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2020 Talent Management
Trends Review

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Remote Work

Remote Work

Without question, the pandemic redefined many aspects of our personal and professional lives. Arguably one of the most pronounced areas has been the seemingly overnight shift to remote work.

Remote work certainly is not a new concept. Prior to the coronavirus pandemic, some businesses offered remote work – or telecommuting – as a perk for those positions which lent themselves to that sort of flexibility. By no means though was this a widespread benefit. In 2019, only 7% of private sector workers and 4% of public sector workers had access to remote work benefits. Now though, 62% of all employees in the U.S. workforce are remote.

Despite the rapid shift to remote work, some businesses haven't adopted such policies simply because their workers cannot perform their jobs without being on site. This is especially true for industries such as hospitality, construction and agriculture.

Of those that have made the shift, it wasn't necessarily a move that business leaders adopted without doubt – many sharing the concerning question, "If I can't see my employees, will they actually work?" Not only has this year alleviated these fears for most business leaders, but also the shift has shown organizations everywhere the tremendous promise remote work offers.
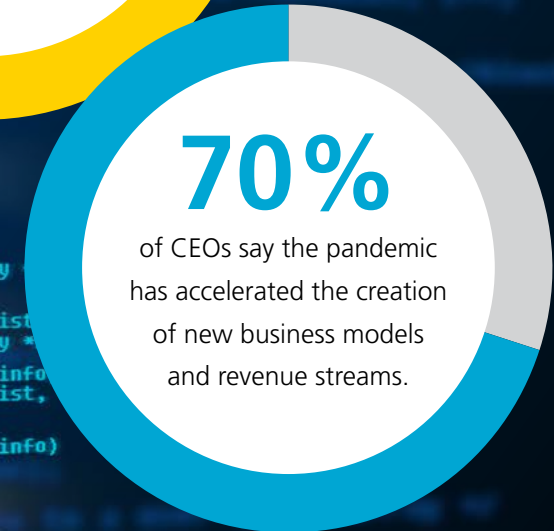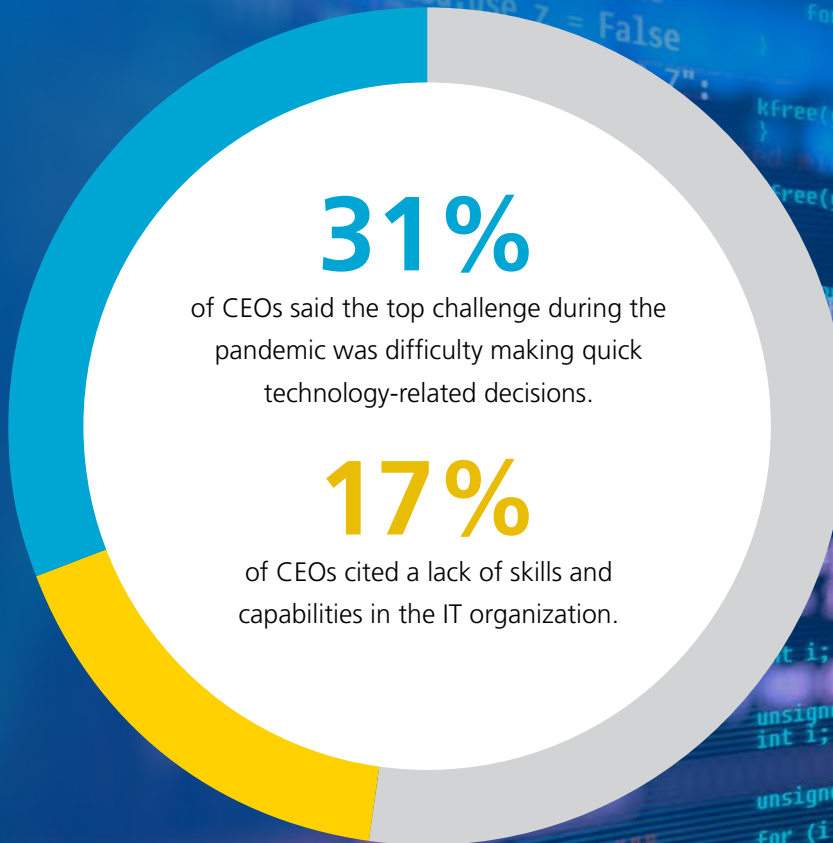
According to multiple studies, more than 70% of business leaders believe remote work has increased the talent pool for high-demand positions. Additionally, nearly three-quarters of companies (74%) plan to permanently adopt more remote work policies after the pandemic subsides, which aligns with the preferences of most workers. According to a recent McKinsey study, 80% of workers enjoy working from home and more than two-thirds (69%) say that they are either more productive or as productive as before the pandemic when they were always working in the office.

Suffice it to say, remote work remains one of the prevailing business trends for 2021. What follows is the first issue of our annual trends report – one of three – exploring this topic in more detail, which we hope can offer some helpful insights for you and organization!

Leadership Outlook[1]

73%

of CEOs believe that remote working has widened their available talent pool.

While 'talent risk' was the threat that CEOs ranked behind 11 other risks at the beginning of the year, it has now risen to be the number one threat to long-term growth, with CEOs recognizing the need to keep their people feeling safe but also connected, engaged and productive.

78%

of CEOs said the need for remote working has prompted their organizations to make significant changes to their policies to nurture their culture.

 1. https://advisory.kpmg.us/blog/2020/ceo-outlook-future-workforce.html

Leadership Outlook[2]

75% of CEOs say the pandemic has accelerated the creation of a seamless customer experience.

31% of CEOs said the top challenge during the pandemic was difficulty making quick technology-related decisions.

17% of CEOs cited a lack of skills and capabilities in the IT organization.

70% of CEOs say the pandemic has accelerated the creation of new business models and revenue streams.

2. https://advisory.kpmg.us/blog/2020/ceo-outlook-future-workforce.html

Then and Now[3]

62% of U.S. employees are working from home now due to COVID-19[4]

Not many Americans could work remotely…

Share of U.S. workers in _____ with access to "flexible workplace" (telework) benefit

- Private Industry — 7%
- State/Local Government — 4%

'10 '11 '12 '13 '14 '15 '16 '17 '18 '19

…and those who could tended to be the highest paid

Share of U.S. private-sector workers with access to telework, by average wage level

- Highest 10% of wage earners — 25%
- Highest 25% — 19%
- Second 25% — 8%
- Third 25% — 4%
- Lowest 25% — 1%

'10 '11 '12 '13 '14 '15 '16 '17 '18 '19

3. 2019 National Compensation Survey, U.S. Bureau of Labor Statistics, PEW Research Center, https://www.pewresearch.org/fact-tank/2020/03/20/before-the-coronavirus-tele-work-was-an-optional-benefit-mostly-for-the-affluent-few I 4. Gallup, https://www.talentlyft.com/en/blog/article/387/top-5-remote-work-trends-for-2020-covid-19-update

Remote Work in the Future[5]

What percentage of your workforce will remain permanently remote post-COVID?

74% of Companies Plan to Permanently Shift To More Remote Work Post-COVID

26%
0% will remain remote

27%
5% will remain remote

25%
10% will remain remote

17%
20% will remain remote

50% will remain remote
4%

More than 50%
2%

⬤⬤ % of employees within companies

 5. Gartner (March 30, 2020), https://www.gartner.com/en/documents/3982949/covid-19-bulletin-executive-pulse-3-april-2020
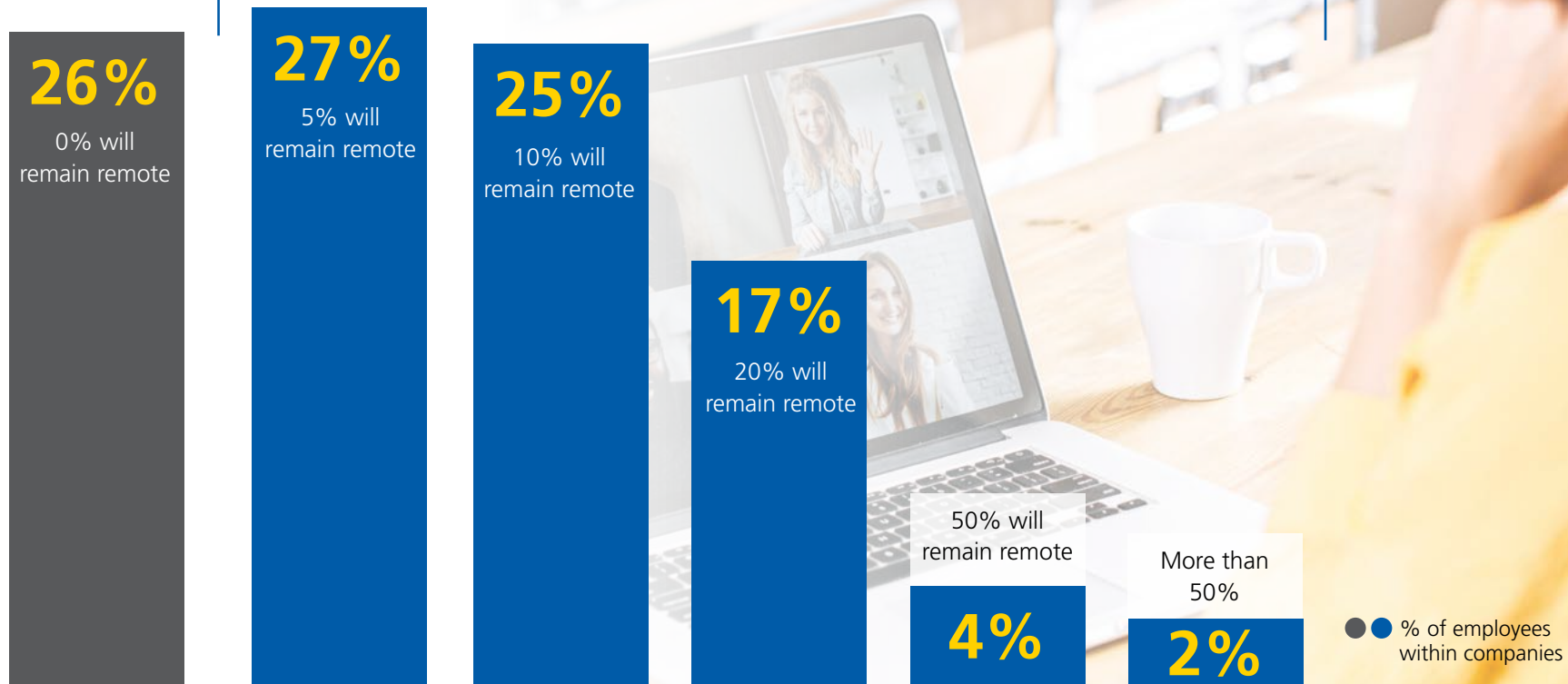
Industry Comparison[6]

Ability to work remotely and its effect on employment during the pandemic

Industry	Percent share of employed able to telework (April 2020)	Labor market outcomes		Percent change in employment (February-April 2020)		
		Percent change in employment (February-April 2020)	Percentage-point change in unemployment rate (February-April 2020)	Able to telework	Not able to telework	Difference
Financial activities	81.1	-6.1	3.7	-5.8	-7.2	1.4
Information	80.4	-11.8	9.3	-2.1	-37.3	35.2
Professional and business services	71.6	-9.6	5.5	-6.4	-16.8	10.4
Public administration	57.0	-3.8	3.4	-1.5	-6.7	5.1
Education and health services	47.9	-13.9	9.4	-12.5	-15.2	2.8
Manufacturing	41.0	-13.7	9.2	-3.9	-19.5	15.5
Mining, quarrying, and oil and gas extraction	40.3	-14.9	4.2	5.5	-24.8	30.3
Other services	39.9	-27.2	19.4	-8.4	-35.9	27.5
Transportation and utilities	32.7	-10.9	8.7	4.7	-16.9	21.6
Wholesale and retail trade	26.5	-16.4	12.6	-9.4	-18.6	9.2
Construction	20.7	-16.6	10.2	-11.9	-17.8	5.8
Leisure and hospitality	20.3	-42.0	32.1	-25.5	-45.1	19.6
Agriculture, forestry, fishing, and hunting	8.1	-1.2	-1.7	-4.3	-1.0	-3.3
Total	45.8	-15.6	10.8	-7.9	-21.2	13.3

6. Authors' calculations based on February-April 2020 Current Population Survey data and O'NET job-content data, https://www.bls.gov/opub/mlr/2020/article/ability-to-work-from-home.htm

Workers Taking to Remote Work Amid COVID-19 Crisis[7]

U.S. ADULTS

Once restrictions on businesses and school closures are lifted, if your employer left it up to you, would you prefer to:

59%
Work remotely as much as possible

41%
Return to working at your office as much as you previously did

Diversity, Equity and Inclusion

Diversity, Equity and Inclusion

Over the past decade, diversity, equity and inclusion (DEI) has become an increasingly important topic for organizations of all sizes. In recent years though, DEI has gone from a topic typically relegated to human resources to a focus of executives and board members everywhere – spurred by Black Lives Matter, the Me Too Movement and other events that have put systemic inequality and discrimination into the national spotlight.

As further studies on the subject are conducted, more evidence emerges illustrating how DEI efforts can positively impact companies' culture, innovation and bottom line. In the last five years, diversity-related job postings have risen tremendously as companies recognize that increased leadership diversity can lead to higher performing, more innovative teams who are more likely to achieve business goals and exceed financial targets.

Conversely, the greater attention toward DEI is showing organizations how far they still need to go to truly be equitable employers. At a glance, the race and ethnicity demographics of the U.S. workforce reflect those of the overall U.S. population. White Americans make up the overwhelming majority (77%), followed by Black workers (13%), then Asian Americans at 6% - with other groups accounting for approximately 3.5%. Those of Hispanic origin make up 17.5% of the labor force.

When looking at those in leadership positions, those figures begin to shift – underscoring the lack of diversity and equity at many organizations. At the executive level, 85% of those positions are held by white employees, whereas Black and Hispanic employees account for 2% and 3% of those positions, respectively.
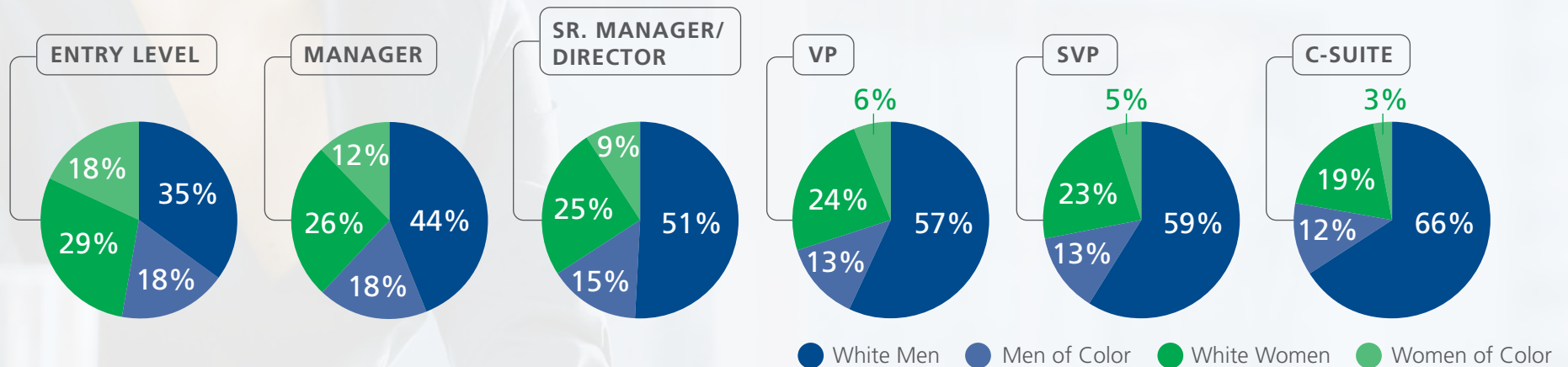
As the conversation around DEI expands, so does many organizations' understanding of their employees and the unique challenges they face. Traditionally, many businesses have limited DEI discussions to ethnicity and sex; however, those with disabilities – both physical and mental – make up a considerable percentage of the workforce. Unfortunately, many of these individuals have felt the need to hide or diminish their disability from their employer and colleagues.

And like every other facet of business, the coronavirus pandemic has drawn attention to the disparities facing many individuals in the workforce. For example, many mothers, and especially those with young children, were forced to consider leaving the workforce entirely as they struggled to balance duties at home and work obligations.

It's paramount that businesses continue to discuss DEI issues by assessing where and how they can improve and make commitments toward those areas. These are important, yet delicate issues relevant to every organization, and having the right insights and data to inform these discussions is critical. The following report explores this topic in more detail as we present the second issue of our annual trends report, which we hope can help your organization navigate this topic!

Representation of Corporate Pipeline by Gender and Race[2]

% of employees by level at the start of 2020

ENTRY LEVEL
- 35% White Men
- 18% Men of Color
- 29% White Women
- 18% Women of Color

MANAGER
- 44% White Men
- 18% Men of Color
- 26% White Women
- 12% Women of Color

SR. MANAGER/ DIRECTOR
- 51% White Men
- 15% Men of Color
- 25% White Women
- 9% Women of Color

VP
- 57% White Men
- 13% Men of Color
- 24% White Women
- 6% Women of Color

SVP
- 59% White Men
- 13% Men of Color
- 23% White Women
- 5% Women of Color

C-SUITE
- 66% White Men
- 12% Men of Color
- 19% White Women
- 3% Women of Color

● White Men   ● Men of Color   ● White Women   ● Women of Color

2. McKinsey & Company, Women in the Workplace 2020, Corporate America is at a Critical Crossroads

Leadership Priorities[3]

Diversity, Equity and Inclusion has become one of the **top priorities** for corporate leaders

76%

Financial
Growing profits, maximizing shareholder/ owner returns, reducing costs

72%

Brand/Quality
Building the reputation of your organization, increasing responsiveness to customer/ citizen needs, improving quality

57%

Innovation
Driving innovation, developing new products/ services/content

54%

Talent
Retaining your best people/ talent, improving employee productivity

54%

Expansion
Growing market share, expanding into new geographic markets

34%

Diversity
Increasing leadership diversity, increasing workforce diversity

21%

Culture
Building a more inclusive workplace environment/ culture

17%

Environmental
Reducing the carbon footprint of your operations

Diversity Leadership Roles are on the Rise[4]

Growth of job titles globally over 5 years (2020 vs. 2015)

Head of Diversity
+107%

Director of Diversity
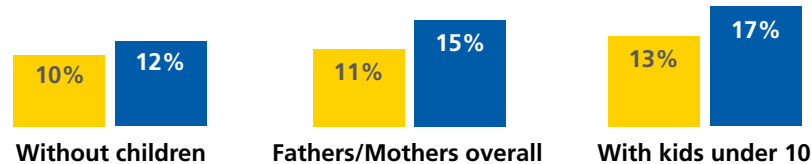**+75%**

Chief Diversity Officer
+68%

4. Based on global LinkedIn data. https://business.linkedin.com/talent-solutions/blog/diversity/2020/why-the-head-of-diversity-is-the-job-of-the-moment

COVID's Impact on Women in the Workforce[5]

Mothers, and particularly mothers with young children, are far more likely to consider leaving the workforce entirely.

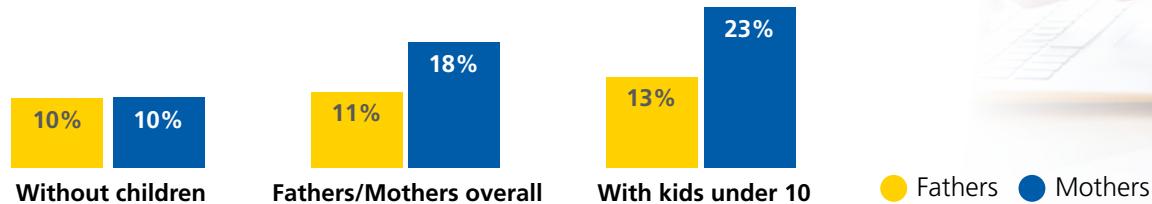**Employees considering career changes since the start of the COVID-19 crisis**

Considering downshifting their careers, but not leaving the workforce
(e.g., reducing hours, moving to part-time, or switching to a less demanding job)

	Without children	Fathers/Mothers overall	With kids under 10
Fathers	10%	11%	13%
Mothers	12%	15%	17%

Considering leaving the workforce
(e.g., taking a leave of absence or leaving the workforce entirely)

	Without children	Fathers/Mothers overall	With kids under 10
Fathers	10%	11%	13%
Mothers	10%	18%	23%

● Fathers ● Mothers

 5. *Women in the Workplace 2020*, leanin.org and McKinsey, 2020, https://www.mckinsey.com/featured-insights/diversity-and-inclusion/women-in-the-workplace

Disabilities and Inclusion

One billion people, or **15%** of the world's population, experience some form of disability, and disability prevalence is higher for developing countries.[6]

One-fifth
of the estimated global total of those with disabilities, or between 110 million and 190 million people, experience significant disabilities.[7]

 6. https://www.worldbank.org/en/topic/disability I 7. https://hbr.org/2019/06/why-people-hide-their-disabilities-at-work?ab=at_articlepage_relatedarticles_horizontal_slot2

Disability in the Workplace[8]

30%

of the professional workforce fits the current federal definition of having a disability — and the majority are keeping that status a secret.

39% of employees have disclosed their disability to their manager

24% of employees have disclosed their disability to their teams

21% of employees have disclosed their disability to HR

4% of employees have revealed their disability to clients

8. https://hbr.org/2019/06/why-people-hide-their-disabilities-at-work?ab=at_articlepage_relatedarticles_horizontal_slot2

The Case for an Inclusive Culture[9]

Organizations with inclusive cultures are:

2x

as likely to meet or exceed financial targets

3x

as likely to be high-performing

6x

more likely to be innovative and agile

8x

more likely to achieve better business outcomes

 9. Juliet Bourke, *Which Two Heads Are Better Than One? How Diverse Teams Create Breakthrough Ideas and Make Smarter Decisions* (Australian Institute of Company Directors, 2016). https://www2.deloitte.com/content/dam/insights/us/articles/4209_Diversity-and-inclusion-revolution/DI_Diversity-and-inclusion-revolution.pdf

COVID & Migration

COVID & Migration

The COVID-19 pandemic truly has been a generational event that's impacted virtually every aspect of our personal and professional lives. Even as we hope that its conclusion nears with more vaccines becoming available, the lingering effects are expected to be felt for years to come. Relocation and migration are no exception, and already, these areas have seen dramatic shifts in the past year.

Roughly one in five Americans (22%) either relocated because of the pandemic or know someone who did. This was particularly true for younger individuals, specifically those ages 18-29, who made up the largest age group that moved because of COVID-19. Traditionally, moving for work has been the top reason a person or family moves, which continued to be the case in 2020. However, that reason only accounted for 40% of all moves, which is a notable decrease compared to previous years.

One of the more predominant narratives throughout the pandemic has been that workers are fleeing big, expensive cities in favor of cheaper locales since they can work remotely. When looking at the numbers, the idea of a mass exodus from major cities isn't fully substantiated. According to one recent study, 48% of millennials – the largest block of the U.S. workforce (35%) – lived in the suburbs, up from 44% in 2019. Conversely, 35% reported living in a city, down from 38% the previous year. While these numbers do represent significant year-over-year changes, ideas of city centers emptying out entirely should be tempered.

On the corporate side, the COVID-19 vaccine presents both promise and new concerns. Many experts don't expect corporate travel and relocation to return to pre-COVID levels until the vaccine becomes more widely available. Most organizations (56%) remain uncertain if they will institute a formal requirement for employees to get the vaccine before they can return to the office. While the majority of Americans (56%) plan to get the vaccine as soon as it becomes widely available, more than a quarter (28%) have decided not to get it - even if it costs them their jobs. To help increase the overall percentage of vaccinated employees, many companies are using a variety of incentives such as bonuses, additional vacation days and gift cards to encourage their employees to get vaccinated.
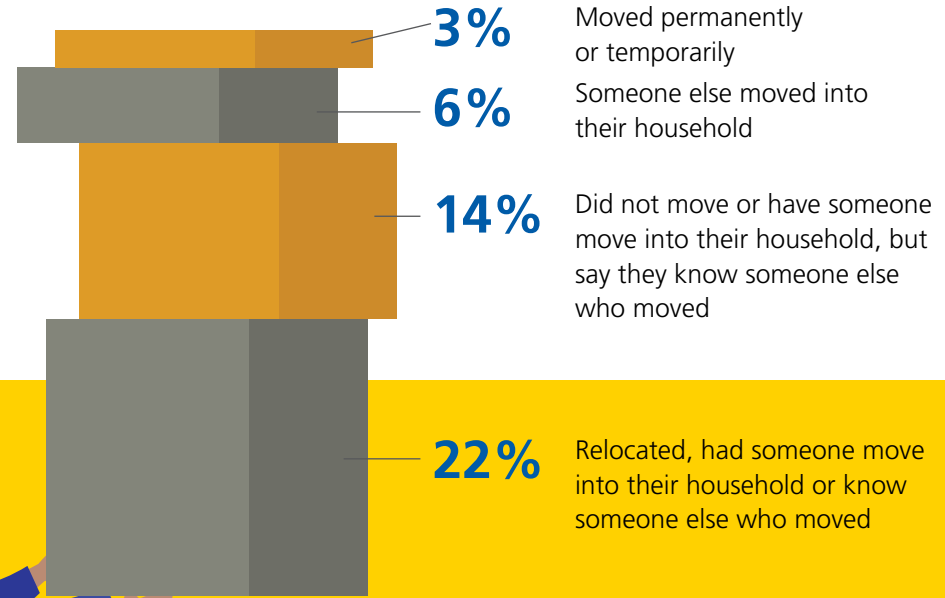
As we all continue to navigate the pandemic into an eventual "new normal," data and insights that examine the unique ways COVID-19 has impacted relocation and migration will be invaluable for organizations of all sizes. The following is our final installment of our annual trends report series, which we hope can help inform your organization's ongoing conversations around this topic!

Relocation

While many Americans have relocated due to COVID in the past year (for either safety risk or financial reasons), there are those who would prefer to postpone their relocations until the situation returns to "normal."

Roughly 1-in-5 Americans either have relocated due to the pandemic or know someone who has.[1]
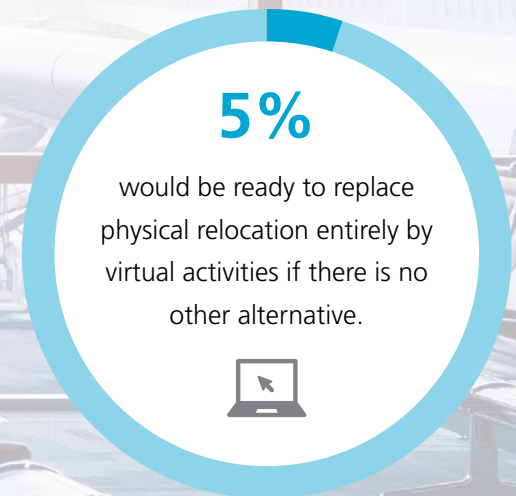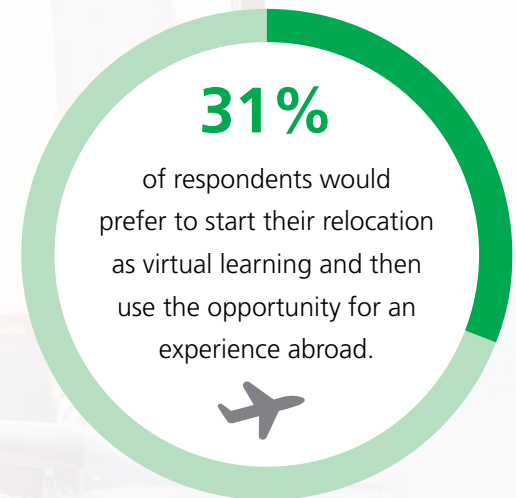
% of U.S. adults who due to COVID-19...

3% Moved permanently or temporarily

6% Someone else moved into their household

14% Did not move or have someone move into their household, but say they know someone else who moved

22% Relocated, had someone move into their household or know someone else who moved

Note: Response categories do not sum to total since some respondents chose more than one answer.

 1. PEW Research Center, Survey of U.S. adults conducted June 4-10, 2020, https://www.pewresearch.org/fact-tank/2020/07/06/about-a-fifth-of-u-s-adults-moved-due-to-covid-19-or-know-someone-who-did/
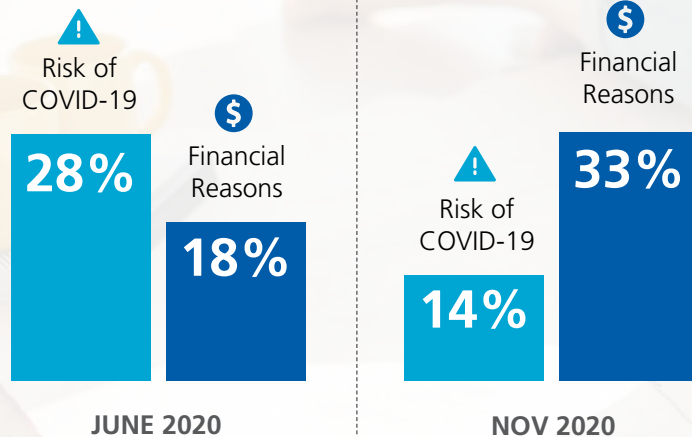
Mobility

Based on their personal experience, surveyed participants were asked to give "ideal advice" to those people who plan to carry out a relocation in the coming months. They were asked to rank possible alternative options in order of preference.

Regarding their first preference[2]:

55%
of respondents would prefer to postpone the start of the relocation until the situation gets back to normal.

31%
of respondents would prefer to start their relocation as virtual learning and then use the opportunity for an experience abroad.

9%
of participants would opt for canceling the relocation period.

5%
would be ready to replace physical relocation entirely by virtual activities if there is no other alternative.

  2. https://ec.europa.eu/programmes/erasmus-plus/resources/documents/coronavirus-learning-mobilities-impact-survey-results_en

COVID-19 Moving Motivations

Among those moving during COVID-19, more people cited Financial Resources and fewer cited Risk of COVID-19 as their top reason for moving.[3]

Risk of COVID-19
28%

Financial Reasons
18%

JUNE 2020

Financial Reasons
33%

Risk of COVID-19
14%

NOV 2020

 3. PEW Research Center, Surveys of U.S. adults conducted June 4-10, 2020, and Nov. 18-29, 2020.

COVID-Related Factors & Moving

Of those that have chosen to move during the pandemic, many cited health and well-being as a factor in their decision. There has been an urban exodus of sorts with many moving out of metropolitan areas to surrounding suburbs.

Covid-Related Factors Contributing to Decision to Move[4]

Personal Health and Well-Being
60%

Move Closer to Family
59%

Change in Employment Status or Work Arrangement
57%

Family's Health and Well-being
53%

Desire to Expand Living Space
45%

Move Closer to Outdoor Recreational Areas
**35%**

Move Away from Urban Area
34%

11%

of UniGroup customers cite COVID as a contributing factor in their decision to move.[4]

Buyers: Vaccines Key to Resumption[5]

Corporate travel and relocation are unlikely to return to pre-COVID levels until the vaccine becomes more widely available. There is still uncertainty around employee vaccine requirements. While the majority of Americans are likely to get the vaccine as it becomes widely available, there are others who say they will not get the vaccine even if it costs them their jobs. Companies are using a variety of incentives to persuade their employees to get the vaccination.

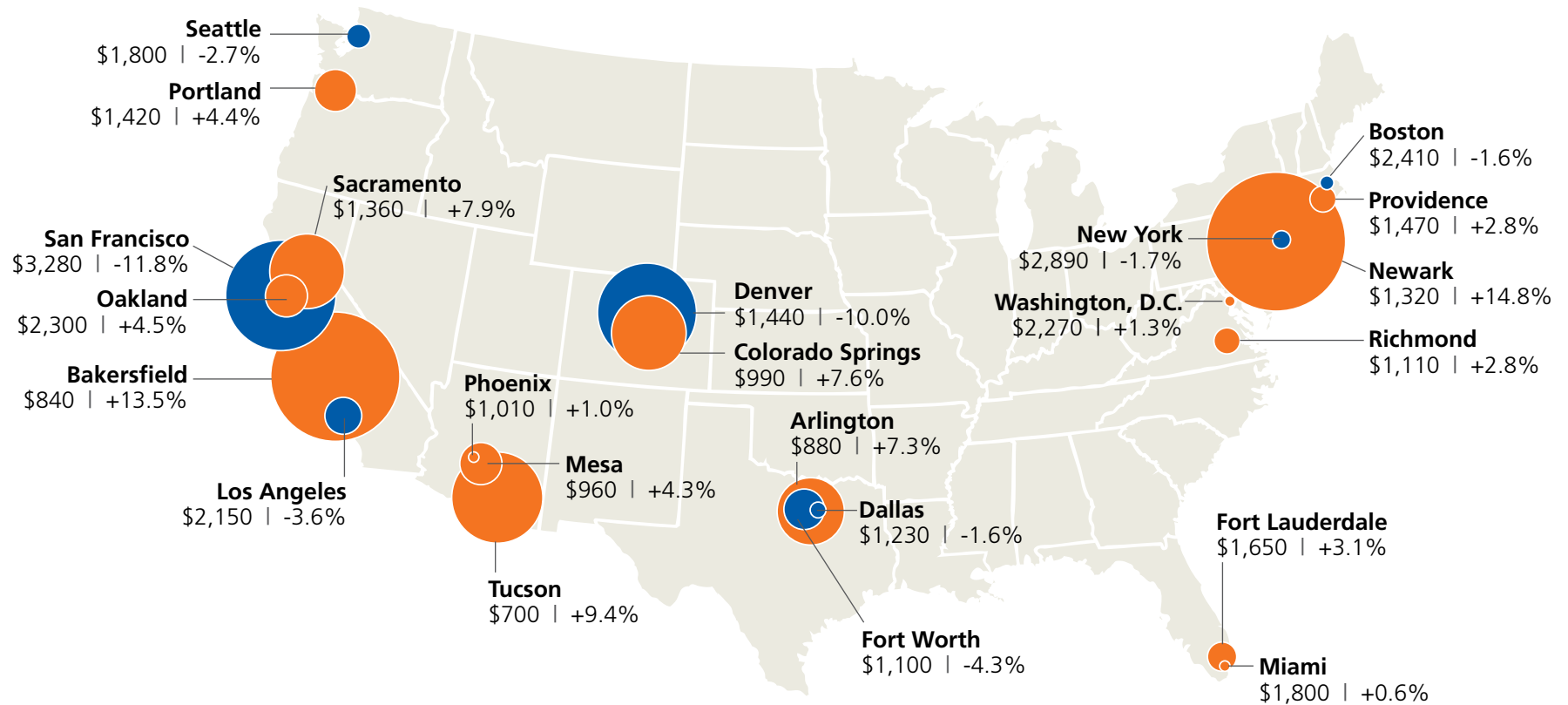**Importance of vaccine availability in corporate decisions to resume travel restrictions**

61% Significant factor **23**% Moderate factor **14**% Don't know **2**% Not a factor
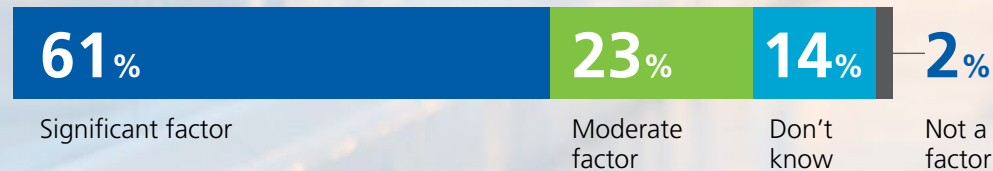
COVID's Effect on Rent Prices

Change In 1-Bedroom Median Rent Price[6]

- ● Rent increased compared to 1 year ago
- ● Rent decreased compared to 1 year ago

Seattle
$1,800 | -2.7%

Portland
$1,420 | +4.4%

Sacramento
$1,360 | +7.9%

San Francisco
$3,280 | -11.8%

Oakland
$2,300 | +4.5%

Bakersfield
$840 | +13.5%

Los Angeles
$2,150 | -3.6%

Tucson
$700 | +9.4%

Phoenix
$1,010 | +1.0%

Mesa
$960 | +4.3%

Denver
$1,440 | -10.0%

Colorado Springs
$990 | +7.6%

Arlington
$880 | +7.3%

Dallas
$1,230 | -1.6%

Fort Worth
$1,100 | -4.3%

Boston
$2,410 | -1.6%

Providence
$1,470 | +2.8%

New York
$2,890 | -1.7%

Washington, D.C.
$2,270 | +1.3%

Newark
$1,320 | +14.8%

Richmond
$1,110 | +2.8%

Fort Lauderdale
$1,650 | +3.1%

Miami
$1,800 | +0.6%

6. Zumper, https://fortune.com/2020/07/17/people-leaving-cities-coronavirus-data-population-millennials-marriage-families-housing-real-estate-suburbs/

Employee Vaccination Requirements[7]

A majority of companies have not determined whether they will require their employees to be vaccinated before returning to the workplace. A small percentage have decided to make vaccinations a requirement.
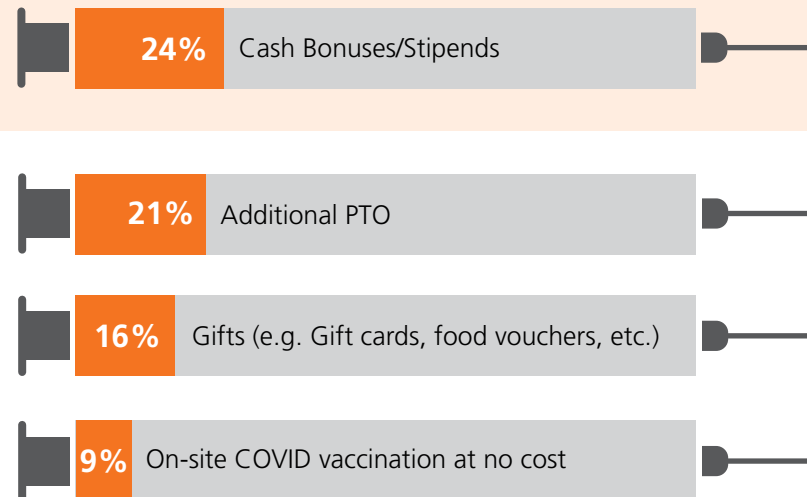
Uncertainty Around Requiring Employee Vaccinations

56%
Unsure about vaccine requirement

38%
Will not require vaccines

6%
Will require vaccines

7. UniGroup, COVID Safety Requirements National Account Customer Survey, Feb. 5, 2021
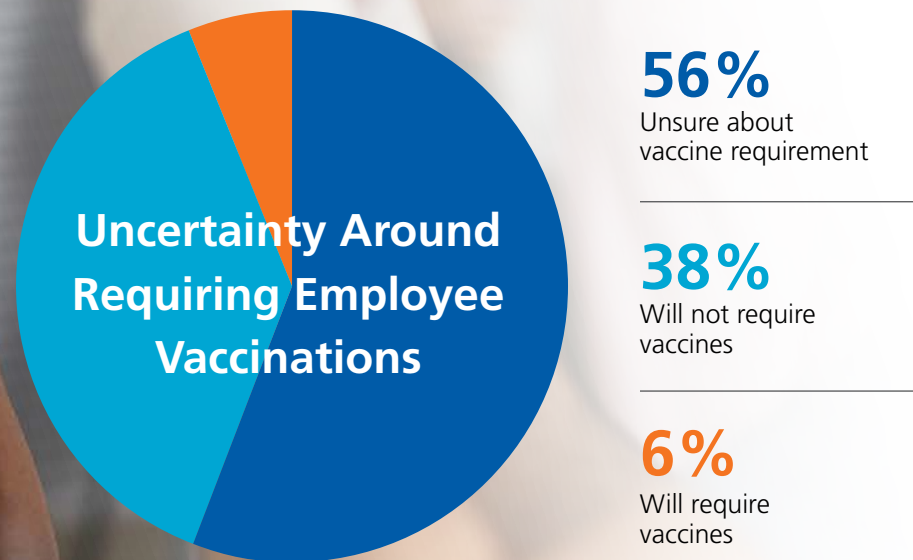
Employees and Vaccination

Over 3 in 5 employed Americans will probably or definitely get the vaccine when it becomes available to them, and quickly. Of those planning to be vaccinated, over half will do so as soon as possible.[8]

56% As soon as possible

23% Within 1-3 Months

21% Longer than 3 Months
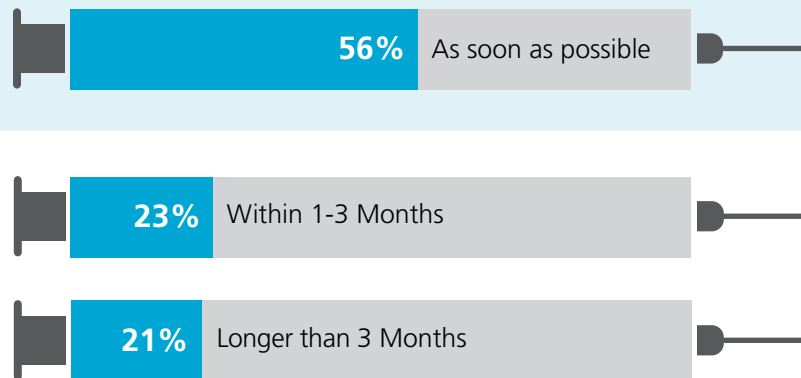
Nearly one-quarter of employed Americans who probably or definitely won't get vaccinated would consider doing so if offered cash bonuses or stipends.[8]

24% Cash Bonuses/Stipends

21% Additional PTO

16% Gifts (e.g. Gift cards, food vouchers, etc.)

9% On-site COVID vaccination at no cost

28% of employed Americans say they won't get the COVID-19 vaccine even if it costs them their job.

Incentivization isn't enough to convince the already reticent:

70% of those who don't plan to get the vaccine said no amount of incentive would convince them.

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