that next steps are enacted and maintained on a frequent basis.  |
| BUILD A MECHANISM FOR MEASUREMENT & ACCOUNTABILITY   | It is important to evaluate DE&I across HR practices, including in hiring, promotion, talent review processes, and development opportunities. A few measures that can be used to assess DE&I progress are turnover rates among minority populations, changes in the number of discriminatory behaviors, and pay equity across racial and gender groups. |
| FOCUS ON THE RANGE OF DIVERSITY IN YOUR ORGANIZATION | Consider a broad perspective on diversity, including race, ethnicity, gender, age, sexual orientation/preference and differing levels of ability.   |

For more information on diversity, equity and inclusion, access the [DE&I Resource Guide](#) developed by Lockton's Talent and Culture Institute.



## 3 CHANGE & TRANSFORMATION

The events of 2020 heightened the speed of change in organizations. The mass movement of workers to a virtual workplace, new or enhanced health and safety protocol for face-to-face interactions, and the need for flexible scheduling and work arrangements required a quick response from employers.



*Growth and comfort do not exist.”*

—Ginni Rometty, Former CEO of IBM

Organizations are using a variety of virtual communication and collaboration tools, such as Yammer, Jabber, Slack, Go-To-Meeting, MS Teams, WebEx and Zoom.



Hear HR executives from leading organizations weigh in on their top change and transformation practices.

Throughout 2020 and now into 2021, organizations are finding ways to adapt and become more resilient so they can swiftly respond to changes in the workforce, workplace and the work itself. Some of the biggest changes can be seen in the areas of communication, streamlining and simplification of talent and culture processes, and utilization of flexible scheduling, alternative workforces and remote/hybrid workplace models.

## *Communication*

### **Organizations are applying a multiplatform approach to communication.**

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In 2020, a wide range of tools, platforms and virtual communications practices were adopted by organizations to help promote a level of communication and interaction that would maintain employee engagement and performance.

When asked about changes in communication practices, most of the employers we surveyed indicated that virtual communication is now the dominant form of interaction within their organizations. In fact, some of these organizations took virtual a step further, using digital communications as the primary delivery method for onboarding, orientation, training and even client/customer communications.

What’s more, many organizations are applying a variety of different communication tools, as a multiplatform approach can be beneficial when communicating with a large, diverse, and remote or hybrid workforce. With the increased need for speed and convenience, a growing trend is the use of texting and instant messaging for internal communications, but also for functions like recruitment, client interactions and distribution of organizational information.

## Organizations are communicating constantly with employees, with a lean toward over-versus under-communicating.

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According to the employers in our survey, the frequency of communications and meetings — either companywide or in smaller groups — has increased drastically in comparison to previous years. Examples include daily/weekly/monthly one-on-one supervisor meetings, team meetings and check-ins.

Although this spike in frequency is expected, more does not always mean better. Organizations and their leaders should consider the costs and benefits of different communication strategies.



*There is a heavy use of virtual platforms and venues that did not exist in the past to err on the side of over-communicating ...”*

## *Considerations for implementing new communication practices and/or meeting schedules*

ARE MEETINGS/  
COMMUNICATIONS TOO  
FREQUENT (OR TOO LONG)?

Meetings and communications should be necessary, add value to your work, and not create additional burden on employees ([TheCut](#)). If they are not, reevaluate who needs to attend, meeting frequency and duration.

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ARE MEETINGS ORGANIZED  
WITH A CLEAR PURPOSE?

Meetings should be timely and planned and have explicit goals shared ahead of time ([HBR](#)).

---

ARE MEETINGS/  
COMMUNICATIONS  
INCLUSIVE OF ALL RELEVANT  
EMPLOYEES AND OPINIONS?

Meetings and communications should be inclusive of all relevant parties and should allow opportunities for them to share thoughts and opinions freely ([HBR](#)).

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## *Communication practices: What is here to stay?*

Lasting communication practices shared by our survey respondents highlighted three major themes.

|  |  |
|--|--|
| TIMELY & FREQUENT COMMUNICATIONS                     | Keeping individuals informed with up-to-date information is needed (and desired) more than ever. Examples include texting/instant messaging as well as timely communication of resources, aid and support for employees.   |
| INCLUSION & INDIVIDUAL CONSIDERATION FROM LEADERSHIP | Today, there are more frequent and regular communications with and between leadership (e.g., one-on-ones, check-ins, management announcements). As many reported, these increased interactions with leadership helped promote a unified workplace culture, including feelings of inclusion and individual consideration. Similarly, town halls, virtual gatherings and even Pulse surveys were impactful in that they helped promote a sense of belonging that was lacking during the transition to remote work. |
| EDUCATION & SUPPORT                                  | Communication practices that have made the greatest impact on organizations and employees focused on promoting learning and social connection. From hosting virtual game nights to developing entire resource centers, employees benefited the most from meetings and communications that gave important information and updates as well as provided an opportunity to connect with others in a social setting.  |

How we communicate with each other, host meetings and connect does not have to be dominated by work topics. In fact, a recent survey from the Remote Employee Experience Index (FutureForum) revealed, weekly status meetings predicted a weaker sense of belonging, while employees felt more valued when meetings/communications were oriented towards social activities, bonding and celebrations.

## *Flexible schedules, alternative workforces & remote/hybrid workforces*

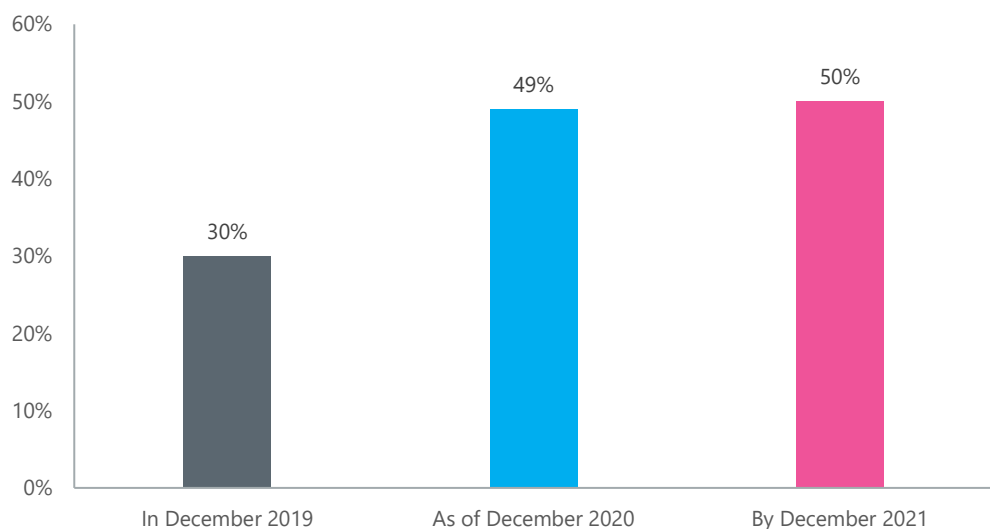
**Employers anticipate that half of their workforces will continue using flexible work arrangements and scheduling in 2021.**

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Flexible work arrangements and scheduling includes telecommuting options, condensed workweeks, custom work hours, flexible vacation time and/or expanded discretionary paid time off (PTO). In 2019, less than a third of employees were offered flexible options. Due to necessity, the percentage of employees with flexible scheduling and arrangements increased by 19 percentage points between 2019 and 2020.

Expectations are that flexible scheduling and work arrangements will remain flat between 2020 and 2021 with about half of the workforce retaining some form of flexible work alternatives. Overall, providing work flexibility seems to be a benefit to the employee experience and work-life balance and can maintain or enhance productivity for some employees (Slack).

### WHAT PERCENTAGES BEST DESCRIBE YOUR WORKFORCE WITH REGARD TO FLEXIBLE WORK ARRANGEMENTS OR SCHEDULES?



Respondents = 88

## Organizations plan to retain alternative workforces at the same levels as in 2019 and 2020.

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Gig, contingent and temporary workers are expected to help organizations tap into a wider range of the talent “ecosystem” (Deloitte) and help employers fill in talent and skills gaps. Oftentimes, alternative workforces can be cheaper and more flexible, and offer additional opportunities to diverse groups.

In our research, the use of gig workforces appears to have remained relatively steady from 2019. While we envisioned a greater jump from 2019 to 2021, the lack of change may be attributed to many different reasons, including budget limitations, preventing employers from hiring more gig workers.

It is important to note that despite the lack of change, gig, contingent and temporary workers still represented an average of 13% of the employees in the organizations we surveyed, a significant subset of the workforce that will be important throughout 2021 and beyond.

Access [The Gig Economy: An Overview and Set of Recommendations for Practice](#) for more information on gig workforces.

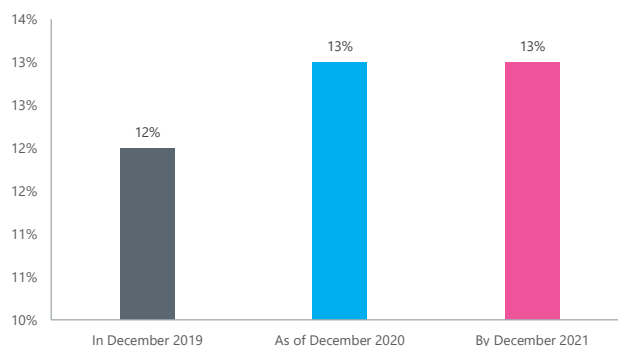
### Ready or not — here comes hybrid.

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One of the biggest changes in 2020 was the move to fully remote or hybrid work environments. As the world closed its doors seemingly overnight, companies had to adapt how they would support their workforce and keep organizations functioning. The change was a monumental shift for some organizations, who needed to source virtual technology and equipment immediately.

As companies reopen and allow employees to return to the workplace, many are deciding to pilot or continue with hybrid workplace options (e.g., Facebook, Google, Salesforce). These decisions are based on feedback from many employees that they would like to continue these models and the financial savings employers may receive by limiting brick-and-mortar operations.

### WHAT PERCENTAGES BEST DESCRIBE YOUR WORKFORCE WITH REGARD TO GIG, CONTINGENT OR TEMPORARY WORKERS?



Respondents = 87

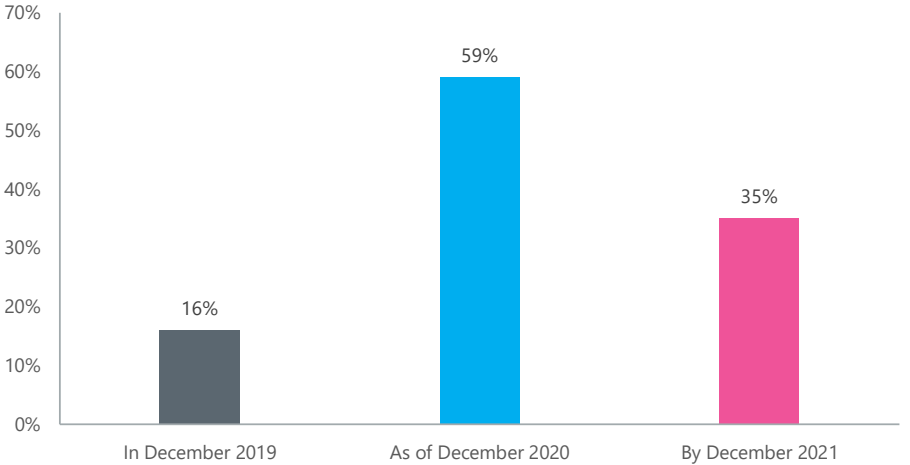


**Fully remote work will be cut by almost half in 2021.**

When asked how much of their workforce was entirely remote/working from home in 2020, respondents reported that almost 60% of their workforce was entirely remote. Not surprisingly, those that reported lower percentages of remote workers in their organization were involved in industries that could not easily accommodate a remote workforce (e.g., senior living; agriculture; architecture; construction; engineering; healthcare; food, beverage and grocery, and so on). This average was a significant increase from 2019, during which only 16% of the workforce was reported to be working entirely from home.

By the end of 2021, our respondents anticipate that fully remote work will be dramatically reduced, with 24% of the workforce returning to the workplace in person or through a hybrid arrangement.

WHAT PERCENTAGES BEST DESCRIBE YOUR WORKFORCE WITH REGARD TO WORK FROM HOME/ REMOTE WORK (I.E., 100% REMOTE)?



Respondents = 91

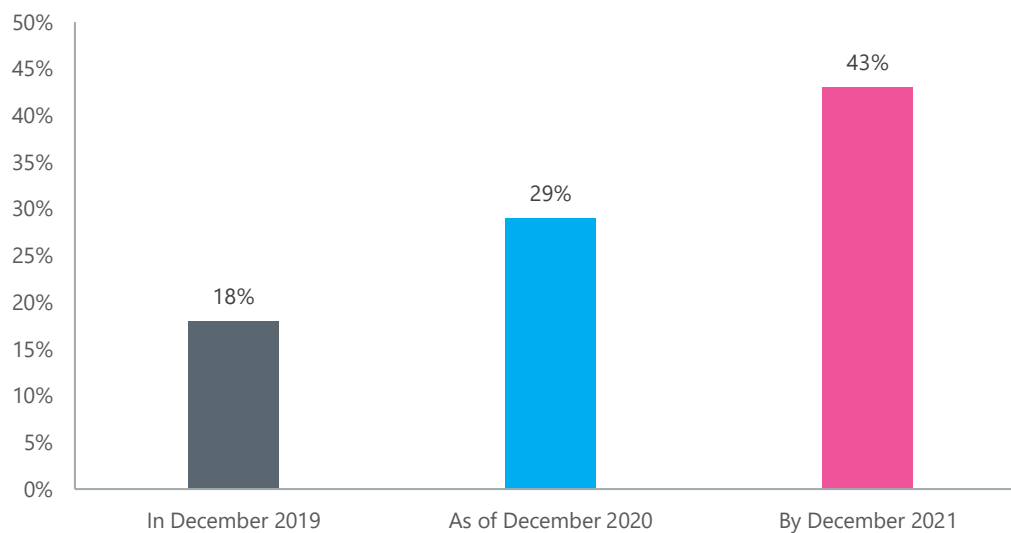


## Hybrid arrangements are the future — employers forecasted them to increase by almost 50% between 2020 and 2021.

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When asked about the percentage of their workforce operating in a hybrid setting (i.e., partially remote and in-office) in 2020, the average response was 29% of their workforce, which was a significant jump from 18% in 2019. In 2021, organizations expect an even greater percentage of their workforce will operate in a hybrid model, an increase of 14% from 2020. This change likely reflects the transition of many employees from a 100% remote to a hybrid work environment.

### WHAT PERCENTAGE BEST DESCRIBES YOUR WORKFORCE WITH REGARD TO WORKING IN A HYBRID WORK ENVIRONMENT (I.E., PARTIAL REMOTE/OFFICE)?



Respondents = 90

A good takeaway from these results is the importance for employers to think about how they will be able to support employees who wish to remain in a hybrid setting long-term. Employers who aren't thinking about this or who don't have strategies in place could be in a challenging situation when it comes to retaining and recruiting. Now is the time to get ready.

For more information about the effects of remote work on employee outcomes as well as recommendations to employers, access this resource on [telecommuting](#).

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*According to estimates from our survey, 78% of the workforce is expected to be either working from home or through a hybrid option by the end of 2021.*

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A survey of over 9,000 people found that most workers are more satisfied working remotely, have better work-life balance, and are just as productive as before ([FutureForum.com](https://www.futureforum.com)).

The downside? Employees can lack a sense of belonging. Organizations should invest in fostering employee connections and community and providing resources so that employees don't feel isolated.

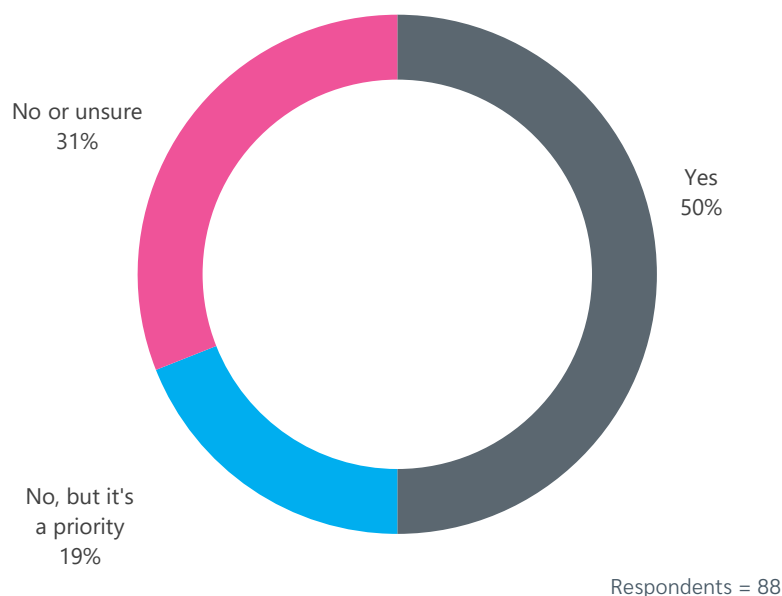
## *Streamlining & simplifying talent & culture processes*

The ways in which organizations support talent and culture along with the expectations of employees and the business have grown increasingly diverse and complex. In response, organizations are reviewing their talent and culture processes and practices for opportunities to optimize and simplify.

When we asked leaders about whether their organizations were focused on streamlining and simplifying throughout 2020, half said their organizations engaged in this work and another 19% said that it was a priority they wanted to address.

Given the current environment, many organizations are working with fewer HR staff and resources as well as limited budgets; as a result, in 2021, we anticipate this focus on simplification to continue at the same or greater levels.

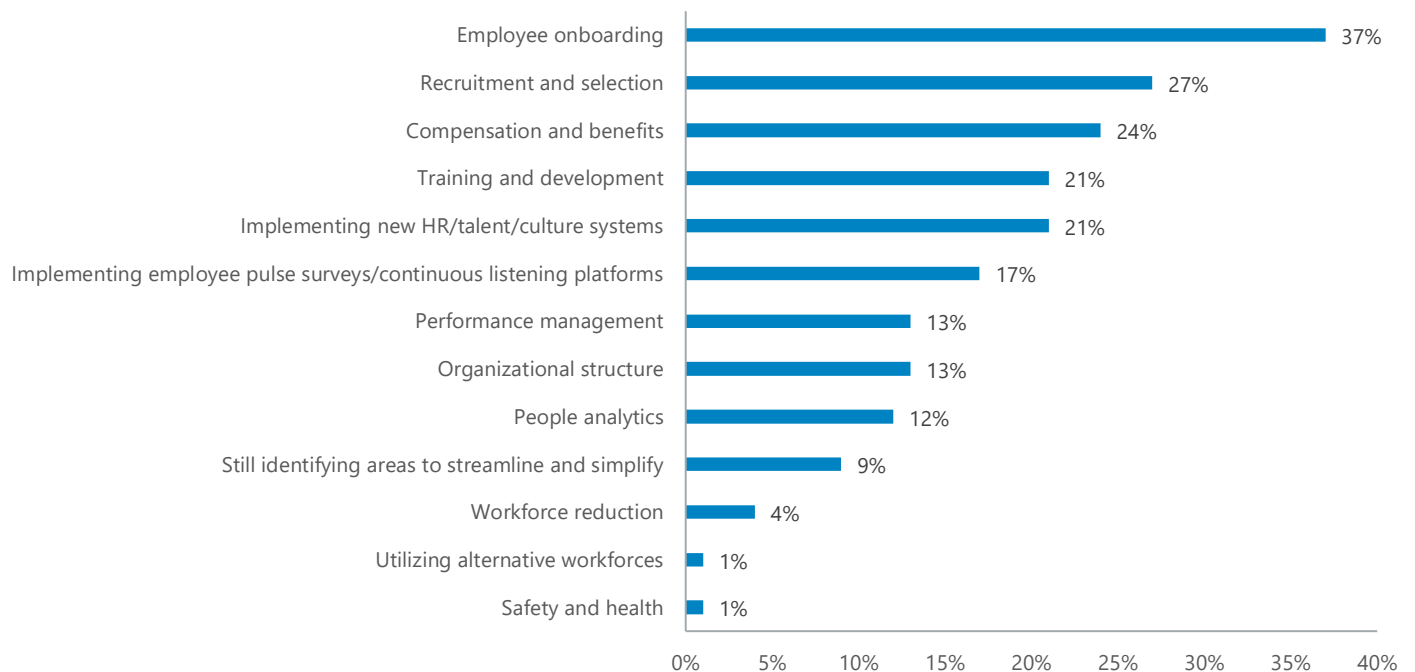
### IN THE LAST YEAR, HAS YOUR ORGANIZATION ENGAGED IN STREAMLINING & SIMPLIFYING TALENT & CULTURE PROCESSES & PRACTICES?



## Employers in our survey reported simplifying in many different areas, particularly new hire onboarding programs.

The simplification of the onboarding process comes as no surprise, particularly as many organizations made the quick pivot in 2020 to virtual onboarding. The additional highly prioritized areas include some of the more costly programs and processes on the list: recruitment and selection, compensation and benefits, training and development, and implementing new HR, talent and culture systems. Focusing on these areas provides the opportunity for organizations to reduce time, energy and spend in a period when all of these are in short supply.

### WHAT ARE YOUR ORGANIZATION'S TOP PRIORITY AREAS REGARDING STREAMLINING & SIMPLIFYING TALENT & CULTURE PROCESSES & PRACTICES?



Respondents = 89

#### Streamlining and simplifying: What should organizations keep in mind?

- Rank processes and workflows to identify opportunities and prioritize changes.
- Ensure you have the support, policies and managerial readiness available to lead alternative workers and manage changes.
- Ask for feedback from those who will be affected by changes.
- Explore multiple options and solutions that allow for flexibility and provide the most benefit to the organization.
- Be open to continual adjustment and refinement of policies and processes.
- Align new changes with the organization's mission and values to remain consistent and create a sustainable culture.



## 4 LEADERSHIP DEVELOPMENT

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In this age of uncertainty, leaders who are compassionate, authentic, transparent and action-oriented are critical to organizational success. As a result, organizations are continuing to invest in equipping their leaders for both the current environment and the post-pandemic world.



*The most dangerous leadership myth is that leaders are born — that there is a genetic factor to leadership. That’s nonsense; in fact, the opposite is true. Leaders are made rather than born.”*

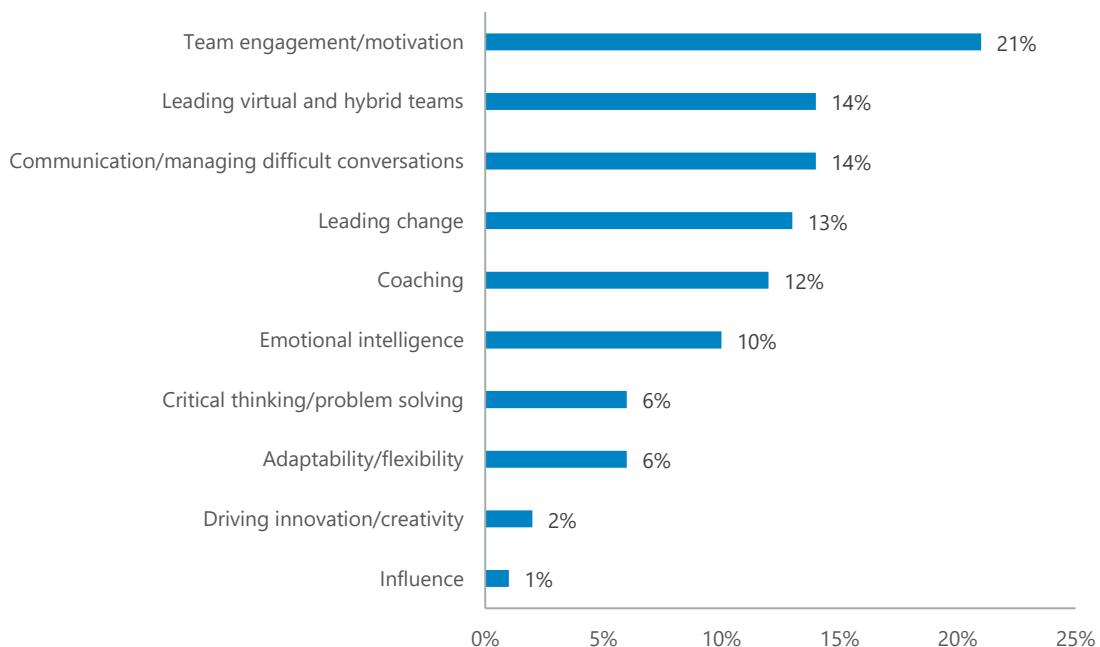
—Warren Bennis, scholar and pioneer of leadership studies

Recent research has found that fewer than 18% of current leaders possess the qualities needed to optimally lead in volatile, uncertain, complex and ambiguous environments ([openrepository.com](https://openrepository.com)). This could prove to be disastrous for organizations, as poor leadership is often accompanied with damaging outcomes to organizations:

- Decreased employee engagement
- Increased turnover
- Increased healthcare cost
- Loss of productivity
- Poor employee mental and physical health
- Increased departmental conflict

According a recent Lockton poll, the most critical skills for leadership development in 2021 are 1) team engagement/motivation, 2) leading virtual and hybrid teams, and 3) communication/managing difficult conversations. Employers who are actively investing in their leaders will have an advantage in attracting and retaining key talent.

#### WHAT IS THE TOP DEVELOPMENT OPPORTUNITY FOR LEADERS IN YOUR ORGANIZATION IN 2021?



Respondents = 127



## *What should employers consider when developing strategies for leadership development?*

|                                       |  |
|---------------------------------------|--|
| BUILD FOR THE FUTURE                  | The world of work is constantly changing; leadership skills that are needed now may or may not be needed in the future.                                      |
| FOCUS ON LEADER WELL-BEING TOO        | Invest in leaders' physical and mental well-being, so they also invest in that of their team members.  |
| MODEL BEHAVIORS FROM THE TOP          | Model compassion, authenticity and transparency at the top, so leaders throughout the organization also model these traits/behaviors.                        |
| PRACTICE, PRACTICE, PRACTICE          | Leadership skills require practice for continued improvement. Provide opportunities for leaders to practice coaching and other skills in a safe environment. |
| PREPARE FOR VIRTUAL/HYBRID LEADERSHIP | When developing leadership skills, ensure leaders also have the technology and other resources necessary for supporting virtual and hybrid teams.            |



Hear HR executives from leading organizations weigh in on their top leadership development practices.



## The path forward

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**The future looks (moderately) bright for revenue growth and employment opportunities this year.**

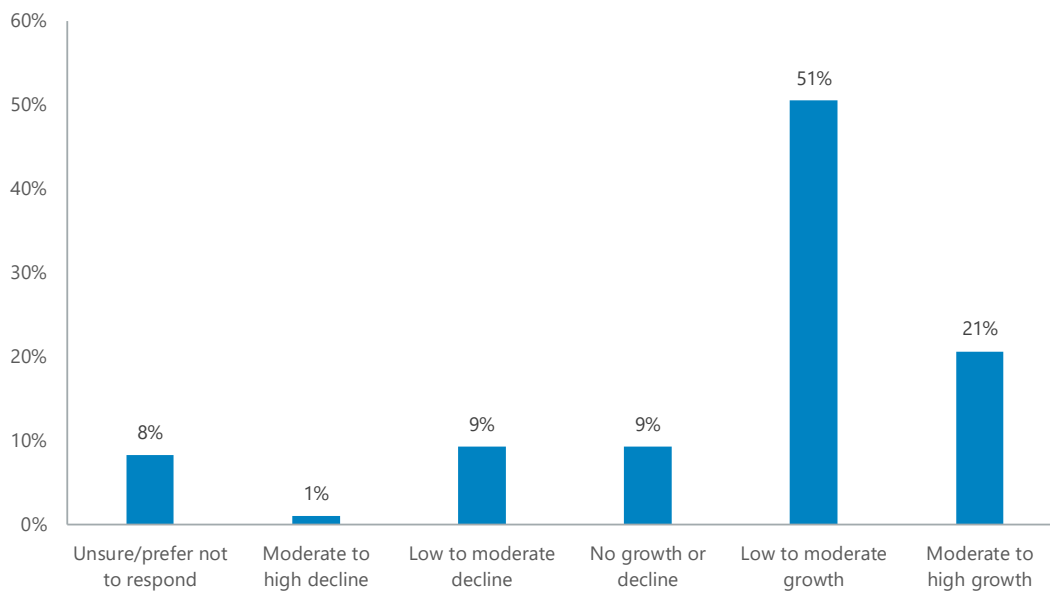
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Although the effects of COVID-19 pandemic will take time to subside, many of the organizations we surveyed were hopeful about the direction for 2021.

When we asked our survey respondents about revenue growth, many were relatively optimistic about this year; almost three-quarters expected their businesses to grow, with most expecting a low to moderate rate of growth.

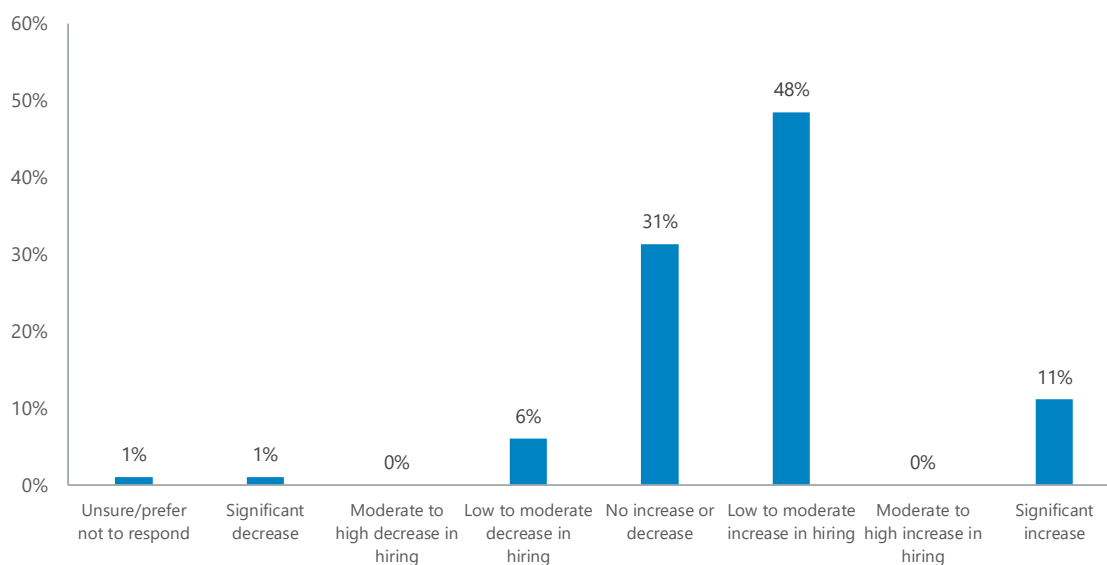
In addition, employers expect to be hiring (a little) more in 2021. Like revenue growth, we found that leaders were cautiously optimistic, with most respondents forecasting a low to moderate hiring increase this year.

## IN YOUR OPINION, WHAT IS THE OUTLOOK FOR GROWTH (I.E., REVENUE) IN YOUR ORGANIZATION IN 2021?



Respondents = 97

## WHAT IS THE OUTLOOK FOR HIRING IN YOUR ORGANIZATION IN 2021?



Respondents = 99

With the optimistic outlook on business growth and hiring, focusing on the top four talent and culture priorities will be more important than ever before.

Developing **organizational culture, engagement and the employee experience** will be an essential practice to bolster performance and, especially, employee well-being and talent retention.

**DE&I** initiatives will continue to be a focal point for organizations and likely will continue into 2022.

The ever-evolving world of work requires constant **change and transformation**. In particular, where feasible, offering opportunities for remote and hybrid work models will be key to recruiting and retaining top talent.

Continual **development of leaders** will be crucial for engaging teams and driving performance. Leaders will not only need to be skilled for today's environment but also for the future. While they can't be prepared for everything, they need to be prepared for anything.

## *Key employer practices to navigate the “Age of Uncertainty”*

In addition, through the remainder of 2021 and into 2022, we encourage employers to evaluate their current practices in communications, resources, flexibility and community. Focusing on these areas and opportunities to enhance them will help employers navigate this “age of uncertainty.”

| COMMUNICATION  | RESOURCES  | FLEXIBILITY   | COMMUNITY  |
|--|--|---|--|
| <p><b>FREQUENT &amp; CLEAR</b></p> <p>From leadership — front-line and top-level</p> <p>From fact-based, credible resources</p> <p>Through Zoom, check-ins and newsletters</p> <p>Keep asking and listening to employees (e.g., surveys, 1-to-1)</p> | <p><b>AWARENESS &amp; ACCESSIBILITY</b></p> <p>EAP customized for COVID</p> <p>Online and physical (PPE) resources</p> <p>Resources for working remote/virtual</p> <p>Transparency and accessibility</p> <p>Leadership and coworkers can be a resource</p> | <p><b>WORK-LIFE &amp; OPERATIONS</b></p> <p>Flexible scheduling and work spaces (e.g., hybrid)</p> <p>Understanding and modeling expectations (i.e. everyone is stressed)</p> <p>Resources that ease transitions to remote work</p> <p>Be creative with business development and operations</p> | <p><b>ENGAGEMENT &amp; CONNECTION</b></p> <p>Virtual/safe-distanced events and town halls</p> <p>Challenges and team building events (e.g., weekly challenge)</p> <p>Social media platforms to connect (e.g., Workplace)</p> <p>Intranet, support hotline, support groups</p> <p>Anticipating, responding to and normalizing employee concerns</p> |





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