

# HR Trends Report 2022

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# Introduction



Never has the role of HR been more important to an organization's success than in these volatile and unpredictable times. As the world recovers from the coronavirus pandemic and takes on additional emerging challenges such as rising inflation, lagging supply chains or severe talent shortages, HR departments will be the driving force behind any and all necessary changes.

In 2021, HR solidified its strategic position as part of every organization's decision-making process — this was essential to help companies survive COVID-19 and stay in business. In 2022, however, HR will need to go one step further: **it will need to expand into new areas of business activity to help C-Suite leaders tackle new, ever more complex challenges.**

In other words, HR will need to push the boundaries of the possible to bring even more positive value — because the changing times and the business demand it.

The key takeaway from the past two years is that change is continuous, not episodic. From the sudden shift towards remote work, numerous lockdowns and re-emerging health concerns, to the Great Reopening (followed by the Great Resignation and talent shortages), change is here to stay.

Responsible HR professionals and CHROs are already anticipating and preparing for new challenges to stay one step ahead of the curve.

This report analyzes 11 HR trends that will shape the future of work in 2022 and beyond, helping HR departments transition their organizations from the current survival mode to thriving mode.



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Discover the challenges CHROs will face in 2022 and need-to-know information on the 11 trends.

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# The state of HR



## Challenges

On the one hand, businesses are struggling with the aftermath of COVID-19 – including economic disruption, record-high voluntary "quits" of employees (with some industries, in particular retail, having seen **more than a 100 percent employee turnover since March 2020**) as well as a major rethinking of the world of work, with employees reconsidering their relationship with work and employers redesigning the physical and digital workplaces to fit new demands.

On the other hand, COVID-19 has also accelerated already existing trends such as digitalization of the workplace and the need to take into account the differences of various demographics based on age, gender, people's socio-economic status or belonging to a minority or underrepresented group.

## The solutions

The sum of these challenges puts a lot of pressure on HR departments, which are now more involved in driving organizational change from within. Under HR's leadership and with its support, companies are having to invent and deploy innovative solutions, moving away from the old-fashioned one-size-fits-all solutions.

To assist CHROs and their teams in navigating these uncharted waters, this report lists the most important trends that will shape the future of how human resources are managed.

Businesses are struggling with the **aftermath of COVID-19** as well as a major **rethinking of the world of work**



# Trends



## 1. HR as a product

To better serve customers, companies will need for HR to change from thinking in terms of projects to thinking in terms of products. This move will change the way HR delivers value and creates more business impact.

## 2. Collaboration by design

COVID-19 forced companies to adopt remote work, and employees now demand flexibility by choice. HR needs to ensure that teams can effectively collaborate in this new reality.

## 3. Talent marketplaces & talent allocation

In the current tight labor market, companies can no longer rely on only hiring their employees externally. They need to make better use of the talent they already have and partner up with other companies to expand their existing talent pools.

## 4. Career experiences

Career advancement is now a deal-breaker for many job seekers. Employees want better career experiences and employers are finding new ways to deliver this.

## 5. HR owning business transformation

Future-ready companies operate with a fixation on speed and simplicity, and grow by scaling up their ability to learn and innovate. It is up to HR to drive transformation in all these areas.

## 6. Preparing for multiple futures

With change being a constant, companies need to be prepared for different scenarios, and be agile enough to react swiftly. And so does HR, which needs to keep its finger on the pulse of the organization the world beyond it.

## 7. HR tech for good

In the face of the workplace's unstoppable digital revolution, HR must become digitally savvy enough to leverage technology to the benefit of its organization, employees, and clients.





## 8. From DEI to DEI&B

Currently there is a large gap between what is expected of employers when it comes to values, inclusion and belonging, and what employers are doing or prepared to do. It is up to HR to help companies walk the walk, not just talk the talk.

## 9. The shift from people analytics to data literacy

Despite its growing impact on HR, people analytics' potential remains largely untapped. The added value of data literate HR will be in putting data to good use to ultimately drive better business performance.

## 10. Impactful rewards

The pandemic has fundamentally shifted why we want to work and what we value in our jobs. HR will need to help organizations make their employee value proposition more inclusive and reward people based on skills rather than experience.

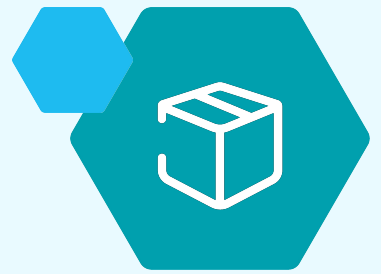
## 11. Preparing for multiple futures

It is crucial for organizations to accurately map available internal skills. But employees also benefit, thanks to more accurate remuneration and better training opportunities.



TREND 1

# HR as a product



*One of the most notable HR trends we are seeing right now is the shift away from HR focused on projects towards HR focused on products. This represents a fundamental change to how HR operates.*

Traditionally, HR functioned with a project mindset: a project has a clear timeline, set deliverables, a predefined set of resources, and is aimed at being run efficiently.

A product, on the other hand, is ongoing. It doesn't necessarily have an end and it is aimed at providing value, with (additional) resources being allocated as impact increases.

## The role of HR

If HR is to adopt a product mindset, it will require a different approach towards designing HR practices and services.

This entails the following:

- Deep understanding of employee characteristics and what they want from work
- Applying design thinking principles to craft human-centered solutions that create a memorable, personalized, and engaging experience
- Thinking about value in terms of continuous incremental innovations — moving to market quickly and improving value based upon employee feedback.


| Focus       | Project mindset   | Product mindset    |
|-------------|-------------------|--------------------|
| Lifecycle   | One and done      | Ongoing evaluation |
| Purpose     | Create efficiency | Deliver value      |
| Outcome     | Solution focus    | Customer focus     |
| Performance | Follow the plan   | Deliver value      |

*Project vs. product mindset*

This shift in mindset will not only increase the quality of HR's service delivery, it will also enable HR to better build capabilities that help improve the businesses' bottom line.

## Example

A good example is an organization that launched a WhatsApp chatbot to resolve employee queries. Instead of waiting for the chatbot to offer all services, it was launched as quickly as possible with basic functionality that provided value. Based upon employee feedback, the next batch of queries were prioritized and developed.



Adopting a product mindset requires a different approach towards designing HR practices and services



## TREND 2

# Collaboration by design



*In the next five years, nearly 28% of professionals in the U.S. will be fully remote. According to Mark Adams, Adobe's Chief Security Officer, this new reality requires collaborative team culture which, if done well, can prove to be the company's best asset. To that end, HR will need to step in and help teams better collaborate in this new hybrid era of work.*

There is no doubt that the role of the office as we knew it has fundamentally changed. It is clear that excellent work does not only happen in the office. In fact, **77 percent of people who work remotely see their productivity increase and 30 percent are able to do more work in less time.**

As a direct consequence of the pandemic, many of us have reconsidered our relationship with work. So much so, that many of us are thinking of quitting our current jobs altogether — with the figures ranging from 20% globally (according to **Edelman's Trust Barometer**), to 39% in the US (according to **Microsoft's own research**), to 52% in the UK (as **claimed by Mometric**). As many as 71% of workers dissatisfied with their employer's level of flexibility are **looking for a new job in the next year.**

To meet this demand, companies will need to rethink the way their teams operate and collaborate because without

it, remote and flexible work will shrink people's networks further and make organizations even more siloed (**as became evident during the pandemic**).

Moreover, **data from ADP** suggest that remote workers have fewer ad hoc conversations with colleagues than those working on-site (60 percent vs. 77 percent respectively). All of this has a negative impact on collaboration and innovation.

## The role of HR

That's why in 2022, HR will need to be more deliberate and involved in helping organizations reshape collaboration, co-creation, and innovation.

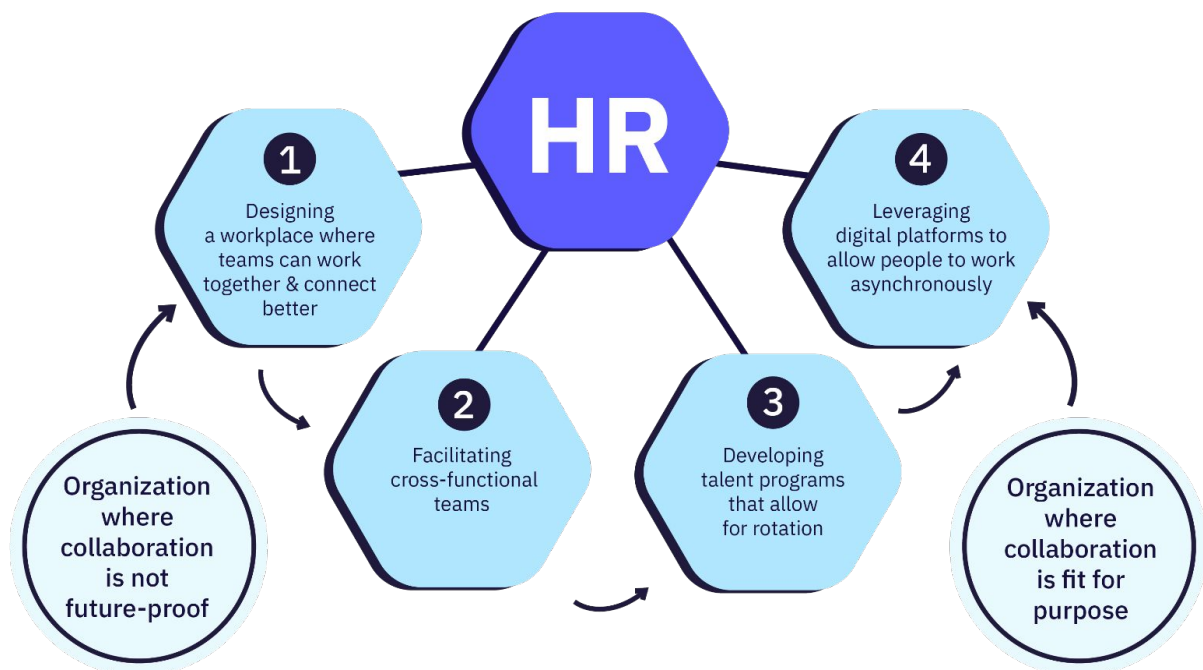
HR can help create conditions that will allow employees to work on different projects across the organization, or even trans-organizationally (see Trend 3: talent marketplaces).

This can be done through:

- Designing workplaces (both physical and digital) that help teams work together and connect instead of simply being where they sit at a desk to work.
- Organizational designs that drive cross-functional teams of traditional employees, gig-workers, and contractors to intentionally drive collaboration and diversity of thought.
- Talent programs that allow for rotation (see our Trend 4: career experiences).
- Leveraging digital platforms to connect employees asynchronously so that they can work together anytime, anywhere.
- And so on.

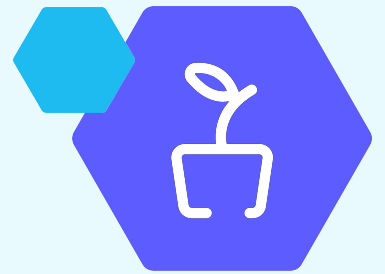
By taking a design approach to collaboration, HR can help create an organization that provides the comforts of working from home, while ensuring that collaborative practices keep delivering value and innovation to the organization. This is an HR trend that we're expecting to see much more of in 2022.

HR will need to become **more deliberate** in helping organizations reshape the way **collaboration, co-creation, and innovation** happen



*HR driving collaboration in the new era of work*

# Talent marketplaces & talent allocation



*One of the biggest learnings of the pandemic is the fact that companies can no longer solely rely on buying their talent externally. Instead, the tight labor market has forced them to make better use of the talent they already have.*

Talent shortages are a major challenge for a growing number of organizations across the world.

## The role of HR

One way of tackling this problem is through the creation of so-called internal talent marketplaces. These allow for better talent allocation within organizations by giving employees a chance to upskill and internally change jobs.

With the current tight labor markets, talent marketplaces have proved so effective that companies have

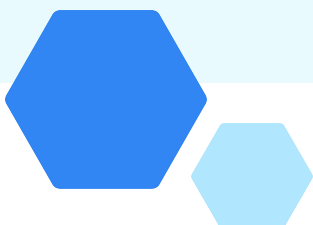
begun to experiment by partnering up with other companies to create a bigger talent pool.

This idea is not new; in the shipbuilding industry, professionals have traditionally been deployed when a new assignment comes in, only to ‘jump ship’ when the contract is about to complete and a competing company gets the next big contract. This way the employee is ensured of relevant projects and can build their own capabilities, while the company is able to quickly deploy a temporary but skilled workforce based on the projects available.

## Example

India's tech consulting company Infosys, which has over a quarter of a million employees worldwide, has recently launched an internal talent marketplace called FLUID to enable people to reskill and progress up the value chain. The project has been such a success, that the company has been able to cover 34% of its hiring needs internally — instead of looking for talent externally.

Source



But it wasn't until COVID-19 that this trend was accelerated. More recently, Unilever and Vodacom (a Vodafone subsidiary) initiated a **digital marketing exchange program** which not only helps build more diverse capabilities but also provides the opportunity for cross-pollination of ideas and innovation.

But Unilever and Vodacom are not the only ones. In fact, according to a **Harvard Business School report**, 60% of businesses increasingly prefer to borrow or rent people with certain skills from other companies, instead of recruiting new full-time staff.

Under this model, workers are brought in on an as-needed basis to consult or to work on a specific assignment — something that we will see much more of in 2022.



**60%**

of businesses now **prefer to borrow or rent people with certain skills from other companies**, instead of recruiting new full-time staff

# Career experiences



*The vast majority of workers see career advancement as a deal breaker when considering a career move. 82 percent of those polled in the 2021 Edelman's Trust Barometer confirm they look for valuable work experiences or opportunities to move up.*

But the way employers offer and improve career experiences of their employees has changed. The traditional life-long career development programs as run by IBM, AT&T, and GE (where talent was identified, developed, and provided the experience needed to progress in their career) are now mostly outdated.

Workers are now less likely to dedicate their entire careers to one employer. In fact, on average, people now change jobs every four years, and workers between the ages of 18 and 24 change jobs 5.7 times in their career.

## The role of HR

To adjust to this reality, organizations are increasingly investing in employees' career experiences. The aim is no longer life-long employment. Instead, focusing on career experiences helps the organization expand its capabilities while enriching the employee's career with new learning opportunities.

Companies have defined different experiences:

- Lateral
- Vertical
- Rotational
- Boomerang

For more information about these experiences, see the table on the next page.

Each of these experiences helps enrich the employee, offers them new learning opportunities, and results in additional capabilities for the organization.

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**5.7 times**  
 in their careers

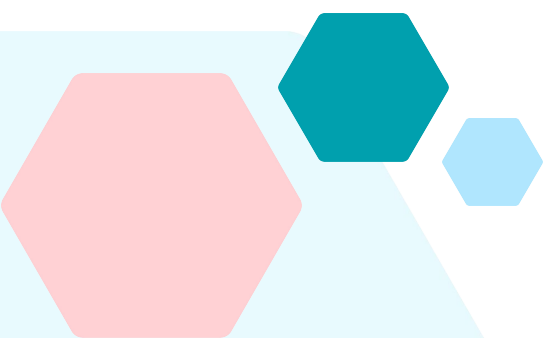


In 2022, companies will continue to focus on employees. This helps workers grow professionally, while businesses build their organizational capabilities with a satisfied and skilled workforce improving the quality of work, delivery, and service.

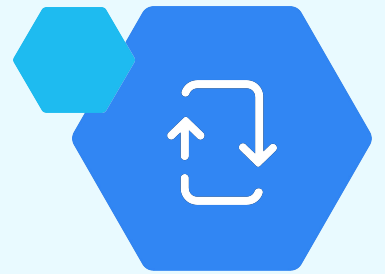
Organizations that support career moves will enjoy more engaged and experienced employees, making them more competitive on the whole.

| Career experience | Explanation  |
|-------------------|--|
| Lateral           | A horizontal career move happens when an employee changes jobs or departments within the same organization (and the new role remains within a similar tier or has comparable responsibilities). This career move helps the employee build broader skills and gain new perspectives on the business. It promotes innovation and cross-functional collaboration. |
| Vertical          | A vertical career move means that an employee gets promoted into a more senior role with additional responsibilities, often related to management. Such a move helps the employee develop leadership competencies but it does not always lead to them building broader skills.   |
| Rotational        | When an employee 'rotates jobs' they are assigned into different roles for a short period of time to gain additional experience, knowledge and perspectives. For example, placing an aspiring HRBP into a sales support role will build their commercial acumen.   |
| Boomerang         | A 'boomerang career experience' is when an employee leaves the organization only to return some time later (e.g. two years) with a more enriched experience and deeper knowledge.  |

*Four types of career experiences*



# HR owning business transformation



*Transformation is the new normal. And while a lot of things are difficult to predict in these volatile times, one thing we can say with confidence: change is here to stay.*

When it comes to change, **the future-ready companies share three characteristics**: they know what they are and what they stand for, they operate with a fixation on speed and simplicity, and they grow by scaling up their ability to learn and innovate.

## The role of HR

It is HR's responsibility to help oversee and drive the necessary transformation in each of these areas. To that end, however, HR will need to break away from its traditional role which limits its involvement. Without this upgrade, HR departments will continue to be involved late in transformation processes, and primarily in topics concerning people management.

A failure to step up to the plate and own internal transformation would mean that the organizations themselves lose out. That is because HR has a large set of tools that can add tremendous value to business renewal.

These tools include:

- Skills in organizational design development and transformation
- Expertise in building culture
- The capability to design collaboration

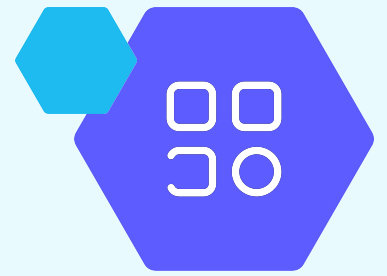
With transformation becoming the new normal, there is a role for HR to take ownership of these change processes, measure their impact and progress, and play a key role in leading these change efforts.

This will require much closer interaction and cooperation with departments across the board, as well as connecting leadership and business needs with employee capabilities.

Whether it's helping create internal talent marketplaces, ensuring better collaboration in the new hybrid era of work, weaving purpose through the organization's business culture and activities, or driving more data-driven decisions, HR will need to own many of these essential processes.

## TREND 6

# Preparing for multiple futures



*The future of work is, above all else, flexible and ambiguous. The world has become too unpredictable to only prepare for one possible future.*

While the post-pandemic recovery remains solid, there are significant headwinds that our economies are going to have to address which add to uncertainty and unpredictability. Among those we find logistics logjams, strained supply chains, shortages of raw materials, and inflation.

In the EU alone, around **43 percent of the manufacturing sector has been affected by "severe shortages" of material or**

**equipment.** The economic uncertainty combined with uncertainty generated by the shifts and talent shortages in labor markets are contributing to a difficult business environment.

And so as employees demand more flexibility as the result of the shift to remote work during the pandemic, companies themselves are having to learn to become more flexible, agile, and resilient. The same goes for HR.

## Example

Let's look at a major hotel group within the hospitality sector that predominantly caters to business travelers. As the external environment changed due to COVID-19, the company was faced with a difficult question: will the business traveling volumes return after the pandemic, making it possible for the company to stay the course? Or should it instead anticipate that the business won't recover and prepare for a different future scenario?

While the first scenario might appear more likely, the mere fact that the second scenario was possible prompted leadership and HR into action. They developed a corresponding strategic response that ensured the group was ready to deal with this eventuality.

Example interventions included preparing to freeze all vacancies, realigning the existing workforce's skills with a new company strategy, and organizational design that relied less on business travelers and the exploration of other lines of business, such as gaming and conference facilities.

## The role of HR

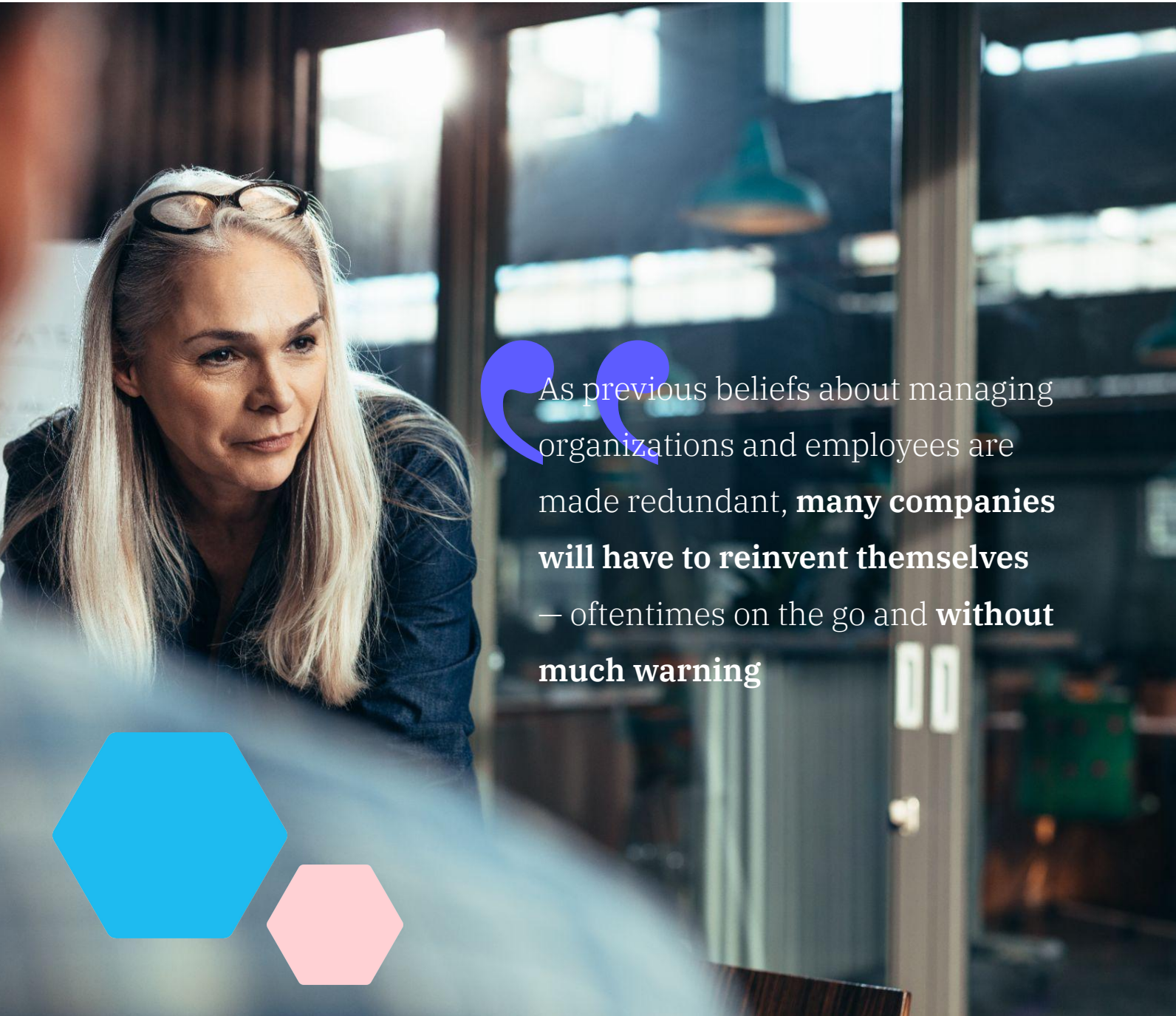
By leveraging data-driven workforce and scenario planning, among other things, companies can create more adaptive strategies that develop as the business environment evolves. This won't happen unless HR itself and its own strategy become adaptive and agile.

In other words, as some previously held beliefs about managing organizations and employees are made redundant, many companies will have to reinvent

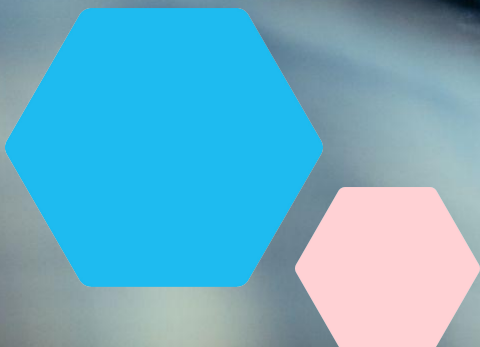
themselves — oftentimes on the go and without much warning.

Unless companies are prepared for different scenarios and are agile enough to react swiftly, they will not survive the fast-paced reality. That's why HR needs to keep its finger on the pulse of its organization and the world beyond it, and be prepared for multiple futures.

Given that the world is increasingly unpredictable, preparing for multiple futures is going to be among the key HR trends in 2022.



As previous beliefs about managing organizations and employees are made redundant, **many companies will have to reinvent themselves** — oftentimes on the go and **without much warning**



TREND 7

# Tech for good



*The digital revolution of our workplaces is unstoppable. In 2021, companies worldwide anticipated to spend as much as \$656 billion on new technology to upgrade for the new era of work. The AI sector has grown by a whopping 270 percent in the last four years – a trend that is not showing any signs of slowing down for 2022 and beyond.*

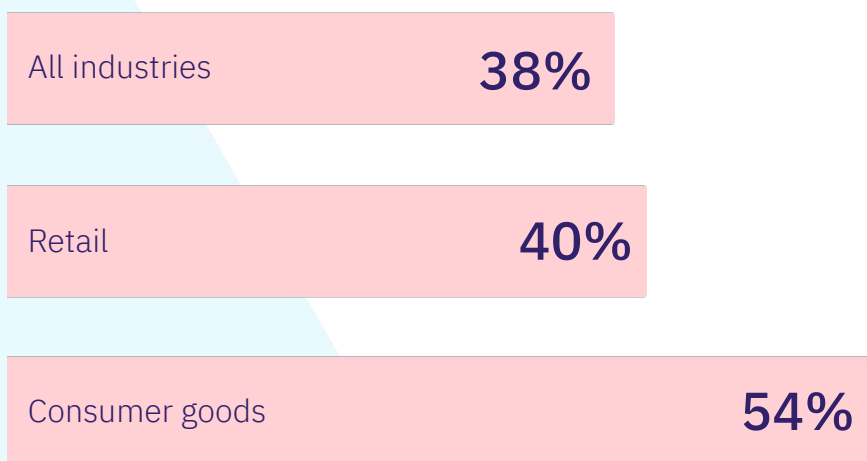
That is because as we are faced with talent shortages and technology becomes more readily available, an increasing number of job tasks become automated or augmented.

Across industries globally, it is estimated that **38 percent of worker time is potentially automatable**. The proportion is even higher for retail workers (40 percent) and those in consumer goods (54 percent).

Similarly, in the APAC countries, **office workers waste close to 57 minutes of their workday due to outdated technology and processes**, and **more than 30 percent of global employees feel they waste half of their day or more** performing tasks better suited to AI.

But while automation, AI, and technology can undoubtedly add value for both businesses (more efficiency and lower costs) and employees (augmented work and fewer repetitive and mundane tasks), this technology needs to be used responsibly.

Percentage of  
**worker time**  
that can be  
**automated**





## The role of HR

Even though **over 50 percent of executives report "major" or "extreme" concern about the ethical and reputational risks of AI in their organization**, the list of companies that (unintentionally) misuse technology in managing their talent or operations grows every year.

Whether it is now the infamous case of Amazon's biased hiring algorithm or the more recent example of **Uber's facial recognition app feature allegedly racially discriminating against drivers from racial or racial-ethnic minorities**, we are reminded that whenever we use technology, we have a responsibility to use it for good.

This trend also includes more widely accepted HR technologies. According to a **2021 report by Accenture and the Harvard Business School**, there are as many as 27 million so-called hidden workers in the U.S. alone. These workers do not show up on the company's radar, often because of inflexible Applicant Tracking Systems (ATS) that automatically exclude them due to missing credentials (despite having relevant capabilities), skills, or gaps in their employment history.

Many of these stories have created awareness and urgency around this topic. Of all the departments, HR should be the steward of ethical technology. And as more and more HR departments use technology for hiring (**predictive algorithms are already used by 55 percent of HR leaders in the US**) or other

## Example

Telefonica, one of the world's largest telecom companies, has recently launched a worldwide reskilling and upskilling program. The purpose of this initiative is to make better use of its existing internal talent rather than use the more expensive route of hiring new employees externally.

Telefonica has set up a reskilling application built on SAP Business Technology Platform and integrated it with the company's SAP SuccessFactors Human Experience Management Suite.

Employees using the app fill in their skills profiles and then machine learning algorithms intelligently match employee skills with individual requirements for vacant positions. The app also helps the company offer a more tailor-made career experience by suggesting personalized training recommendations to each employee based on their needs.

Source



purposes (such as **using AI to assess people's existing skills**), they need to be vigilant and certain that AI and algorithms are delivering their intended goal instead of shooting past it.

To that end, HR professionals will need to become more tech savvy as HR tech is evolving fast. They must develop digital proficiency to be able to understand the basics of algorithms. That will also enable them to ask vendors the right questions when choosing the right technology for their organizations.

Currently only **41 percent of HR professionals possess these competencies** and the rest need upskilling to be able to use technology as a force for good. As there remains a lot of work to be done, tech for good is going to be one of the trends that will continue to dominate the HR world in 2022 and beyond.

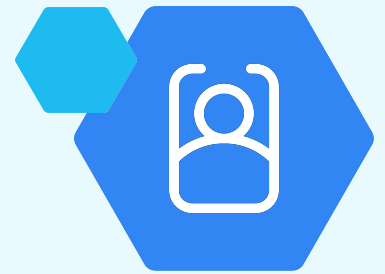
**HR professionals will need to develop digital proficiency** to

understand the basics of algorithms and **ask vendors the right questions** when choosing technology



## TREND 8

# From DEI to DEI&B



*In the hybrid era of work, geography and physical distance have become less of a factor, giving companies easier access to more qualified and diverse talent.*

Yes, the field of diversity and inclusion has never evolved more rapidly than in the past two years. We have learned that more traditional ‘diversity and inclusion’ (or D&I) is not enough in a society that is inherently biased. This has helped the field move towards ‘diversity, equity, and inclusion’ (or DEI).

But being diverse, equitable, and inclusive is not enough to create a work environment that is fit for the new era of work and helps people get the best out of themselves. Even a workplace that intends to be diverse, equitable, and inclusive sometimes fails to retain employees from underrepresented groups because they don’t feel like they belong.

## The role of HR

Currently there is a large gap between what people expect from their employer when it comes to values and what their employers (are prepared to) do. Oftentimes, employers talk the talk but don't always walk the walk.

### Of those workers surveyed by Edelman as part of its global Trust Barometer

**2021**, 67 percent expect their employer to act on its values but only 48 percent believe that it does so in reality. When it comes to DEI specifically, 75 percent would like their organization to reflect the diversity of the customers and community the company serves, but only 62 percent believe their company does so in real life.

**75%** want their organization to reflect customers' diversity...

But only **62%** believe their organization does so





Belonging at work adds to the DEI equation. On the one hand, it is about “longing to be”, while on the other hand, it is about “being for long”, representing an affective and a temporal dimension. Belonging in the workplace brings a shift towards psychological safety and real inclusion.

And it is HR's role to help companies live up to their values, as well as help leadership develop strategies to improve diversity, equity, inclusion and belonging.

Belonging in the workplace brings a shift towards **psychological safety and real inclusion**



## TREND 9

# The shift from people analytics to data literacy



*People analytics has made a tremendous impact on the way we manage people in the last five years. However, while organizations were mostly looking for people analytics expertise only a couple of years ago, this has now shifted.*

Businesses are realizing that more is needed to effectively implement people analytics in their (HR) organization.

### The role of HR

One of the key bottlenecks is general data literacy among HR professionals. For example, HR business partners need a

better understanding of data to effectively implement people analytics findings in their organizations.

HR managers need to access dashboards and retrieve relevant data to give better advice, and HR analysts are more effective when they can support their analyses with business and financial data.

## Example

A retailer in the US has found an innovative way of collecting and using candidate data to improve the recruiting and hiring process.

Through an app that they had developed, the HR department was able to screen potential employees, gather feedback, collect credentials, schedule interviews, and track candidates as they moved through the pipeline.

Having access to this data and using it to improve the hiring process has led to impressive results. The retailer saw a 60 percent increase in the applications' processing speed, an 80 percent reduction in paperwork, and higher employee retention rates. All of which has had a positive impact on the company's bottom line – in particular in today's tight labor market.

Other examples from other industries, on how better workforce data drives business impact, are no less impressive (for instance, HR analytics helped Credit Suisse save \$70 million a year by reducing turnover risk factors).

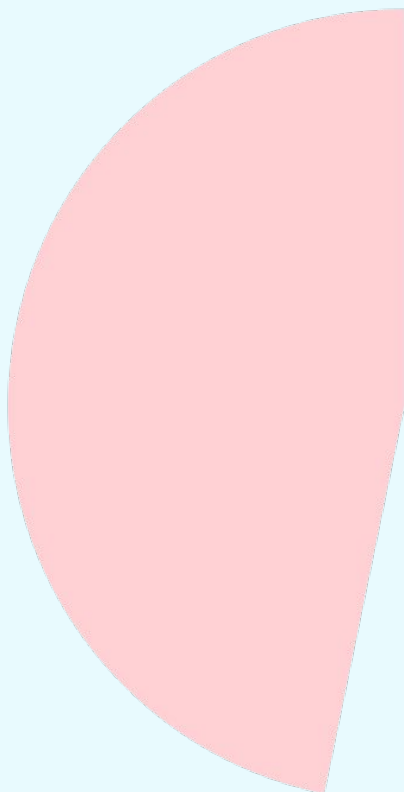
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That is not to say that HR professionals will need to become experts in data collection (something that is nowadays done through technology) or data analysis, with most companies already having strong data analytical teams sitting outside of HR.

Instead, the added value of HR professionals is in translating analytical outcomes into actions so that data is put to good use. To that end, however, the majority of HR professionals will need to improve their capabilities in data literacy. Currently, only 41 percent of them are able to read, apply, create, and communicate data to influence decision-making.



Only

**41%**

of HR professionals are able to **read, apply, create, and communicate data** to **influence decision-making**.

# Impactful rewards



***76 percent of workers say they have higher expectations from their employers than they did three years ago. The pandemic has fundamentally shifted not only where, when, and how people want to work, but also why they want to work and what they value in their jobs.***

Before the pandemic, companies' focus on wellbeing and inclusion was largely seen as an employee perk. All that changed with COVID-19, as people increasingly demand more from their work than the 9 to 5 grind.

## The role of HR

The **employee value proposition** has shifted. Employers need to do more to differentiate and create a compelling employer brand. Moreover, long-term incentives have lost much of their attraction. Instead, there is more emphasis on flexibility, supporting employees, and **creating purpose**.

Examples of **inclusive benefits** include ensuring there are no disparities for race and ethnicity in health care plans, selecting healthcare providers on their culturally and linguistically appropriate care, and selecting solutions that address social determinants of health to ensure equitable outcomes.

Another way to look at inclusive benefits is, among other things, through offering flexible work. In the US, for instance, **flexible or hybrid work is preferred more by workers of color** (87 percent by Asian respondents and 81 percent of Black respondents) compared to white workers (75 percent). Furthermore, 85 percent of women currently working remotely want flexible or hybrid work, compared to 79 percent of men.

There is more emphasis on **flexibility, supporting employees, and creating purpose**

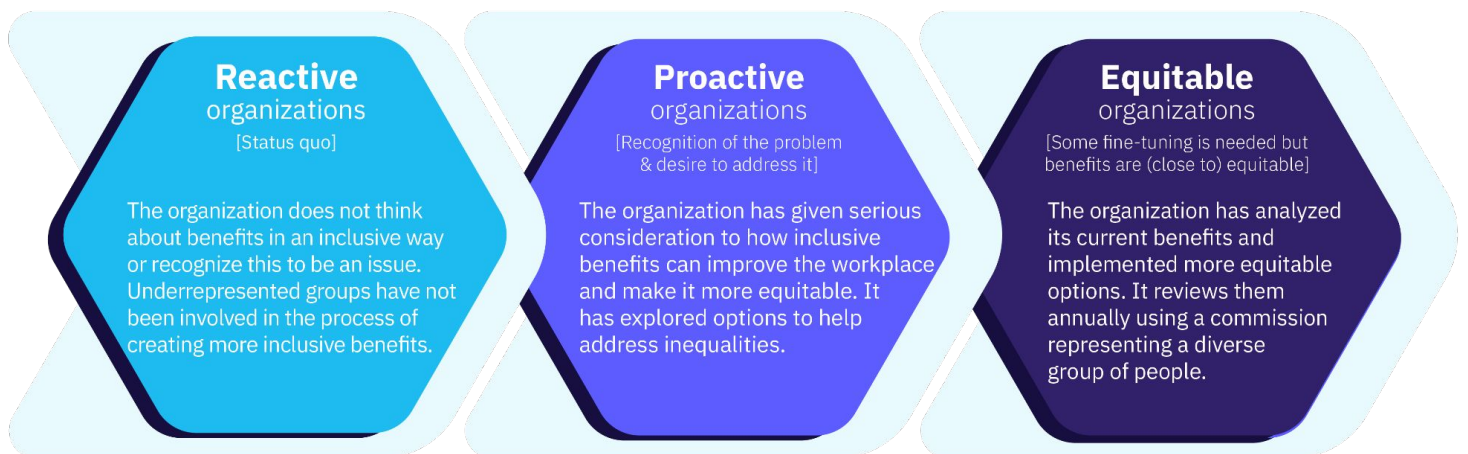
Depending on how equitable an organization's benefits are, we distinguish between three levels: reactive, proactive, and equitable.

Another major change is expected to come from employees **increasingly being remunerated based on skill** rather than job title or experience

It is in the interest of companies to offer inclusive benefits. People of color and working parents are at a greater flight risk — with 66 percent of Hispanic employees and 64 percent of Asian employees saying they're interested in new opportunities, compared to 56 percent of white employees.

Nevertheless, on top of inclusive benefits, the biggest change to how HR manages rewards is expected to come from the fact that employees will increasingly be remunerated based on their skills rather than job title or previous experience. This will require a major overhaul of how talent is managed, which will in turn require a major overhaul of how HR operates.

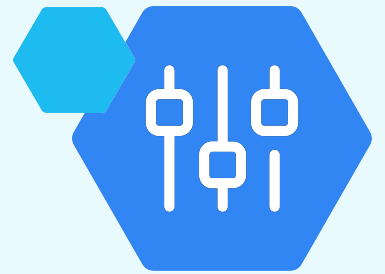
Creating strategic, impactful rewards is thus one of the biggest trends in HR for next year and will continue to be on every CHRO's mind in 2022.



*Three levels of driving equity within organizations*

## TREND 11

# The skills economy



*Skills have never been more subject to change. Where the half-life of professional skills used to be 10 to 15 years, IBM has now estimated it to be about five years, with more technical skills at just two and a half years.*

In addition, skills more and more determine how people are rewarded. A self-taught data analyst without a university degree may earn more than a graduate in history or law. This has given rise to providers that offer specific upskilling tracks with the promise of a new career in fields like information technology after completing the track.

### The role of HR

It is becoming crucial for organizations to accurately map available internal skills. The benefits of mapping skills at an organizational level, however, also extend to employees. Skills are increasingly tied

to remuneration and upskilling initiatives: knowing what skills you have is a prerequisite to succeeding in a competitive economy and labor market.

When it comes to hiring, we see a clear trend of organizations moving towards more data-driven skills tests. The relevance of educational history wanes as people's work experiences increase.

Being able to identify relevant skills, how and when they were developed, and how they were put into practice helps companies better allocate people to roles best suited to their capabilities and it helps employees navigate their careers.

### Example

In the European Union, citizens can make use of the Europass. This document contains the Curriculum Vitae, language passport, diplomas and certificates that a person obtained, as well as proof of their international work experience. All of this makes it easier to identify specific and relevant skills.

Source



# Conclusion



This report lists and analyzes 11 trends that every HR department should be aware of. These trends delineate the key areas which will require particular attention from HR professionals in 2022 and beyond in order to make a positive business impact and serve their organization's customers and stakeholders.

With the labor markets continuing to be extremely tight and with the business environment becoming less predictable and more volatile, the challenges companies face are becoming increasingly complex. So much so that for HR to carry on adding business value, it is essential for it to upgrade, move boundaries of the possible, and make a more strategic impact on the business.

Never has it been more exciting to be working in HR (given the recognition by C-suite leaders of the HR's capacity to change organizations for the better) and never has HR played a more critical role in helping organizations remain competitive in the face of current challenges.

Whether it is through driving better collaboration in the new era of work, facilitating better career experiences, creating internal marketplaces to ease the pressure caused by talent shortages, owning business transformation, or delivering inclusive and purpose-driven organizations to provide equitable benefits, HR will be part of the solution to some of the most important business challenges.

Without a proactive and future-proof HR function, companies will stagnate. That's why it is vital for HR professionals to build on their success gained in 2021 and push the boundaries of the possible in 2022.

**Erik van Vulpen**  
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