

# The Future of the HR Function 2021



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The good news is HR is usually aligned with top leaders; the bad news is they are not as aligned with employees

HR views itself as better aligned with top leaders than with employees

When it comes to meeting the needs of the organization,

**57%**

think top leaders would give their HR departments top grades (8, 9 or 10 on 10-point scale)



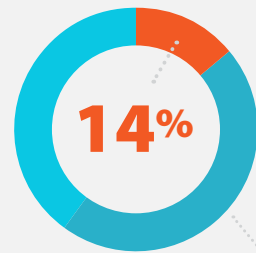
» But, Just

**41%**

think employees would say the same



Only

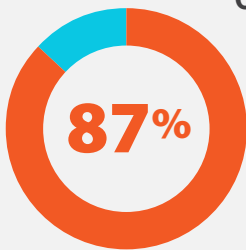


of respondents strongly agree that their HR function boosts employee performance



Though another 46% agree

On a positive note:



of HR professionals view themselves as being at least "fairly successful" in terms of coping with pandemic-related issues



HR's usually reports to top of the organization

A majority of HR leaders are in positions of high influence



**61%**

report to the CEO



**8%**

report to the Board of Directors



say HR leaders in their organization are equal partners in the business/strategic planning process

HR continues to suffer from some sizeable skills gaps

The biggest skill gap between importance and current proficiency is in leveraging HR analytics—a 46 percentage point gap!

HR also has large skills gaps in:



Thinking strategically



Improving the employee experience



Facilitating positive change



Advancing diversity, equity and inclusion

## HR will face multiple challenges in the near future

### Issues related to the post-Covid-19 world of work will be HR's greatest concern in 2021

The four areas that respondents feel will be most impacted by technology over the next two years are:



**Analytics and Metrics**



**Automation of HR Activities**



**Learning**  
(e.g., upskilling, reskilling, etc.)



**Onboarding**

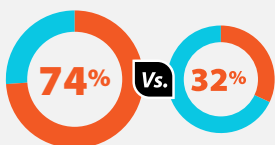
» The **top issue** respondents say HR should focus on over the next two years is creating workforces that are agile and can respond quickly to change

» The **HR capability** that will be most crucial over the next two years is increasing employee engagement levels

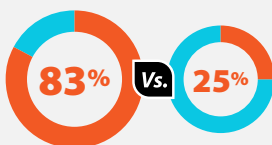
## What Makes a Difference?

Compared to their lower-performing counterparts, high-performing HR departments are:

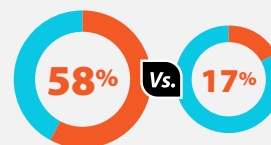
more than **2x**  as lower-performing HR departments to be an equal partner in the business/strategic planning process



more than **3x**  as likely to be proficient or highly proficient at facilitating positive change



more than **3x**  as likely to say HR is proficient at leveraging HR data and analytics



High-performing HR departments are **nearly 3x** as likely to be in organizations with far above average financial performance

## Consider these Strategies

1. **Approach** the transition to the post-pandemic world with the same creativity and agility HR brought to the pandemic
2. **Focus** on strategic priorities
3. **Close** the gap in meeting the expectations of both top leaders and employees
4. **Strengthen** analytics approaches
5. **Enhance** HR's change management capabilities
6. **Plan** for a future in which remote work plays a continuing role
7. **Close** major HR Skills gap

## About the Survey



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**Namely**

\*High-performing HR departments: Those answering 8 or above to all three parts of the question: "Based on the perspectives of the following three groups, how well does your HR department meet the needs of your organization?"

1. From the perspective of HR
2. From the perspective of top leaders
3. From the perspective of employees



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The survey, called "The Future of the HR Function" ran in the first quarter of 2021. There were responses from 381 participants with 237 responding to every question.

The participants represent a broad cross-section of employers by number of employees, ranging from small businesses with under 50 employees to enterprises with 20,000 or more employees.

