

HR DIRECTORS' BRIEFING

ONLINE BRIEFING 20 JANUARY 2021

Tom Standage, Deputy Editor of *The Economist* briefed a select group of HR Directors on his top trends for the year ahead at CRF's latest virtual event. The session also marked the launch of our HR Directors' Briefing Paper, designed to provide expert assessment of the issues that confront us in 2021.

 **WATCH A FULL RECORDING OF THE EVENT HERE:**



The thumbnail features the CRF logo (Corporate Research Forum) in the top left corner. The main text reads 'HR DIRECTORS' BRIEFING' in large, bold, white letters on a dark blue background. A small vertical text on the right side of the thumbnail reads '2021 CRF PROGRAMME'. The background of the thumbnail shows a stylized, colorful circular graphic with concentric rings in shades of blue, orange, and yellow.

SPEAKERS



TOM STANDAGE is Deputy Editor of *The Economist* and editor of its future-gazing annuals, *The World In* and *The World If*. He has authored seven history books, including *New York Times* bestseller *An Edible History of Humanity* (2009), and *A Brief History of Motion* to be released in 2021. Tom studied at Oxford University and has written for publications including *The New York Times*, *The Guardian* and *Wired*.

 EMAIL



MIKE HAFFENDEN has worked in Senior HR roles in the US and Europe with businesses including Avon, Rowntree, Unilever and Hewlett Packard. He founded CRF to investigate the principles and practices that make a difference in people management and formed PARC to examine good practice across performance, reward and governance. He is also a founder of leading HR recruitment business Strategic Dimensions.

 EMAIL

FURTHER READING

CRF. 2021. **HR Directors' Briefing Paper: The World of Work.** Briefing Paper. <https://www.crforum.co.uk/research-and-resources/hr-directors-briefing-world-of-work-2021/>

CRF. 2020. **HR's Agenda in the Organisation of the Future.** Full Report. <https://www.crforum.co.uk/research-and-resources/research-report-hrs-agenda-in-the-organisation-of-the-future/>

The World in 2021. 2021. **Ten trends to watch in the coming year.** Article. <https://www.economist.com/the-world-ahead/2020/11/16/ten-trends-to-watch-in-the-coming-year>

crf UPCOMING CRF EVENTS

-  **ONLINE:**
Delivering Value through Mergers and Acquisitions – HR's Critical Role
9th March 12.00 GMT
-  **DEVELOPMENT PROGRAMME:**
HRBP Business Catalyst
18-19th March 12.00
-  **ONLINE:**
Strategic Workforce Planning: Unlocking Future Capabilities to Drive Business Success
15th April 12.00 GMT

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ONLINE BRIEFING

2021 is going to be a year of fighting over vaccines. The rapid development of vaccines has been a fantastic achievement, however we are going to continue to see debates between, and within countries, over the right order and way to vaccinate populations.

1



The crumbling of the post-war rules-based order will continue, impacted by new leaders in three of the world's largest economies (America, Japan and Germany). In the wake of Trump's administration how much will Biden be able to reassert the USA's role as a global leader and ally?



Companies are increasingly on the front line, on issues from climate change to social justice. There is a heightened need for companies and leaders to take politics into account. Bosses face pressure from employees and customers to take stands on climate change and social justice where politicians have done too little.

3

5



The future brings a less footloose world. Dramatic reductions in business travel will make long haul travel expensive, meaning tourism will likely be increasingly domestic. Cultural exchange will suffer as a result. Airlines, hotel chains and aircraft manufacturers will continue to struggle, as will universities who rely heavily on foreign students.

7



Get ready for 2020, take two. The coming year is likely to be one of déjà vu with many of 2020's global events delayed to 2021. This includes the Olympics and the Dubai Expo amongst other political, sporting and commercial gatherings – although not all will succeed.

9

Economic recovery will be unpredictable and uneven. We are in an unusual economic crisis, with governments calling the shots, and enormous variation between countries and industries. Recovery will be patchy as governments pivot from keeping companies on life-support and helping workers who have lost their jobs.

2

Increasing US-China tensions will see countries and companies caught in the crossfire. Instead of calling off the trade war with China, Biden will likely look to forge an alliance of democracies to wage it more effectively. Countries and companies will face hard decisions to avoid picking sides.

4



2021 will bring clarity on the longevity of new technological behaviours. The pandemic meant a leap forward in the adoption of many technologies such as video-conferencing, ecommerce and distance learning. This year will determine the extent to which these changes will stick, or snap back.

6



The crisis can be a climate opportunity. Governments are investing in recovery plans with big green components, such as Joe Biden's focus on creating green jobs. With serious money being invested in green stimulus, 2021 could be a real chance to take action on climate change.

8

10



Coronavirus has been a wake-up call for other risks. Policy makers will be more willing to listen about other things that might sideswipe the economy or humanity. Risks include the climate, antibiotic resistance, bio terrorism and asteroid strikes.

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AUDIENCE Q&A

Q What should we be most worried about in the year ahead?

A We have been accelerated into the future of work, and we don't yet know how that's going to play out. What's going to happen with going back to the office, demand for office real estate, and are we going to see people working in more distributed office environments?

It's become clear that the rules and regulations around employment are not fit for purpose. We are mixing our home lives and working lives and that remains a moving target. One of the positive outcomes is that it's pushed mental health up the agenda, prompting much franker conversations.

Q Stock markets have risen to new records, but what is the risk of a crash if we don't see a economic recovery?

A The stock markets have become completely decoupled from the real economy. Only when governments withdraw stimulus, and we are able to see the real economic damage the pandemic has done, will the situation become clearer. One outcome is that it will lead to a massive shakeout of companies and that is the point at which I would worry about a market correction.

Q Will the war for talent increase?

A The greater willingness for people to work from home, and companies to hire remotely is potentially very good news for people in the developing world who couldn't get a job at say Facebook unless they moved. Now employers can offer a salary that's much higher than local level but less than they would pay if an employee were to relocate. This is great from a diversity perspective but also will intensify the war on talent.

Q What's the biggest mindset shift CEOs need to make?

A CEOs have to be politicians but also acrobats. There is a recognition that companies are expected to take positions on political and social issues, and define their social purpose, but also be able to respond very quickly to changes in behaviour and environments.

Q How will these trends impact Africa?

A The main thing to keep an eye on is a big conference in Africa this year. It happens every five years, with the African nations coming together with China, and China unveiling increasing amounts of investment and aid. This time China is backing up its growing importance as a provider of investment with the soft power of offering vaccines at cheap and discounted rates to countries. Although African countries will want to maintain good relationships with the US, China's vaccine diplomacy offers something America can't. It's going to be one of the regions where we see the US-China conflict play out.

MERCER

There were several questions looking into the impact of these seismic changes on talent for 2021. According to the Mercer flagship research 2021 *Global Talent Trends Study*, flexibility is a continuing area of focus: 56% of HR leaders have expanded flexible working for the long term and a further 34% plan to do so in the next 12 months. Flexibility across businesses has also grown with greater loaning of talent internally witnessed during 2020 (44% of organisations) with 26% planning to do so this year.

With all of the focus around "tech-celeration" it is interesting to note the three skills most critical for future resilience are collaboration skills (60%), managing people inclusively and with empathy (58%) and adaptability (44%), according to UK HR leaders. And what is the greatest challenge in driving transformation? 45% cite employee exhaustion given blended work/lives today. Interesting times. For more information, please sign up to receive the refreshed global report and your desired geography companion reports [here](#).