People-Centered Initiatives, Business Agility Take Center Stage in 2021 Workforce Trends

ADP, a global HR technology leader, reveals key drivers reshaping the world of work in 2021

ROSELAND, N.J., Nov. 19, 2020 /PRNewswire/ -- Significant shifts to the workplace in 2020 are making way for a newly transformed world of work in 2021. The changing landscape this year has employers and workers looking to digital solutions to help them push through the challenges presented by a global pandemic, economic recession and social injustice. As businesses navigate forward, ADP identifies the **key trends reshaping the 2021 workforce**.

"As we move into a new year, it is clear businesses are having to accelerate their transformation to adapt to new realities," said Don Weinstein, corporate vice president of global product and technology at ADP. "Not only do we see an increased need for rapid, real-time data to reveal gaps and empower nimble and impactful decision-making; we're also seeing a resounding call for employers to focus on the well-being of their workers and create a workplace where everyone can work confidently and thrive. These trends will shape a new, stronger foundation for how work gets done in the future."

Trends Shaping the 2021 Workforce

Focus on Resilience and Safety

Employers will prioritize the needs of their workers and take steps to ensure a safe return to the workplace by putting protocols in place to limit potential exposure. In tandem, employees will be looking for support to help them adapt and grow amid changing working conditions.

- Key Findings

- ADP surveyed employers with 1,000+ employees at the onset of the pandemic and found 39% of employers reported that employees' health fear was a top concern. As employers prioritize the health and safety of their workers, the nature of the workplace itself will evolve.
- Workers themselves cited significant stressors. In its study, "A Post-Pandemic Workforce: Tracking Perspectives Amid COVID-19," ADP Research Institute found that in the first few weeks of the crisis, as workers struggled with childcare constraints, fear of the virus, technical issues and trouble completing their tasks, over 40% of workers reported increasing levels of personal stress.
- According to ADP data, employer calls for guidance on wellness issues, including benefits, paid time off and employee assistance programs, increased 40% year over year.
- However, in the face of these challenges, employees are becoming more resilient. According to ADP Research Institute, research conducted in recent months has begun to unravel the picture of resilience in the workplace. The Institute surveyed over 26,000 employees across the globe from 25 countries to understand Engagement, Workplace Resilience and the impact of COVID-19 on the workplace. In its "Global Workplace Study, 2020," the more workplace disruption workers experienced, the more resilient they feel, and are up to 13.2x more likely to be highly resilient.
- In the "Global Workplace Study, 2020," a large part of those studied, 37.3%, continued to work as normal during the pandemic and 26% had already returned to work after the global shutdown. Top of mind for the workers studied was safety. Some had returned to work; others anticipated their return in a couple of weeks and others said it might be months to feel safe again. Fifteen percent of the global workers expressed that they will feel safe when their government tells them it is safe to return. Seven percent of the sample stated that they may never feel safe returning to work.

Drive for Diversity

Employees will increasingly demand greater action from employers in advancing diversity, equity and inclusion (DEI) within the workforce and continue to pay close attention to culture and social responsibility. In response, businesses will turn to their HCM partners to help them identify opportunities and establish a plan for progress and ongoing transparency.

- Key Findings:

- Employers increasingly sought data insights on the racial and cultural demographics of their workforce accounting for a 74% increase in searches. Employers increased searches for gender-based demographics by 42%.
- With greater data transparency comes accountability. *DiversityInc* has seen an uptick in the number of businesses seeking partners to close the gaps in their workforce. There has been a noted increase in requests for DEI consulting, content support and training support.

Fuel for Flexibility

A drastic and rapid move to formalize remote work suggests potential permanence as the modern workforce navigates forward and increasingly looks for dynamic solutions to support the new way work gets done.

- Key Findings

- A recent ADP Research Institute study found that 44% of employers now have official flexible working policies in place, up from 24% pre-COVID-19. In fact, the study revealed most workers (65%) are upbeat about the flexibility of opportunities they will have in the future.
- ADP data shows employer calls for guidance on flexible work and pay options rose 116% year over year.

Spotlight on Compliance

As the regulatory environment becomes more complex and new legislative changes are introduced, businesses will look for ways to streamline compliance-related tasks to alleviate the burden on HR and payroll departments while leveraging aid.

- Key Findings:

- In the initial months of the pandemic, ADP analyzed more than 2,000 legislative updates associated with COVID-19 across the globe in order to provide businesses with the guidance they needed to navigate compliance and seek essential relief.
- When surveying employers with 1,000+ employees, ADP found that 68% said they needed guidance on government relief programs including direct monetary assistance, low interest business loans, enhanced unemployment assistance and tax relief and deferral.
- From ADP data, employer calls for guidance on compliance questions jumped over 1,500% year over year.

Agility in Action

Many businesses are changing their models to adapt as they operate amid a fluctuating economic environment and a business landscape still punctuated by the uncertainty of the pandemic. To drive true transformation,

businesses will focus in on their people and access to technology.

- Key Findings

- As expected, in surveying employers at the onset of the pandemic, ADP found their top concern is keeping their business running, while supporting their employees and their clients.
- 78% of those employers reported that it will take 6 months or longer for their revenue to return to pre-COVID-19 levels.
- In additional surveying of both small and medium-sized businesses (SMB) and enterprise organizations, ADP found that half of small businesses and 84 percent of larger businesses are making adjustments to their business model. The most significant shift is seen in the way they are delivering their products or services to market.
- Despite these challenges, the ADP Research Institutestudy found confidence has declined less than one might expect, with 84% of workers today still feeling optimistic about the next five years in the workplace (down from 86% pre-pandemic), and 75% who feel buoyant about the year ahead.
- Small businesses have demonstrated agility in their response to the pandemic, evidenced by recent rehiring gains. At the onset of the pandemic as they navigated closures and restrictions, year-over-year declines in employment at small business clients were in the high teens, a number that has since improved to declines of single digits.
- Workers themselves are taking agility to the next level with new business formations up significantly year over year. According to Census Bureau data, business applications were up nearly 40 percent YTD as of late October, compared to just two percent in 2019.

For a deeper look at additional 2021 trends, please visit adp.com/SPARK.

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