

# Human Capital Trends For 2016



The workplace landscape continues to change rapidly and in some cases drastically. In the coming year the response from organizations in addressing these changes may also need to be rapid. However, with a well thought out plan that includes looking ahead organizations can stay a step ahead of the human capital challenges they may face.

Looking towards 2016 Deloitte's 2015 Global Human Capital Trends Report presented data drawn from a survey and interviews with more than 3,300 business leaders from 106 countries who were asked for their input on key talent trends facing their organizations and how prepared they were to meet those talent trends.

There were 10 trends they were asked to consider and rank in terms of priorities and challenges, presented below in order of importance (rankings for North American results).

- **Leadership** – In particular gaps in building leaders within the organization
- **Culture and Engagement** – Leaders gaining an awareness of their culture and finding ways to engage and empower their workforce
- **Learning and Development** – The need to transform and accelerate constant corporate learning
- **Workforce On Demand Capability** – Greater use of contingent, hourly and contract workers requiring processes to identify, manage, reward and retain
- **Reinventing HR** – HR identifying and selling their ability to add value to the organization
- **HR People and Analytics** – Leveraging data to make better people related decisions
- **Performance management** – Re-thinking how talent is evaluated, monitored and rewarded
- **Simplification of work** – Rethinking work and the work environment to simplify work for overwhelmed employees – 'doing less better'
- **Machines as talent** – Collaboration with technology including redesigning

jobs to involve the use of machines to read, analyse, speak and make decisions

- **People data everywhere** – external people data (social networks, recruiting and talent networks) that companies can use for better talent recruitment, management and development

*(Globally 1) leadership and 2) culture engagement were reversed as were 4) Workforce Demand and 5) Reinventing HR)*

According to the results the **top 4 biggest gaps** between the importance of an item and how well the organization felt prepared to manage the challenge associated with the item was **1 – Leadership, 2 -Culture and Engagement, 3 – Reinventing HR and 4 – HR people and Analytics**. This means that while organizations recognized these needs they did not feel they were ready to address them. For items 1 and 2 this represented a continuation of the same trends over the past 2 years.

The biggest change from last year's survey related to the leader's perception that they were getting even further behind in their ability to address **Learning and Development** and **Workforce on Demand Capability needs**. Leaders who were surveyed are concerned about having an on demand workforce that was conducive to productivity.

#### **Human Skills, Specialized Workers and Those Millennials**

Identifying 1 – leadership and 2 – culture and employee engagement as their top needs paint an interesting picture of business heading into 2016. The Deloitte report suggests that in particular the need to develop leadership and engage employees is not necessarily broadly focussed but directed at the need to attract, retain and engage workers with specialized skills, including contingent workers and, given the changing demographics, Millennials.

As Millennial employees are now the most populous members of the Canadian workforce and organizations are beginning to recognize that they require both more and different leadership. Moreover, Millennials also need to have their leadership skills developed through means that include training and development, but not through traditional training and development routes. Additionally, Millennials are the first modern generation to see freelance employment as the new norm. Making the need for organization to understand how to lead and build cultures of collaboration and engagement with younger, contingent and increasingly diverse employees, even more important in the next few years.

The current workplace trends that include more contingent and virtual employees seeking more flexibility and control self-direction often mean less human interaction between HR and employees. In parallel the use of technology as the primary way for HR to communicate with, understand and engage workers is emerging. While this may sound like a barrier to understanding employees, used well technology can produce data that can be used to evaluate people and their needs and help improve productivity and workplace performance.

When asked about HR's current state of analytics the report revealed that less than 9% felt they were ready to gather and use analytics while 35% indicated their plans were still under development.

#### **Big Data, Productivity and Employee Happiness**

Almost half of respondents in the survey indicated they were looking to re-vamp their strategies to measure, manage and improve employee engagement. 57% of those surveyed indicated their organizations were planning on investing more money into HR over the next 12 months. With new tools and metrics abounding HR has some decisions to make regarding the tools they should select to take them into 2016. One tool, Canada's own Plasticity Labs <http://www.plasticitylabs.com>, self-described as a 'whole new way to understand and improve employee engagement', is the tool used by Canadian employee branding award winner, Fibernetics. Plasticity Labs uses the science of psychology, including emotional intelligence and positive psychology to measure and track the culture of people within an organization. The research they have studied and their own research has demonstrated that happier employers, employees who are optimistic and resilient are more productive and creative.

Selecting and using HR tools may be one way for organizations to effectively address the need to find new ways to attract, retain and engage their changing 2016 workforce. Understanding which of these items is at the top of your organizations agenda should be on the agenda for HR as they head rapidly towards the changing workforce of 2016.

Source

Deloitte's 2015 Global Human Capital Trends Report