



# Big HR trends

that will outlast the pandemic

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## In the past year, HR leaders and business owners have struggled to keep up and respond to change.

As the economy recovered, employers expected to easily attract new recruits, or for existing employees to rush to return to their existing roles. Instead, we've seen record-breaking talent shortages and resignations.

As the number of available vaccines increased, many expected the pandemic to lessen in severity. Instead, the number of cases surged, and companies that had post-pandemic plans needed to revisit them again.

The fact is, HR was once a business area that experienced gradual change over time, but as society undergoes an accelerated workplace transformation, HR is now a business area that requires constant agility. Teams will need to ask new questions and revisit current processes in order to respond effectively.

We learned from the team that while some trends may not last, others are definitely here to stay. Many of the trends aren't new HR problems, but the pandemic has re-animated them in new and different ways.

**Here are some trends these ADP experts anticipate outlasting the pandemic.**





## 1. Diversity, Equity and Inclusion

Before the pandemic, many companies began to prioritize diversity, equity and inclusion (DE&I).

Armed with data that portrays [diverse companies as more successful](#)<sup>1</sup>, some businesses launched efforts to ensure fair hiring practices, equitable pay, and overall representation. Yet these companies were in the minority. Most businesses continued to view a diversity commitment as a nice-to-have.

However, during the pandemic, as Americans sought refuge from the virus, we also confronted issues of race and inequality. The national and global protests of 2020 triggered introspection and served as an inflection point for DE&I efforts.

In the aftermath, many are looking to businesses to lead the charge for equality and inclusivity. Others are calling for businesses to be held accountable when they fall short.

Every organization will have to decide for themselves if and how they want to wade into discussions around systemic inequality and social justice.

However, businesses should consider a public commitment to diverse and equitable hiring and employment practices.

It's no longer enough to quietly implement DE&I policies. Measures that advance diversity should be a prominent, and authentic part of your HR efforts.

<sup>1</sup>Dixon-Fyle, Sundiatu, et al. "Diversity Wins: How Inclusion Matters." McKinsey & Company, McKinsey & Company, 12 July 2021, [www.mckinsey.com/featured-insights/diversity-and-inclusion/diversity-wins-how-inclusion-matters](https://www.mckinsey.com/featured-insights/diversity-and-inclusion/diversity-wins-how-inclusion-matters).

## The trends to watch:



### Leveraging diversity metrics

Data is key<sup>2</sup> to understanding how diverse and equitable your organization truly is. What percentage of your employees are minorities, people of color, or other traditionally marginalized groups? Does your leadership reflect the diversity of the rest of your organization? Is compensation across your organization based on role and not altered by unconscious bias?



The trend toward data-driven decision-making was well underway pre-pandemic, and its place as an important HR tool is rightfully here to stay.



### DE&I as a business-wide KPI

Not every organization has the ability to hire a dedicated team or individual to lead a robust DE&I program.

However, small and medium-sized organizations can foster a shared commitment to DE&I. Regardless of team size or structure, DE&I can be a priority for everyone, and it should start at the top.

Goals should be meaningful, purpose-driven, and captured in writing for employees and clients to understand what your organization stands for when it comes to DE&I.



### Inclusivity as a key recruiting and hiring theme

As businesses develop or work to enhance their brands, they'll want to ensure the integration of key themes around equitable hiring practices and inclusion.

People want to kick the tires and look under the hood of their prospective employers, and in a post-pandemic world, they want to know more than just the work environment. Potential employees also want to know the core values of your business, what you stand for, and how you're giving back to the community — so be sure you let them know.

<sup>2</sup> "Diversity Equity and Inclusion: Using Data to Understand Whats Working." Spark, 10 May 2021, [www.adp.com/spark/articles/2021/04/diversity-equity-and-inclusion-using-data-to-understand-whats-working-and-what-needs-work.aspx](https://www.adp.com/spark/articles/2021/04/diversity-equity-and-inclusion-using-data-to-understand-whats-working-and-what-needs-work.aspx).

## 2. Employee health and safety

There has always been a need for companies to keep their employees safe. For many industries — manufacturing, construction, logging, farming, oil and gas — this is second nature. For other industries, the safety protocols were likely limited to fire drills and ID badges. Moving forward, companies need to be able to properly follow CDC guidelines, better understand HIPAA and OSHA, deal with government and industry compliance, and much more.

### The trends to watch:



#### Improving safety awareness in the workplace

Companies will need to expand their safety protocols to include measures that go beyond just washing hands and wearing masks. Today, HR leaders are examining employee sentiment around, and exploring the legal implications of, vaccination requirements for those returning to work.

They're forming policies that encourage — if not require — employees to stay home if they're unwell to help prevent the spread of disease. Business owners are learning how to provide additional protective measures to meet the needs of their immunocompromised employees (or those who live with someone who is). This is all new territory for many business leaders, but is here to stay.



#### Supporting employee mental health

The physical and mental health of employees go hand in hand. Employees need to know they'll be safe in the workplace, that valid concerns are being addressed, and their employer is committed to supporting their overall well-being.



Burnout is real. And 70% of employees would leave their current job for one with better resources for burnout<sup>3</sup>.

Many employees have been overwhelmed for years, and the added stress of a global pandemic has pushed many to the brink. Employers must treat the overall well-being of their workforce as a priority.

This could look like access to mental health professionals or training managers on what to look out for and how to help.



<sup>3</sup>Visier Team. "When Vacations Aren't Enough: New Visier Survey Finds 70% of Burnt out Employees Would Leave Current Job." Visier Inc., 23 Aug. 2021, [www.visier.com/clarity/new-survey-70-percent-burnt-out-employees-would-leave-current-job/](https://www.visier.com/clarity/new-survey-70-percent-burnt-out-employees-would-leave-current-job/).

### 3. Work flexibility and recruiting

Remote work used to be seen as an extra benefit or a bonus. The pandemic turned this perk into a necessity, and now, an expectation.

Many business leaders are still grappling with the issue of workplace flexibility and what that should look like for their teams. Should they require people to return to an office or worksite, allow fully remote working, or offer a hybrid option?

For many, this will be a tough but important decision to make. In a post-pandemic era, businesses of all sizes and types will need to be able to articulate what flexibility means for their organization.

#### The trends to watch:



##### Reimagining how work works

The trend toward flexible work environments for employees will continue — from entry- to senior-level — and it will likely go well beyond hybrid work options.

The debate around five-day work weeks, nine-to-five work days, 40-hour work weeks, and work-life balance overall has escalated due to the pandemic.

Many potential employees are actively looking for more contract, part-time or gig work alternatives. The pandemic led to significant introspection for many, causing them to reassess career paths, pursue passion projects, or otherwise challenge long-held norms around self worth being tied to employment.



##### A renewed commitment to KPIs

Employees may want a more hands-off management approach, where they have clear outputs, KPIs, and occasional check-ins; but, are otherwise able to work how and when they want.

Employees have already proven they can work effectively from home. Implementing proper data measures around efficiencies, outputs and other KPIs will allow leaders to assess what is and isn't working when it comes to work flexibility. Taking an agile approach, business leaders can make regular adjustments to continuously improve.

Embracing these non-traditional work environments may seem like a risk, but having the right data in place will allow for more educated decisions.



##### Recruiting reimagined

Also consider that more contract or gig workers could speed up the hiring process, and provide a built-in trial period if they do want to transition to a full-time role.

Businesses could also consider hiring outside of their local geographic area. And HR leaders would need to be prepared to handle all the implications that may come along with hiring out-of-state workers.

Companies that are best able to adapt to more flexible arrangements will be well-positioned as this trend continues.





## 4. Compensation and benefits

There's been a lot of talk around "The Great Resignation" or "The Big Quit" with millions of Americans quitting their jobs. However, the [U.S. labor market has begun to surge](#)<sup>4</sup> and unemployment has started to drop.

What looked like a mass exodus is actually people finding new jobs — not leaving the workforce altogether.

It should also be noted that many who left the workforce were [mothers quitting due to a lack of available childcare](#)<sup>5</sup>. This has increased what were already prominent workplace gender disparities.

### The trends to watch:



#### Increased compensation and incentives

The flip side of the great resignation is great assimilation — employees using the pandemic to find better work. In addition to more flexibility, better often means a job that has better compensation and more relevant benefits.

Real wages in the U.S. have been stagnant for years, so while the trend of signing and retention bonuses may not continue, and base wages may eventually level off, HR teams still need to reassess their compensation and benefits structures moving forward.



#### A shift in the type of benefits offered

According to PricewaterhouseCoopers<sup>6</sup>, the number one reason employees are looking for a new job is salary.

The number two reason? Benefits.



Potential employees are no longer persuaded by ping pong tables and free snacks, but employers don't need to completely reinvent the wheel.

Creating a benefits package that attracts quality employees means providing options. HR should explore benefits around family care, telehealth, education, home office equipment, gym memberships, meal delivery, or even pet insurance (for all those new pandemic companions).

There may be potential benefits specific to your industry or company size, but those best-in-class benefits will emerge and companies at the forefront of adopting them will be the ones that succeed.

Those benefits need to be heavily promoted — internally, on social media, and via recruitment channels. Be proud to share how you're taking care of your employees.

<sup>4</sup> "ADP Employment Reports." ADP National Employment Report, [adpemploymentreport.com/](https://adpemploymentreport.com/).

<sup>5</sup> "How the Pandemic Affected Women in the Workplace." Spark, 22 Mar. 2021, [www.adp.com/spark/articles/2021/03/how-the-pandemic-affected-women-in-the-workplace.aspx](https://www.adp.com/spark/articles/2021/03/how-the-pandemic-affected-women-in-the-workplace.aspx).

<sup>6</sup> PricewaterhouseCoopers. "PwC US Pulse Survey: Next in Work." PwC, [www.pwc.com/us/en/library/pulse-survey/future-of-work.html](https://www.pwc.com/us/en/library/pulse-survey/future-of-work.html).



## 5. Employee feedback

The most accurate way to assess employee sentiment, generally or around specific post-pandemic themes, is to ask your team how they are doing.

As the lines between our personal and professional lives began to blur during the pandemic, a more authentic employer-employee dialogue became necessary.

The trend of genuine feedback and openness is not going away. Employers will need to ensure they've adapted a two-way communication model, to ensure not only that leadership communicates effectively, but that employees feel heard as well.

### The trends to watch:



#### The importance of exit interviews

Exit interviews are a great way to uncover problems within your organization. This could be uniquely true if your business is experiencing high turnover.

In the past, many employees have not been honest during exit interviews, and leaders haven't actually bothered to read the results. In the wake of the pandemic, as businesses face increased hiring and retention challenges, it's important to change that.

The exit interview should be presented as a chance to give honest, unreserved feedback. As employees leave, ask them if they're leaving because of work flexibility, because of compensation, or other factors.

You'll want to learn if there are personal issues like caring for family or mental health. Do they feel your business struggles with DE&I or communicating growth paths?

There will always be some turnover, so it may be difficult at first to differentiate between the typical cycle of things and employees leaving due to broader issues. However, with the right procedures and data in place, you'll be able to assess and make appropriate changes.

Finally, exit interviews are only as good as the folks who are conducting them. Provide your interviewers with training so they know how best to interview exiting employees.



#### Real-time employee communication

During the pandemic, companies had to be hyper-vigilant about communicating policies and procedures.

The need for leaders to over-communicate business decisions is a trend that will persist. Moving forward, the end result won't be enough, employees will also want to know the 'how' and 'why' of leadership decisions.

Employees now expect clear, well-communicated policies that are also current with what's going on in the world. Explain how these policies will impact their day-to-day work. Stay close to your employees, listen to your employees, and proactively communicate so they feel inspired, valued, productive and a sense of belonging.

The most successful organizations are communicating with their employees — via various channels (video, email, in-person meetings). These channels also enable communication directly from owners and senior leaders.

If you're going to improve diversity, retention, recruiting, or any other key area, you need to set goals, be transparent, and share updates on progress.



## Ensuring remote workers are still visible

As mentioned earlier, due to childcare needs, [many women have left the workplace](#)<sup>7</sup>: "Since March, 28% of women with kids under 18 in the household have temporarily or permanently left the workforce to become a primary caregiver to children, compared to 10% of men."

Marginalized groups may also be more likely to face significant challenges in the form of finding child care, elder care or family medical care.

As companies continue to embrace remote work, it's important they find ways to engage their remote teams as well.

If businesses have both remote and onsite teams, it's important to ensure they're not creating a hierarchy. Does your company have two classes of employees? Does the in-the-office team get face-time, exposure and more promotions? Is your remote team less assimilated into the team with less opportunity for accolades or growth?

Remote workers have the same potential to lead projects, lead teams, take on challenging work, and otherwise be excellent and reliable employees.

Ensure the right reviews and protocols are in place so that remote workers — who, as we emerge into a post-pandemic world, may include more diverse teams — aren't at a disadvantage.

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<sup>7</sup>"Women Are Getting Pushed out of the Workforce | Nextadvisor with Time." Time, Time, 5 Aug. 2021, [time.com/nextadvisor/in-the-news/women-in-the-workplace/](https://time.com/nextadvisor/in-the-news/women-in-the-workplace/).

## 6. Never the same

The post-pandemic world will, in many ways, be unrecognizable from what it was just a few years ago. Companies that are unwilling to make necessary changes and beholden to archaic ways of thinking, will have a hard time moving forward.

This isn't to say every company needs to adopt fully remote work (realtors, restaurants, builders and more will obviously always need people in their physical locations), but every company should be having internal discussions around DE&I, health and safety, workplace flexibility, compensation and benefits, and employee feedback.

At ADP, we're not only having those discussions for ourselves and our employees, but we are working with our clients to facilitate their own internal discussions.



There is no one-size-fits-all solution, but we've seen the success leaders have when tackling these challenges with authenticity.

We've been able to take our internal resources — for topics like health and safety, government regulations, industry compliance — and give clients access to that expertise.

We've been in thousands of conversations across companies and across industries, seeing shifts as they happen. We've been training c-suite executives, leadership, managers and employees on policies and practices, ensuring they're equipped with the education they need to do their job well.

Small businesses can be successful throughout all of this, even if they don't have a dedicated full-time HR person.

We've helped countless companies figure out how to make improvements. Counseling them to be more productive, and discover which services they need to really evolve and grow — without having to build a whole HR infrastructure from scratch.

There are many factors that will guide how your business moves forward including: employee sentiment, your bottom line, environmental and societal implications. All of these considerations spell change.

If you think you're going to hire the way you did a year ago, revert back to all your old policies, or keep your same old compensation offerings, the next few years will be a struggle for your business.

Now is the time to have the discussions around what your options are, what the risks and costs are, and how to be a leader in a post-pandemic world.

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