



# HR Predictions for 2022

the  
**joshbersin**  
company

What can we expect in 2022? While the pandemic continues, life goes on. The economy is growing, the job market is hot, and workers feel more empowered than ever. Despite the stress and challenges we faced this year, our profession and our companies have transformed in a positive way and we're in for an exciting year ahead.

## What We Learned from 2021

We learned to be more flexible and enable workers to do their jobs with more autonomy and in new ways. We learned to be more human-centric, bringing a stronger focus on empathy, care, and wellbeing at work. And we learned about digital transformation. We now know we can do things faster than we previously thought and build solutions that get better over time.

The HR profession has also transformed. We're no longer talking about "getting a seat at the table"; we're now sitting there. Most of you are involved in doing strategic work, participating in cross-functional teams, and designing new solutions faster than ever. In fact, in my mind, one of the big themes for 2022 is "HR as a center of design," where we reshape our HR teams to design, launch, monitor, and continuously improve our programs.

## Predictions 2022

This report lays out what I see as all the major trends HR leaders and professionals should be keeping in mind as 2022 unfolds.



### The economy will grow—with a constrained labor force.

I believe we are entering a fast-growing economy with the biggest labor (and skills) shortage we've seen in decades.

First, consider the reinvention of work that just occurred. During the last two years, more than 60 million American workers switched from working in offices to working remotely.<sup>1</sup> Companies reduced spending on real estate, travel, and facilities and instead, put their dollars in digital tools.

1 [State of Remote Work: Executive Summary](#), Global Workplace Analytics/owllabs.com, July 2020.

And people responded amazingly well. While productivity took a dip in Q3 (July to September), the message to me is clear. Businesses "reinvented" the model of work during the pandemic, and I don't think we're going back. Hybrid work, remote work, and contract work is now mainstream, and companies are adjusting old models accordingly.

While this all occurred, we've seen a "rubber band" growth cycle take place. Starting in 2009, after the global financial meltdown, demand started to grow. Companies started digitizing their products and services, supply chains were interconnected, and we started to see new digital business models emerge. In 2018 we had a big tax cut in the United States. The economy flourished, creating a "crisis in demand" and lots of concerns about income inequality, the divide between digital workers and those left behind, and the need to build better social systems to prevent runaway income inequality.

Then along comes the pandemic. We experienced a massive demand interruption as people stayed home and businesses closed. One of the biggest lessons I learned during the pandemic is the unquenchable power of the human spirit,<sup>2</sup> and how people will adapt to change in ways we never believed possible.

There have been other positive impacts. Despite the increase in inflation, wages are increasing. Companies are relaxing their criteria for hiring and ignoring requirements for college degrees or certain types of experience.<sup>3</sup> For example, Scotiabank has now completely removed the need to submit resumes for its digital product development team; instead, the company is using behavioral assessments to identify the "PowerSkills fit" of new hires and plans to train for technical or functional skills.<sup>4</sup> And many companies are adding bonuses, flexible benefits, and ever-more attractive perks to attract prospective employees. (This year 39% of all U.S. wage spending is allocated to benefits and insurance.<sup>5</sup>)

Is this hurting business? Not at all. In 2021, the U.S. stock market was at an all-time high and companies made plenty

2 "[The Unquenchable Power of the Human Spirit](#)," joshbersin.com, podcast, August 2021.

3 "[Help Really Wanted: No Degree, Work Experience or Background Checks](#)," Lauren Weber and Chip Cutter/*The Wall Street Journal*, November 2021.

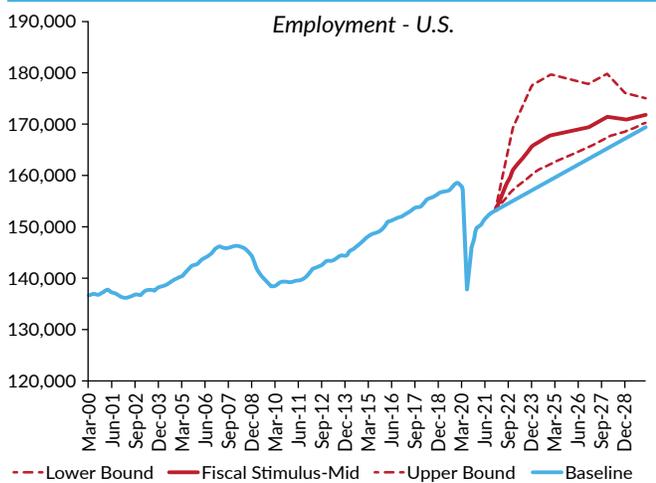
4 [Scotiabank Transforms Campus Recruiting: Replacing Resumes with Behavioral Assessments](#), Josh Bersin and Nehal Nangia/*The Josh Bersin Company*, November 2021.

5 [Economic News Release: Employer Costs for Employee Compensation Summary](#), U.S. Bureau of Labor Statistics, September 2021.

of money. The Conference Board's new projections for the U.S. and global economy indicates we will have a 3.8% GDP increase in 2022 and 3% in 2023.<sup>6</sup> These are really positive numbers, and the results will increase the demand for workers, skills, and expertise.

Consider the following analysis from Citibank.<sup>7</sup> Citibank economists believe that the economic recovery and subsequent stimulus (the U.S. infrastructure bill just passed at the writing of this report) will grow U.S. employment to well over 160 million by late 2022. This will be the largest employment number we have ever seen (see Figure 1).

**Figure 1: Projected Path of Employment in the U.S., With and Without Fiscal Stimulus ('000s)**



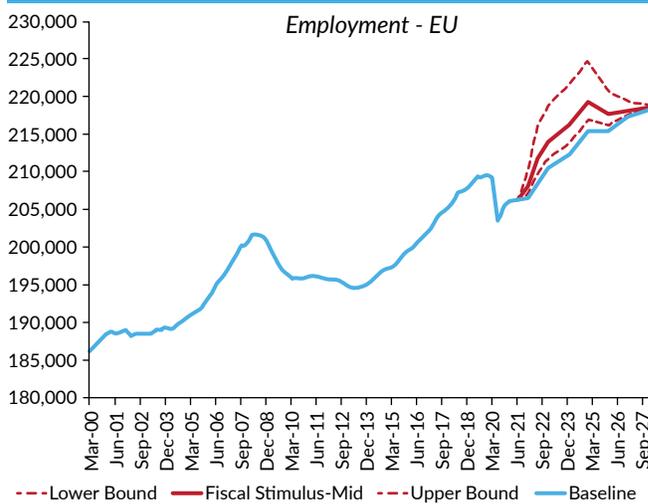
Source: Bureau of Labor Statistics, Citi Research

And the growth of jobs in Europe is similar. EU jobs will reach over 205 million by the end of next year, catching up to employment numbers before the pandemic (see Figure 2).

These new jobs will do two things. First, they'll draw more people into the labor force, effectively increasing the number of people working. Second, they'll shift and change our talent practices. Most of the new jobs created will be in construction, green energy, healthcare and services, transportation (there is already a shortage of 80,000 truck drivers in the U.S.<sup>8</sup>), and other service professions. This means all of our businesses, which are becoming more service-driven each year, will have

to automate and reorganize to deal with this labor shortage. (This is why we are launching a major new certification program and research study on organization design in business.)

**Figure 2: Projected Path of Employment in the EU, With and Without Fiscal Stimulus ('000s)**



Source: Bureau of Labor Statistics, Citi Research

We also have the challenge of worker burnout. There are almost 11 million open positions in the United States,<sup>9</sup> and more than 3% of all workers are voluntarily leaving their jobs each month.<sup>10</sup> This means that the biggest constraint to economic growth isn't just computer chips or manufacturing supply; it's people. So every company will likely be talent-constrained, telling us that we, in HR, are even more important than ever.

We are just finishing our research for *The Definitive Guide to Talent Acquisition* and find that only about 15% of companies are attracting and retaining candidates well. Those that are thriving focus on employee experience, a "healthy organization," and an ever-increasing focus on mission, purpose, brand, and employee growth. So all the things we do in HR to build healthy organizations and expand our recruitment footprint will be needed.

If your company is suffering from turnover, this is a leak you must fix. This year we published *The Definitive Guide: Employee*

<sup>6</sup> *Global Economic Outlook 2022: From Pandemic Downturn to Growth Revival (US Edition)*, The Conference Board, November 2021.

<sup>7</sup> *Technology at Work v6.0: The Coming of the Post-Production Society*, Citi GPS: Global Perspectives & Solutions, June 2021.

<sup>8</sup> "Shortage of 80,000 truck drivers is only going to get worse without change, experts say," *Asher Wildman/ Spectrum News* 13, November 2021.

<sup>9</sup> *Economic News Release, Job Openings and Labor Turnover Summary*, U.S. Bureau of Labor Statistics, November 2021.

<sup>10</sup> *Economic News Release: Table 4. Quits Levels and rates by industry and region*, U.S. Bureau of Labor Statistics, November 2021.

Experience as well as *The Definitive Guide to Wellbeing: The Healthy Organization*. Each of these reports will show you how to manage retention and engagement issues.

The good news is we, as HR leaders, understand this problem and recognize it will continue to be a top priority for the year ahead.

## **Hybrid work will evolve: enter the metaverse.**

Hybrid work is now a well-accepted business practice. We wrote the playbook on this topic<sup>11</sup> and almost every company is reinventing “where to work” and “how.” Several studies have now shown employees like this new situation. More than 50% of employees are willing to forgo as much as 5% of their pay for the option to work at home.<sup>12</sup>

However, as new research points out, many leaders expect people to come back to the office. A new study found 70% of leaders want their teams back in the office while fewer than 40% of line workers feel the same.<sup>13</sup> Many executives miss their corner offices and the power of personality; they believe true career growth requires face-to-face interaction.

While the jury is still out on fully returning to the office (many tech companies have explicitly told people they can work remotely forever), it’s clear this is an issue that will be with us for some time. While nobody likes a long commute, as more and more people show up, others will also want to be there.

The old idea that working at home was synonymous with goofing off is gone. We can now accept that hybrid work is normal. And deskless workers, who make up almost 70% of the global workforce, are getting new tools and more flexibility.<sup>14</sup>

The big trend in 2022 will be better, virtual tools (Teams, for example, has myriad new features to help schedule, manage, coordinate, and record meetings) and the emergence of the metaverse.

I’ve been working with AI for almost five years, and I do believe the potential is huge. Right now, with Facebook (Meta) and Microsoft (Dynamics 365 Connected Spaces and Microsoft Mesh) pushing the agenda (see Figure 3 on the following page), I can see many of you experimenting with AI in 2022. Our experience with STRIVR® (VR for training), Mursion (Avatars for soft skills), and other tools shows tremendous impact. Dow, for example, is using Mursion’s avatar-based simulations to develop leadership capabilities. AstraZeneca is piloting what it calls XR (extended reality) onboarding for researchers. This will, and should be, something you investigate this year.

I recently published an article called “[What Is the Metaverse?](#)” and it is not something to be afraid of. On the contrary, these new digital experiences will further transform the definition of hybrid work, as well as onboarding, training, collaboration, meetings, and, of course, entertainment and commerce. Imagine, for example, a staff meeting where everyone can interact and move around (as if they were really there), but without spending five hours flying across the country. There’s a big future here.

## **Learning, skills, and career pathways will become business critical.**

The corporate learning market has never seemed so vibrant and healthy. And there’s good reason. Companies desperately need to reskill and redeploy workers, and the L&D (learning and development) market is responding faster than ever.

I started studying L&D back in 1998 when I got involved in the early days of e-learning. Since then, companies (and investors) have typically viewed corporate training as an important must-have but certainly not as a competitive advantage.

Well, that has completely changed. Today every single company executive is worried about skills. Not only have companies been redeploying, moving, and rethinking jobs and roles all over the world, we now have a skills-centric mentality

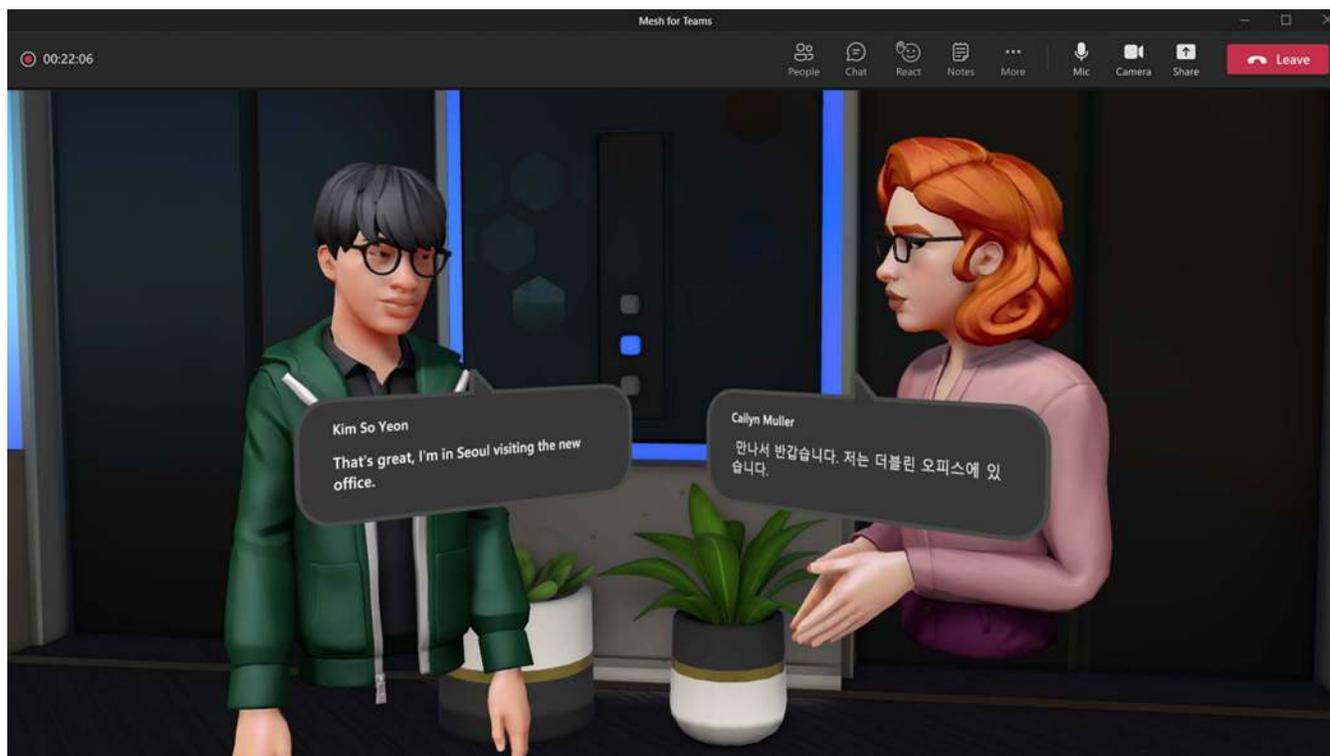
11 *The Big Reset Playbook: Hybrid Work*, Josh Bersin; Kathi Enderes, PhD; Janet Mertens; and Mark Spratt/The Josh Bersin Company, 2021.

12 “*Work remote after COVID? Nearly 50% of US workers would take a pay cut for it, survey says*,” Terry Collins/usatoday.com, November 2021.

13 “*What Bosses Really Think about the Future of the Office*,” David Gellis/nytimes.com, November 2021.

14 “*Bersin: Why it’s time to build a new, improved deskless reality*,” Josh Bersin/hrexecutive.com, October 2021.

Figure 3: Avatars in Mesh for Teams



Mesh for Teams users can take their avatars into immersive spaces to experience those serendipitous encounters that spark innovation.  
Source: Image courtesy of Microsoft

that leads CEOs and CFOs to start thinking about what skills are missing among their workforces.

Chevron, for example, is working on the new generation of energy engineers to move the company beyond carbon. Ericsson is reskilling every business function around the technology and business models of 5G<sup>15</sup>. Intel is embracing AI. Autodesk is integrating its products to meet the new demands of integrated architecture and engineering. Healthcare companies like Kaiser Permanente are building a new generation of care and IT careers. And companies like Target, Walmart, and Amazon are learning about distribution, customer experience management, and new models of retail.

This means L&D organizations must upskill their own teams. Chief learning officers (CLOs) are now responsible for

capability academies, for supporting corporate skills taxonomy projects (more on this later), and for determining what technologies and content to buy.

There are three huge issues for L&D leaders this year:

1. Building capability academies<sup>16</sup> (end-to-end learning strategies led by the business).
2. Cleaning up and integrating all L&D technologies and tools.
3. Working with the rest of HR to implement a skills taxonomy for the future.<sup>17</sup> And this imperative is starting to pick up speed.

Companies are also integrating their L&D investments with their urgent workforce needs. Walmart, for example, sees a need for thousands of pharmacists in its stores. So the company is building a series of what we call “career

15 In telecommunications, 5G is the fifth generation technology standard for broadband cellular networks (Wikipedia).

16 “*The Capability Academy: Where Corporate Training Is Going*,” joshbersin.com, October 2019.

17 “*What Is a Skills Taxonomy Anyway? Understanding the Market for SkillsTech*,” joshbersin.com, podcast, April 2021.

pathways<sup>18</sup> to show various employees how to train for these positions. Healthcare providers are providing career pathways for clinical and IT roles. And almost every company is building career pathways to develop cybersecurity specialists.

Note that a career pathway is not a “career path.” It’s a series of carefully designed development steps (and roles) that take an individual from a current role to a role that is in higher demand, and often better paying. Skills data shows the adjacent skills that make this possible.

And while all this is happening, the market itself is starting to consolidate. For many years, the current \$360 billion corporate training market has been expanding, splintering, and shifting toward new online content players, learning-in-the-flow of work solutions, learning experience platforms, and a huge market of tools for skills inference, skills recommendation, and skills taxonomy development.

The VC and private equity players have poured money into L&D-related vendors. Companies like BetterUp (now valued over \$4 billion), Udemy (now public with close to a \$4 billion valuation), Articulate (which just raised \$1 billion in cash), 360Learning

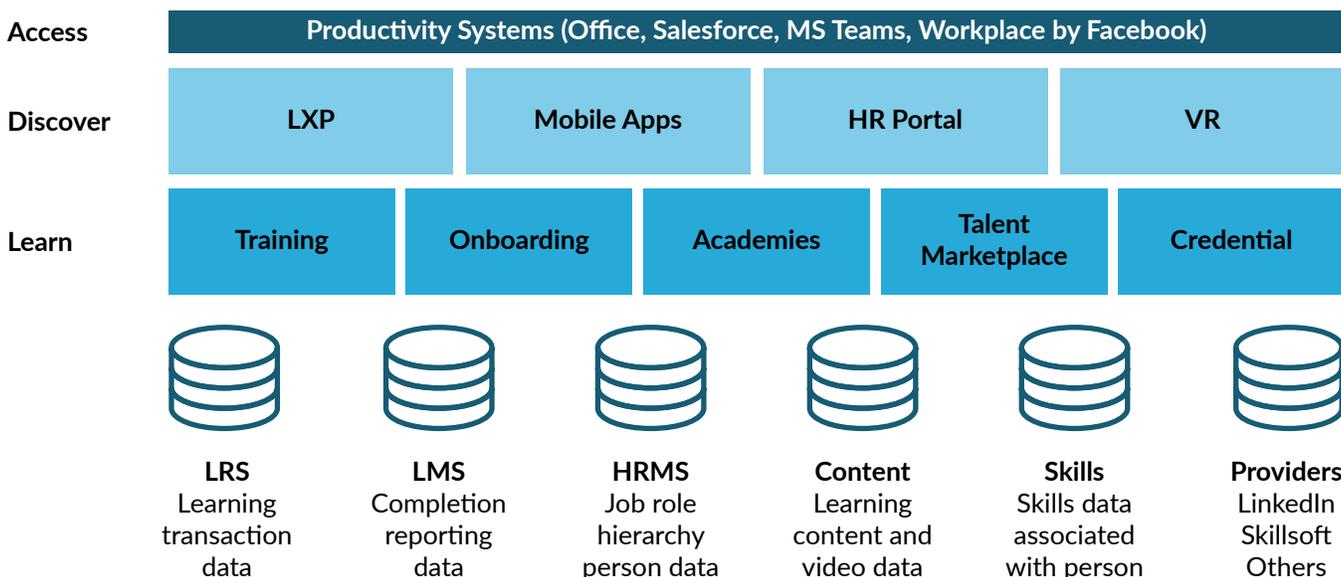
(which just raised \$200 million), Degreed (valued at well over \$2 billion), and Cornerstone (which went private at \$5.1 billion) are all growing like crazy. The ERP players such as Oracle, SuccessFactors, and Workday have been less successful. Why? Because the innovation cycle in learning is accelerating.

This year we will see Microsoft’s Viva Learning, LinkedIn Learning Hub, Cornerstone Xplor, and other innovative companies come to market with an evermore exciting set of tools. But the market is starting to mature. L&D and HR leaders don’t want ten different learning platforms and the vendors are feeling the heat. Many of the smaller standalone players are starting to merge, and I do think the market will consolidate.

If you are in corporate L&D, you’ll want to create a learning infrastructure that pulls the different pieces of the tech ecosystem together to help learners build needed skills and capabilities for the future (see Figure 4).

What should you do to adapt? I recommend two important things: First, you should put in place a team that focuses on your SkillsTech architecture and the relationship between your

Figure 4: The Learning Infrastructure



Source: The Josh Bersin Company, 2021

18 A “career pathway” is a series of career steps, designed through skills adjacencies, that show an individual how to move to a more valued, in-demand career. This is one of the most important new initiatives in HR, and skills and job data now make this possible.

skills strategy and career, recruiting, mobility, and pay. This team should start to understand the technology and consider issues such as:

- How will we curate and manage the taxonomy?
- How can we redesign our job architecture to consolidate skills across roles?
- How will we assess skills in various roles?
- How will employees see and interact with the platform in their profiles?
- What third-party external skills data do we need?

Second, it's important to focus the effort on critical job roles or capability areas that matter. When it comes to skills, no company can possibly “boil the ocean” across the entire enterprise, yet HR technology may infer skills everywhere. So the best approach is to start with critical capability groups and then work with capability champions (business or functional leaders) who can help drive the agenda forward.

A large high tech manufacturer, for example, has decided that every engineer and scientist must understand the disciplines of AI. The company assigned a senior leader in engineering in this area to be the capability champion who partners with the CLO to create an architectural plan. Like others, the company is experimenting with multiple tools to figure out which vendors will work best.

Let me also add that SkillsTech is still a young market. While most of the vendors claim to have advanced skills inference, recommendation, and curation tools, in most cases these are immature. It's important to select a few key vendors you like and then work with them over time.

Vendors in this area include:

- **HCM:** Workday, SuccessFactors, Oracle
- **Recruiting:** Eightfold, Beamery, iCims, Avature
- **Talent Marketplace and Career:** Gloat, Fuel50, Hitch, PeopleFluent
- **Learning:** Cornerstone, Degreed, Edcast, Valamis, Microsoft (Viva Learning), LinkedIn, Percipio
- **Cross-Domain Talent Intelligence:** SkyHive, Eightfold, Censia, Retrain.ai

## Coaching will develop PowerSkills in everyone.

Of all the L&D issues companies face, one of the hottest of all is PowerSkills—teaching people how to lead, work in teams, collaborate, communicate, tell stories, and think strategically.

We coined the term “PowerSkills” in 2019, when we started our work with the [Greater Good Science Center](#) at the University of California, Berkeley. We recognized that skills like empathy, forgiveness, humility, and awe were the most powerful and sustainable skills in business. While these kinds of “softer skills” were not widely discussed prior to the pandemic, we now know they are essential to success.

Learning and developing these soft skills is difficult. Important skills like time management and strategic thinking do not come easy. Every company has its own context for these capabilities and we need to learn them together, in teams, and with leaders. Some of our research with Mursion shows that people are very willing to express their vulnerability when the environment is right. And the pandemic created just this situation. We wrote an entire playbook on the need to foster human-centered leadership skills.<sup>19</sup> These kind of skills, capabilities, and behaviors, which put people first, ensure business success will follow (see Figure 5 on the following page).

Verizon, for example, felt a desperate need to train leaders and supervisors on the process of checking in with people, listening to their challenges at home, and giving them more flexibility with work. They created a series of all-hands leadership meetings to share ideas, identify what works, and let managers express their own frustrations during the pandemic.

One of our large clients, a global technology company, sees its entire customer base starting to integrate its needs across various industries. The company is set up as independent product groups, each of which solves one part of this entire complex problem. The company created a PowerSkills program to focus on systems thinking, training leaders and professionals what this new, integrated customer experience looks like. This program is creating more internal mobility and teaching people how each part of the product set fits together.

---

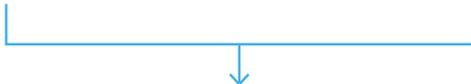
<sup>19</sup> [The Big Reset Playbook: Human-Centered Leadership](#), Josh Bersin; Kathi Enderes, PhD; and Mark Spratt/ The Josh Bersin Company, April 2021.

Figure 5: Business- vs. Human-Centered Leadership

Business-Centered	Human-Centered
Lead the business People coming along for the ride	Lead the people They drive the business forward
Goals, rewards incentives, alignment	Inspiration, skills, empowerment, relationships
Drive innovation with execution, innovation in a silo	Execution demands innovation every day
Focus on growth and change	Learn from problems to evolve organization
Proud, confident, knowledgeable, decisive	Humble, empathetic, listener, growth mindset
Focused on the inside, managing the company	Focused on outside, listening to customers, market
Pick favorites, rely on trusted confidants to succeed	Look for diverse performers, open to new people
Focused on problem-solving, accountability	Focused on systems thinking, why problems occur
Targets, budgets, plans	Vision, goals, and growth perspectives
Driven by financial success, job promotion	Driven by purpose, mission, grit, and passion
Massive change programs and initiatives	Iterative change, series of small, measurable steps



**Business First, People Second**  
*"People as a means to an end"*



**People First, Business Second**  
*"People as the purpose of the business"*

Source: The Josh Bersin Company, 2021

The coaching industry is also on fire. Vendors like BetterUp, Torch, CoachHub, and many others are now digitally connecting coaches to professionals at all levels. This democratization of coaching is a breakthrough new solution that dramatically reduces the cost and gives the benefits of coaching to everyone. Companies like Cultivate nudge leaders to listen more, talk less, and act with empathy and ethics.

We believe that, in 2022, the focus on coaching and PowerSkills will continue to grow, and every company will revisit its leadership model to identify which PowerSkills are right for the business.

## 5 Talent acquisition and internal mobility will converge.

When I interviewed the head of talent acquisition for HSBC, I felt like I was talking with an L&D leader. He understands, through his experience with the company's internal talent marketplace, that over 50% of all hiring will be done internally. So his team is working on this integrated supply chain of talent, not just filling empty seats.

Rather than just looking into the external candidate pool when trying to find talent, HSBC and many others are now identifying skills, experiences, and qualifications from internal and external sources to find the right fit for open positions (see Figure 6 on the following page).

Figure 6: Matching People to Opportunities

Self-Assessment and Promotion	Job Discovery Analysis and Skills Matching	Selection, Interviewing, Fit, Onboard, Hire	Measure, Develop, Grow, Reward
<ul style="list-style-type: none"> <li>• Fill in profile</li> <li>• Assess interests</li> <li>• Identify skills</li> <li>• Categorize experiences</li> </ul>	<ul style="list-style-type: none"> <li>• Infer skills in jobs (AI)</li> <li>• Infer skills from experience (AI)</li> <li>• Assess skills manually</li> <li>• Recommendations</li> </ul>	<ul style="list-style-type: none"> <li>• Post jobs, schedule interview</li> <li>• Pay, salary, grade, growth</li> <li>• Onboarding</li> <li>• Move, relocate</li> </ul>	<ul style="list-style-type: none"> <li>• Fill development gaps</li> <li>• Accommodate missing skills</li> <li>• Set performance goals</li> <li>• Assess success or failure</li> </ul>
Employee Profile and HRMS Integration	AI and skills identification and matching	Recruiting and assessment features	Performance and development features

Source: The Josh Bersin Company, 2021

This is going on in many companies (if not every company). Not only is it expensive and difficult to hire externally but also if the company is “leaking people,” it will never be able to hire fast enough. Amazon, for example, has more than a 150% turnover rate in its distribution centers.<sup>20</sup> This means it has to rehire almost a quarter of its workforce every month just to stay in business. No company can survive this way for long.

Recruiting itself is being automated and improved. Companies like McDonald’s can now recruit candidates entirely through mobile devices, without even using an ATS (instead, it uses Paradox.ai). Companies like Bayer Pharmaceuticals rely on the intelligence of Eightfold.ai to source candidates based on their scientific expertise, reputation, and experience; the companies completely ignore current job titles. And with automation from vendors like iCims, Avature, LinkedIn, SmartRecruiters, Beamery, PeopleFluent, and many others, companies are reengineering their recruiting to be more integrated than ever before.

Our Talent Acquisition research also points out that employment brand, reputation, and a company’s purpose and mission are more important than ever. For many years, we’ve seen companies upgrade employee experience (EX) initiatives to be more growth-oriented, inclusive, and supportive. Now, in a world where the economy is growing much faster than the labor market, this has become essential. In fact, if you

aren’t making your EX “irresistible,” I can guarantee your recruiting will be more difficult.

Our research also shows recruiting skills are more important than ever before. The days of selling a candidate on your company are over. Recruiters have to know how to source, how to assess, and how to work with hiring managers in a subtle and consultative way. So it’s time to automate all the tactical screening and scheduling activities and help your recruiters be extremely strategic.

And the opportunity of internal mobility has become massive. For example, Sitel Group uses behavioral assessments to match behavioral skills of employees with open positions to identify and shortlist people who might be good fits for those roles. One leader told me recruiters have turned into internal headhunters who search inside the company to find the right person for an open job. Coupled with the growth of a talent marketplace, this is a whole new way to recruit.

## 6 Every company will need a talent marketplace platform.

I think the breakup of GE is a telling moment in time. It’s time to put a nail in the coffin of the “top-down, management-led” organization. Even the *Wall Street Journal* now notes<sup>21</sup> that “GE’s idea of a management magic is flawed.”

20 [The Amazon That Customers Don’t See](#), Jodi Kantor, Karen Weise, and Grace Ashford/nytimes.com, June 2021.

21 [“GE and the Belief in Management Magic,”](#) Jason Zweig/wsj.com, November 2021.

For most of my career, we had a belief system that all good decisions are made by top leaders. This management style then delegated smaller decisions down the pyramid. For key talent decisions (who to hire, who to promote, who to move to a new role), we assumed that managers had the right answers. So we built all sorts of tools (such as nine-box grids, ranking systems, rating scales, assessments) to validate management's decisions about people.

Now these beliefs are coming apart. As the GE story shows well, top managers do not always know what to do. They have lots of insights and perspectives, of course, but many of the best decisions in any company are made at the bottom, from the people who have an up-close view of the work and related issues. In fact, the whole idea of jobcrafting and empowering frontline workers has become a big theme in disruptive growth.

The talent marketplace makes this happen. When you open up internal opportunities to people inside the company (and this means jobs, projects, mentors, assignments), you get the power of marketplace dynamics. Highly expert and ambitious people rise to the top; projects get staffed with the best people (not just the leader's favorites), and everyone feels more empowered.

And in a world where it's harder than ever to find external candidates, the marketplace becomes essential. I firmly

believe that an internal talent marketplace is becoming one of the most important systems that should exist in a business.

The talent marketplace has been slow to mature. In the early days I worked with companies trying to build complicated internal career systems. Many were not very successful. They always fell behind timelines, were hard to use, and were often resisted by managers.

Fuel 50, a company that pioneered the automation of career pathing, stumbled on the marketplace opportunity first. Then companies like Gloat, Hitch, Avature, PeopleFluent, Eightfold, and others jumped in, and today this is one of the hottest markets in HR.

Historically this area was called "career development." Most organizations had career models, nine-box grids, and all sorts of old-fashioned ways to help employees figure out where to go next in their careers. The problem with this approach is that it simply does not move fast enough. So now companies are embracing internal platforms that help managers find staff to help with projects and help employees find mentors or new jobs. The most successful companies put career mobility into the hands of the employees and help them move into the direction of which they are most passionate with an agile model (see Figure 7).

Figure 7: Three Options for Talent Mobility

Planned	Facilitated	Agile
<ul style="list-style-type: none"> <li>Linear career paths</li> <li>Planned and managed</li> <li>Functional in nature</li> </ul>	<ul style="list-style-type: none"> <li>Vertical and horizontal</li> <li>Facilitated, not planned</li> <li>Based on aspirations</li> </ul>	<ul style="list-style-type: none"> <li>On-demand need-based</li> <li>Changeable quickly</li> <li>Gig and project oriented</li> </ul>
<b>Pros and Cons</b>		
+ Easy to understand, modeled in job market	+ Supported by leaders, fits succession needs	+ Badly needed today, new model of work
- Long time to build, may become out of date	- Requires cultural shift, changes role of manager	- Demands new systems and new company culture
<b>Processes Needed</b>		
Development Planning	Development Coaching	Transparent Workforce Plan
Self-assessment, clear career goals	Self-assessment, purpose and direction	Development need, current passions

Source: The Josh Bersin Company, 2021

Today there is a specialized category of vendors that uses AI to match employees to opportunities in the company. Soon, this capability will be part of a feature set in your company's talent intelligence platform, and you'll use this for mobility, career development, growth, and eventually for determining pay. A leader from a large pipeline company pays people based on their skills certification, so its employees are now looking for new opportunities at a rate never seen before.

While a talent marketplace is a highly successful solution and one that most companies will pilot in the year ahead, it's a bit more complicated than it looks. You have to simplify job architectures, decide what technology you'll use for skills and development (most talent marketplace platforms don't support learning), and then think about how you'll manage performance, pay, and promotion as people start moving around. For example, Truist started an internal talent marketplace as part of a megamerger of two banks to help with moving people into new roles. The solution was so successful that it spread like wildfire. Employees also wanted to use the solution to find projects, gigs, and other types of connection opportunities, so the company connected it with its HCM (human capital management), ATS (applicant tracking software), and LXP (learning experience platform).

Each vendor in this space brings a slightly different perspective, so it's worthwhile to do an RFP (request for proposal) or call us for help. I do believe the innovations we're seeing in this category will ultimately become incorporated into core platforms pretty quickly, so pick your vendor carefully.

## **Talent intelligence and skills taxonomy will become the cornerstone of your people strategy.**

As the economy grows and companies transform, every organization is trying to figure out the skills its employees possess, the skills that are needed, and where the gaps are. These are not just L&D issues—they're actually talent intelligence issues.

Automakers are becoming electric vehicle and AI companies; healthcare companies are becoming IT and digital health companies; pharma companies are diving into genetic

engineering; oil companies are moving into renewable energy and services; and telcos are reinventing their businesses with 5G and content. In every single case, senior leaders are trying to determine what skills they need next.

In the old days we would hire experts. Or just hire new employees with the needed skills. While these approaches certainly work, they aren't sustainable, nor do they solve challenges quickly. Solving the skills challenge requires building a skills taxonomy—one of the biggest trends in HR. However, this is something that takes a measured, careful approach. The vendors in this space are very new and immature; simply installing the Workday Skills Cloud and looking at the 50,000 employee skills identified is simply not going to provide you with the answers you're looking for.

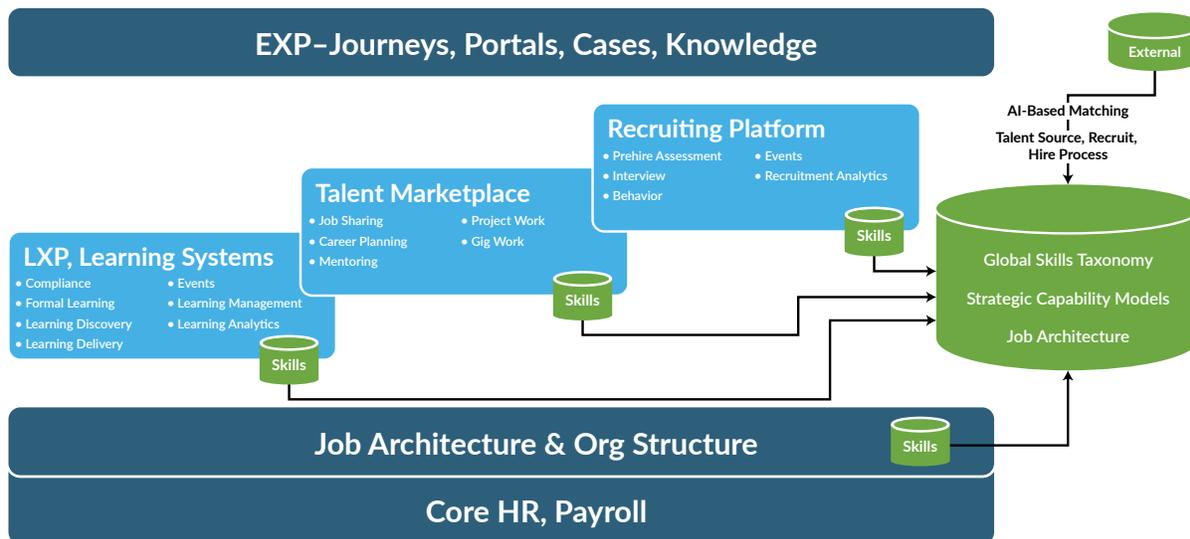
We have done a lot of work in this area, and we'll share what we've learned at our upcoming Irresistible conference in May. You will be focused on skills in 2022 because your learning, recruiting, mobility, career, and pay systems all rely on it. Rather than defining skills differently in all these systems, the skills taxonomy creates a common language—the basis for your "talent intelligence layer" (see Figure 8 on the following page). But it's important to take a focused approach, rather than trying to "boil the ocean."

In 2022, you'll need to create a skills architecture team, bringing together the COEs that need to be involved. You'll need to assign what I call "capability leaders" to each strategic area of your company, but not HR people; instead, they should be business or functional leaders. This will then enable you to build a multiyear roadmap for identifying critical capabilities, assessing and selecting SkillsTech, looking for external data, and then applying this information to the problems of recruitment, mobility, training, and rewards.

For HR this means building a new center of excellence (COE), the COE of skills architecture. This new team will own job architectures, skills technologies, skills taxonomies, and the coordination of the capability academies. It's one of the biggest changes hitting HR in years (probably as big as the emergence of employee engagement and employee listening).

Our experience with this challenge comes from the [Josh Bersin Academy](#), which has helped us build our [Global HR Capability Project](#) for more than two years. More than 100

Figure 8: The Talent Intelligence (Skills) Layer



Source: The Josh Bersin Company, 2021

companies have helped us build our model, and we now have 94 capabilities clearly defined, assessed, and benchmarked. We built capability accelerators for each of capabilities and to determine what content, skills, and developmental assignments are needed. And we are just getting started!

HR leaders will want to incorporate skills initiatives into your strategic plans. Sales academies are very common, as are leadership academies. But before you rush out and try to build a global skills taxonomy, you need to decide where to start. Then the learning curve goes fast and you can replicate the process from one area of the business to another.

## 8 The intense focus on employee experience will become mainstream.

If there's any ubiquitous phrase in HR, it's "employee experience." Every HR leader, vendor, and consultant is now focused on this and the topic is accelerating this year. It's an incredibly complex topic that comprises all sorts of topics from the mundane (I had an issue on my commute) to the interpersonal (I don't get along with my teammates) to the highest order (I want to feel like I can trust the company and

its leaders), and so we wrote *The Definitive Guide: Employee Experience*, showing you how to become an irresistible organization (see Figure 9 on the following page).<sup>22</sup>

In 2022, I believe we will be clearer about this topic, so let me explain what's happening.

Despite the vendors all telling you how to do this, the real problem of employee experience (EX) takes place in four stages:

First, you have to listen to people, analyze, and identify your problems. This may mean, as Deutsche Telekom did, creating employee personas and then creating "design centers" around each major employee group. Truck drivers, retail workers, IT professionals, and senior leaders all have different issues, so before you start buying things, you have to define the problem.

Walmart, for example, came to the conclusion they needed to purchase mobile phones for all their workers. Many manufacturers create phone channels, wall placards, and other communication for employees with no email addresses.<sup>23</sup> Retailers need a system like Legion (an advanced workforce scheduling platform) to communicate with store workers.

<sup>22</sup> *The Definitive Guide: Employee Experience*, Josh Bersin and Kathi Enderes, PhD/The Josh Bersin Company, July 2021

<sup>23</sup> *The Big Playbook: Deskless Workers*, Josh Bersin; Kathi Enderes, PhD; Nehal Nangia; and Mark Spratt/The Josh Bersin Company, 2021.

Figure 9: The Irresistible Organization

Meaningful Work	Strong Management	Positive Workplace	Health and Wellbeing	Growth Opportunity	Trust in the Organization
					
Job and values fit	Clear goals with stretch opportunities	Tools, processes, and systems to get work done productively	Safety and security in all aspects of work	Open, facilitated job and role mobility	Mission and purpose beyond financial goals
Autonomy and agency	Regular coaching and feedback	Appreciation, recognition, and rewards	Personal fitness, health, and physical-wellbeing support	Career growth in multiple paths	Transparency, empathy, and integrity of leadership
Agile teams and supportive coworkers	A focus on management development	Flexible hours and workspace	Psychological and emotional wellbeing and support	Many forms of learning as needed	Continuous investment in people
Time to focus, innovate, and recover	Transparent, simple performance management	Inclusive, diverse, and a sense of belonging and community	Family and financial support	A culture that supports learning	Focus on society, environment, and community

### Technology and Services

Foundation (security and access); support systems; insights apps; talent apps; communication apps; work technology



Source: The Josh Bersin Company, 2021

And tools like Medallia, Perceptyx, Glint (part of LinkedIn), and Peakon (now part of Workday) are being reinvented to create “total listening platforms” to help you understand what the issues are.

Second, you need to build a multifunctional team. Once you understand the design issues of your various workforce groups, you need to respond with a holistic strategy. This means bringing together IT, HR, facilities, safety, legal, and even operations to help. This EX team can then look at the top priority issues and decide what interventions, tools, or long-term investments are needed.

Third, you need to look at service delivery. All employees want self-service, but they also need to talk with the local HR business partner, IT service center, or HR service center for different issues. EX at its core is a service-delivery strategy, so we have to rethink how delivery is set up. Bank of America, for example, created a dedicated service-delivery team for retail banker onboarding. This team follows cohorts during their entire first year journey.

Fourth, you need a long-term roadmap. EX is not something you solve in a single year. It’s a new lens for long-term investments. Should you build solutions in Viva, for example? What is the role of ServiceNow, the Journey tools in your ERP,

and chatbots? Is there a new case management or knowledge management system needed? And how will AI make all these EX solutions better?

I don't think this craze is going away. If anything, it's getting bigger. Companies are becoming more focused and sophisticated in this area, and *The Definitive Guide: Employee Experience* (and new benchmark scorecard) will help.

## 9 Diversity will be reframed as "belonging, equity, and inclusion."

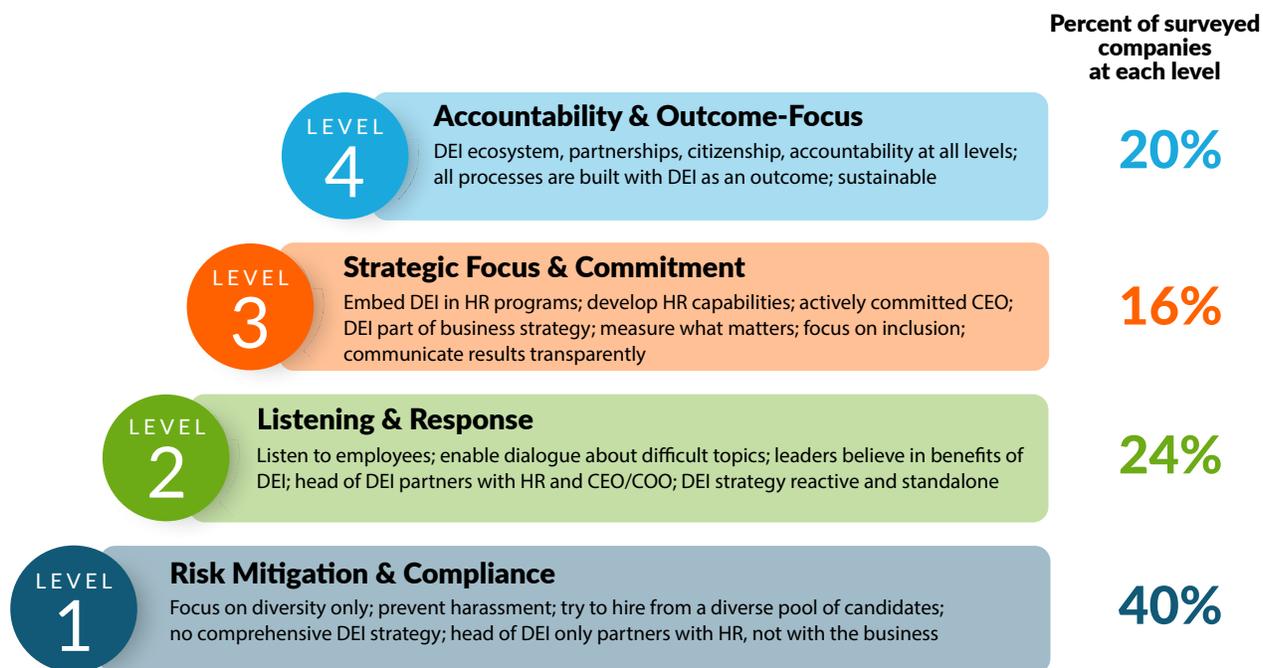
Let me take a risk and say that in 2022, we may be able to make a dent on this terribly difficult problem. Our Elevating Equity research<sup>24</sup> finds that diversity, equity, and inclusion (DEI) is an unsolved problem in business, and despite years of effort, most companies see this as a work in process. Despite the hard work by DEI leaders and many CHROs, only 20% of companies hold themselves fully accountable for inclusion and diversity (and 40% still see DEI as a compliance issue to avoid legal, reputational, or compliance risks). Our maturity model (see Figure 10) shows how companies progress on the journey to elevating equity.

The pandemic taught us all one important lesson. If people don't feel safe, they won't be productive, innovative, or reliable. So above all, as Maslow's Hierarchy of Needs clearly states, we need to create a workplace that is safe, supportive, and inclusive.

"Safe" means different things to different people. For an African American woman, a young Asian engineer, or an Hispanic nurse, "safety" is complex. Such employees may not feel safe because people dismiss them, they aren't invited to meetings, or others don't acknowledge them. Or for instance, I recently read an article referencing a female restaurant worker who quit her job because she was sick of customers saying, "Hey, would you pull down your mask so we can figure out how much to tip you?" Too many employees have to deal with these kinds of microaggressions in their everyday work lives

As our research finds, creating equity and inclusion is not solved by hiring more people of color or promoting more women into management roles. While such actions are definitely important parts of the solution, the bigger issue is reframing business as an inclusive, supportive place to work.

Figure 10: DEI Maturity Model



Source: The Josh Bersin Company, 2021

<sup>24</sup> *Elevating Equity: The Real Story of Diversity and Inclusion*, Josh Bersin and Kathi Enderes, PhD/The Josh Bersin Company, 2021.

Companies are, in many ways, separate communities. If a company’s policies aren’t fair and employees don’t feel as if they belong, they’ll simply jump to another community. And the employer will lose out.

Our Big Reset research on deskless workers focused on human-centered leadership<sup>25</sup> this year because hundreds of HR executives kept telling us the key to addressing pandemic-related challenges was not simply the creation of safe physical workplaces but the creation of caring, respectful, flexible, and empathetic work environments. Such related competencies are very important PowerSkills. Ford, for example, considers “care” as one of the top characteristics of a leader. So does Microsoft.

In 2022, I believe companies will build on the sense of belonging they created during the pandemic to further refine their DEI programs. And given the highly competitive labor market, companies will relax many of their assessment criteria and be ever-more inclusive for hiring.

**10 Pay and rewards will get a serious refresh.**

Of all the HR domains we study, pay practices are still the most traditional of all, even while wages have been rising and hiring challenges increasing.

In 2022, I believe rewards and recognition will get fresh eyes.

Our latest *Definitive Guides* on employee experience and healthy organizations discovered that equitable and fair pay is among the greatest drivers of employee satisfaction.

This does not mean we have to pay people more (which often we do). It means we have to focus on pay equity, transparency of process, and fairness in reward and recognition. In fact, if you want to win the war for talent in 2022, fair pay may be one of your biggest techniques.

Companies with a lot of hourly workers—retail, hospitality, healthcare, manufacturing and more—now increasingly realize that people want access to the money they earned as soon as they earned it, breaking open the old way of processing payroll biweekly with on-demand pay (see Figure 11). With new technology, it’s now possible to do this without burdening the employees with heavy loans, using ATM-like features to dip into already-earned money before payday.

Vendors like DailyPay help with that, and it’s been a game-changer in attracting and retaining key talent for Metz Culinary and Houston Methodist.<sup>26</sup> Early access to pay is another weapon in the war for talent. It can also mitigate financial stress, so it helps you with health and wellbeing, too.

Making pay and recognition fair and equitable needs to be a priority for every company. Salesforce has been on this journey for five years, working tirelessly to fix the gender pay gap and other pay inequities by spending millions of dollars

Figure 11: The History of Early-Pay Access

Check Cashers Salary Lenders	Payday Loan	Cash Advance	On-Demand Pay
B2C Post-dated salary checks Daily fees Heavy burden	B2C High-interest loan Payday loan company funds Debt rollover	B2C Debit employee accounts Overdraft fees Digital version of payday loan	B2B On-demand company funds Tapping into earned income Flat fees or memberships
“Loan sharks”	“Payday lenders”	“Digital payday lenders”	“The ATM for your pay”

Source: The Josh Bersin Company, 2021

25 *The Big Reset: Deskless Workers*, Josh Bersin; Kathi Enderes, PhD; Nehal Nangia; and Mark Spratt/The Josh Bersin Company, 2021.

26 *On-Demand Pay: Real-Time Pay to Make Workers Happy*, Josh Bersin and Kathi Enderes, PhD/The Josh Bersin Company, 2021.

with equity adjustments every year. The company has also looked at the problem holistically, reviewing hiring practices, learning opportunities, and promotion decisions to mitigate bias. Employees now trust the company to do right by them in rewards and recognition. Unilever even built its own total rewards system, uFlexReward, to accurately understand compensation real-time, and it now leads in pay equity in the UK.<sup>27</sup>

New technologies including nudging to fit into work and meeting practices, goal-setting, career opportunities, compensation, and recruitment decisions can also help. But the biggest factor in creating equity is the culture of the company and moving toward a system that rewards those who do the essential and best work. That's why we are studying rewards and recognition in a big way in 2022.

## Sustainability and global climate change will become HR priorities.

In many ways, HR is a “canary in the coal mine” when it comes to corporate culture. Every new issue that impacts employees—such as diversity and inclusion, fairness in pay, and mental health—reaches HR first, and then becomes visible to CEOs and CFOs. This is also the case with climate change.

While climate change is daunting to fix, to say the least, we all have to pitch in to heal and repair the damage that has been done. In my case, we've seen several years of fires, drought, and warming in my California neighborhood.

For employers, there are two big issues at stake. First, every company now has a brand and responsibility to address global climate change in a real and meaningful way. Chief sustainability officers are now coming into their own, and they are looking at the supply chain, manufacturing practices, and eventually employee use of energy, commute, and other factors. ServiceNow just announced a commitment to help convert companies' ESG (environmental, social, and governance) goals into reality by providing visibility and transparency across their programs and initiatives.

The second more important issue for HR is the impact on employment brand. More than 65% of people say they

will not work for a company that does not have a focus on sustainability, carbon neutral strategies, and environmental protection.<sup>28</sup> On the flip side, our Healthy Organization research shows that companies that prioritize sustainability are much more likely to be considered a great place to work, have much higher employee retention rates, and even see higher levels of customer satisfaction and loyalty.<sup>29</sup>

U.S. pharmaceutical company Genentech, for example, is acutely aware of the impact of climate change anxiety on the health and wellbeing of its employees. Workers have been bringing their concerns right to the CEO, and the company is in the process of coordinating a range of individual and organizational actions to combat climate change.

HR leaders now have the responsibility to lean in to this problem and demonstrate its impact on the business. Similar to DEI, in which HR leaders are both owners of the problem and the brand impact, global climate change will only get more pressing, so you have to incorporate it into your strategy.

## Companies will need to rearchitect their HR technology.

The HR technology market goes in waves, and we are entering a whole new layering of solutions. For many years, we focused on process integration, and companies bought integrated talent management systems. In this period, vendors of importance included Taleo, SuccessFactors, and PeopleSoft.

In the late 2000s, along came mobile and the cloud. Now all these systems became cloud-based talent platforms and vendors like Cornerstone, PeopleFluent, Workday, and ADP took center stage. While mobile felt like a big innovation, mobile access turned into a necessary feature. We now expect every technology to be mobile.

In the mid 2010s, we saw a huge wave of innovation. Cloud-based apps are hundreds of times easier to build than licensed systems, so the HR tech market exploded with growth. There has been a new generation of applicant tracking systems; sourcing and assessment systems; learning experience platforms; survey and listening tools; and wellbeing and

<sup>27</sup> [The Definitive Guide: Employee Experience](#), Josh Bersin and Kathi Enderes, PhD/The Josh Bersin Company, 2021.

<sup>28</sup> “Employees want climate-positive action from companies. Here's how they can deliver,” Leyla Acaroglu/reuterserevents.com, December 2020.

<sup>29</sup> [The Definitive Guide to Wellbeing: The Healthy Organization](#), Josh Bersin and Janet Mertens/The Josh Bersin Company, 2021.

culture platforms. This is the period we live in, where almost every vendor can get millions of venture capital in the first few years, and buyers are flooded with options.

Now, entering the early 2020s, we are in a new wave of consolidation, and I believe many of the standalone vendors we see today will merge.

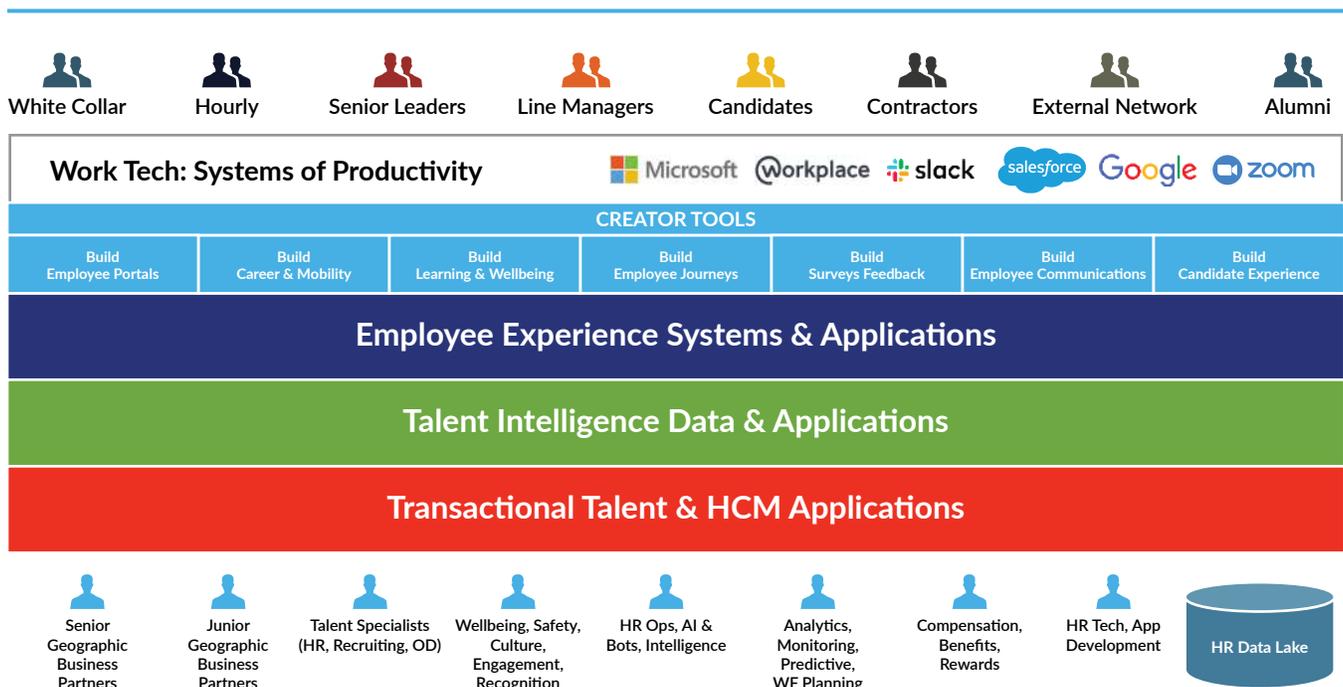
As you can see from the below graphic (see Figure 12), traditional talent management systems are essentially transactional systems (the blue layer). These tools (applicant tracking, learning management, payroll, workforce management) form the basis of everything we do in HR. But in their original design, they were not intended to be “intelligent” or data driven, nor were they designed to be experiential (design oriented). So in the last few years, a new sets of layers have been added.

These new layers, by the way, are typically developed by startup companies so they initially look like new markets. But as in every other part of the enterprise software industry, over time, these market segments consolidate. This is the phase we are just about to enter.

The green area is comprised of talent marketplace systems, skills clouds, skills taxonomy engines, and even intelligent chatbots. These products use and leverage data in transactional systems and add data-driven intelligence powered by AI. Eightfold, for example, is a highly intelligent platform with 1.6 billion people already loaded that helps sourcers, recruiters, and talent planners find, move, and develop their people. Gloat uses intelligence to help people find new jobs and gigs in the company. Degreed and Edcast use intelligence to recommend content.

I put these solutions in their own layer to help companies understand that while ADP, Oracle, SAP, UKG, Workday, and every other core HR system claim to be AI-powered, there are features and capabilities that are very special provided by companies in this layer. For example, how do you import a huge database of skills or content into the system as you go into a new industry? These intelligence systems are different by design. Offerings such as talent marketplaces, LXPs, and intelligent sourcing systems all fall into this area—as do specialized vendors like Eightfold and SkyHive that focus exclusively on this tech.

Figure 12: HR Technology (2021 and Beyond)



Source: The Josh Bersin Company, 2021

In the dark blue layer, we see hundreds of new tools to build onboarding, development, and other employee journeys, as well as systems like ServiceNow that offer case management, knowledge management, and employee portals. Viva Connections will be huge in this space as well. Many onboarding systems and portal tools fall into this layer. Again, all the HCM vendors are building out this kind of functionality as well, but most companies buy specialized tools based on their employee base. I would also add Qualtrics, Medallia, Glint, Peakon, and other survey tools here. You could consider systems like Mya, Paradox, Yva, and other chatbots in this area, even though they clearly use the data in the green layer.

Highlighted in light blue are the “creator tools”—a new breed of technology that helps HR professionals build, design, and create things that employees need. ServiceNow calls these citizen-developer tools. Oracle offers journey design systems. These tools typically require no coding skills and let nonprogrammers build content or workflows that help employees get their jobs done.

Additionally, there is the explosive power of the creator economy in HR. Companies are now realizing if they let employees build and post their own training, they unlock some of the most important learning in the company. We are witnessing the birth of a whole creator economy inside of any company, and new tools from L&D vendors and Microsoft are unleashing this power.

In 2022, these layers will become clearer as every vendor starts to span the entire vertical stack. My point is the entire HR tech market is rapidly changing, and new vendors are upsetting existing ones by adding these layers one at a time.

This gets me to another big change: employee listening platforms. For many years, we bought enterprise survey tools to perform annual or pulse surveys, and that data went to an I/O psychology group that analyzed and reported results. All that is over now.

Vendors like Medallia, Peakon (Workday), Perceptyx, Glint (Microsoft), Willis Towers Watson, and mid-market solutions like CultureAmp, Lattice, and UKG (which acquired Great Place to Work) are all focused on this capability. You simply cannot run a company without listening to your employees, letting them speak up, and analyzing their input and feedback.

Microsoft, for example, does pulse surveys to a randomly sampled subset of employees every business day—equating to approximately four opportunities to participate in pulse surveys per employee per year. To this feedback, it adds insights from Microsoft Viva based on actual digital behaviors and passive listening to get a great comprehensive picture of what’s going on with its employees.

This is a big deal. Every study we’ve done this past year on topics ranging from business resilience to employee experience to talent acquisition has come back with the common finding: *listening to employees* is one of the most valuable management practices we have.

If you’re still running an old survey platform or haven’t yet adopted a continuous listening strategy, now is the time to do it. For example, I just interviewed executives from T-Mobile, which uses Medallia’s crowdsourcing platform (Crowdicity) to let retail workers all over the country suggest new ideas, rate each others’ suggestions, and compliment their peers. The HR team told us this is one of the most popular platforms for retail employees. With the data collected, HR leaders in New York know what retail employees in Hawaii need to make their stores better.

I have written several articles about Waggl that helped PepsiCo decide how to redesign its entire performance management process. These kinds of systems are now essential. Without them, you’re flying blind.

And, as we learned from the pandemic, employees want to trust that you’re listening. Trust, the most highly valued element of employee experience, is built around your ability to listen. This shift in technology is a big topic for the year ahead.

### The people analytics crusade will touch on every aspect of your business.

One of the most interesting parts of my career in HR has been my personal journey through people analytics (PA). When I entered the HR space in 1998, there was a huge, but fairly geeky group of professionals trying to figure out how to measure training. We had the Kirkpatrick model (which I always considered somewhat simplistic), ROI modeling, and all sorts of assessments. I spent many hours with talent analytics professionals sorting out the measurement challenges.

I even wrote *The Training Measurement Book*,<sup>30</sup> which still has relevance today. At that point in time, we were struggling to figure out what data we had, what relevance it could bring, and how we could align L&D and HR investments with various business goals and issues.

Since then everything has changed. Every business area is now automated and driven by data. Sales teams have massive data sets that identify lead flow, the value of various advertisements, and the activity and productivity of sales reps, marketing programs, and presales teams. Our Employee Experience research shows that advanced people analytics are the most impactful tech practice of all (see Figure 13).

Similarly there is detailed data on your company's supply chain, manufacturing process, financial systems, and research

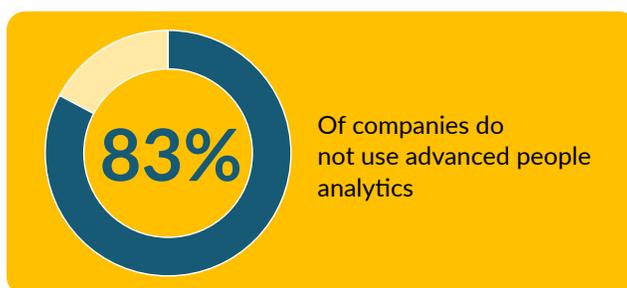
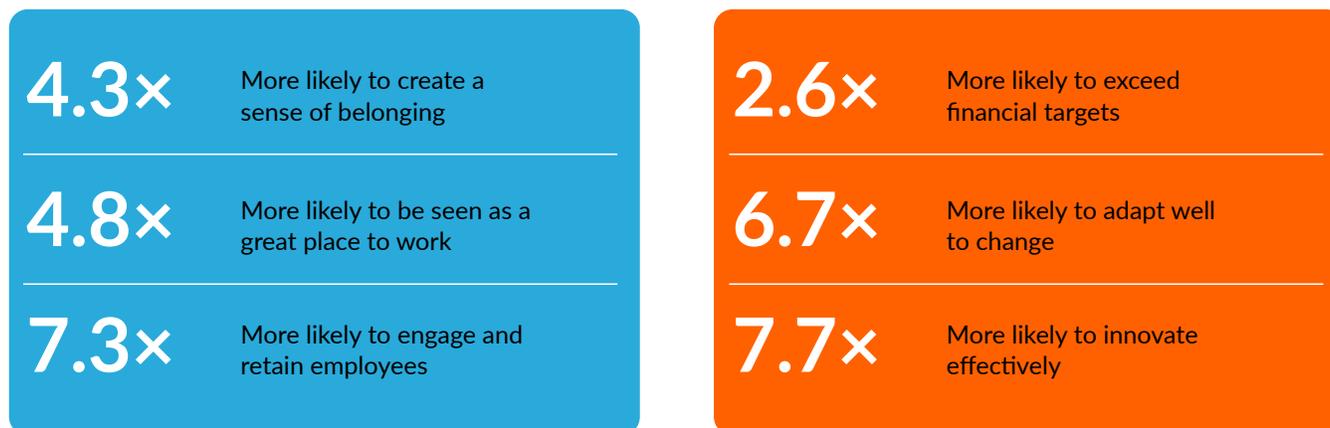
pipeline. Every part of business is now data driven. As more and more of our products become digital, we can go to our cloud provider and figure out who's buying what, what they do and don't like about our offerings, and perform all sorts of analysis of various aspects of the business.

Until fairly recently, HR has been way behind in leveraging analytics. Companies typically have multiple HR platforms tying into other back-office systems. Often there isn't a way to consolidate data for an employee. In an attempt to get around this, we build data warehouses, data lakes, or data portals with the goal of seeing everything we need to know about each employee, contractor, or leader.

Enter people analytics. Today people analytics teams have some of the most sophisticated tools in business at their

Figure 13: Impact of Advanced People Analytics on Outcomes

Companies that use advanced people analytics are:



Source: The Josh Bersin Company, 2021

<sup>30</sup> *The Training Measurement Book: Best Practices, Proven Methodologies, and Practical Approaches*, Josh Bersin/Pfeiffer, 2008.

disposal. Yet, we are still well behind other business areas. In 2022, you will see continued focus on analytics and the benefits data analysis can offer. For example, in the pandemic, we used analytics to enhance vaccine management and work scheduling. Now that many HR organizations have an analytics infrastructure, CHROs are going to be asked, “Can you get me a view of how well our hybrid work program is going?” and other such questions. Which groups are most impacted by mental health challenges? What is the ROI of all the wellbeing programs we’ve launched? Where are careers and skills changing the fastest and what roles and jobs are falling behind? And who are our HIPOs and highest-potential young people?

There are hundreds of data-driven questions to answer in HR. Additionally, CEOs are now looking at diversity, pay equity, sustainability, tenure, retention, and more. We, in HR, have to really step up our analytics game.

If you work in a public company, you probably know about the new mandate to add information related to human capital to regulatory disclosures. While the requirement is very broad, it is a great opportunity for HR and people analytics teams to highlight accomplishments. What measures you select and the story you tell about them will not just influence investors and shareholders but also your customers and employees. Companies like Fossil Group and Dentsply Sirona took that opportunity to explain how people-related practices and their benefits add value to the business.<sup>31</sup>

Today, people analytics teams are quite sophisticated, often staffed with employees with data science and psychology degrees. These teams are doing amazing work, and the domain has advanced exponentially. I believe the next big step is for people analytics to become part of the company’s entire business analytics function.

Our Global HR Capability Project work shows analytics as one of the top three skills in demand, alongside change management and employee experience. So, in 2022, I suggest you start a crusade to ensure every HR business partner, specialist, and generalist takes a course in analytics and learns about storytelling, hypotheses, and the basics of Excel, statistics, and charting.

<sup>31</sup> *Human Capital Disclosures: Elevating People Success as a Business Priority*, Josh Bersin and Kathi Enderes, PhD/The Josh Bersin Company, 2021.

## **Building HR skills and capabilities will be a nonnegotiable.**

When I set out to build the Josh Bersin Academy, I had a sixth sense that capability-building in HR was becoming the single biggest obstacle in our profession. And I think I was largely correct. Among all the changes coming in 2022 and beyond, the biggest of all is that HR itself is now a design profession in which every HR professional is being asked to consult, design, listen, and adapt. That is why we are working on the Global HR Capability project and designed a future-focused, research-driven set of strategic HR-domain capabilities that individuals and organizations can focus on (see Figure 14 on the following page).

This means that HR teams and individual professionals must stay up to date. Our work proves that organizations with great HR capabilities outhire, outperform, and outinnovate their peers.

You wouldn’t run a sales organization with sales people who don’t know the process, products, and competition, would you? Similarly, how can you run an HR organization without continuously developing the HR team? This year, I really want to encourage you to invest in HR capability development. A great HR professional development program is inexpensive and one of the most empowering and exciting things you can do as an HR leader.

Additionally, it’s important to recognize HR can no longer function in silos. Certainly you have COEs and service-delivery teams all over the world. But as the pandemic showed us, it’s when people know each other and share new ideas and solutions that HR really thrives. One way to create a connected business function is for employees to come together for an academy-oriented professional development experience. Kaiser Permanente’s organization development team brought together a change management community from across HR and different business functions to share success stories and learning and to develop capabilities around change and transformation. This community shares knowledge and tools in monthly meetings and in online discussion forums, focusing on increasing overall change capacity within and outside of the HR function.

Figure 14: The Global HR Capability Framework



Source: The Josh Bersin Company, 2021

This is an example of transforming HR from the inside out. Rather than just think about how you organize and create a new service-delivery model, remember that HR itself is largely a people-dependent function. Bring your people together, let them learn from each other, and a transformed HR organization may just appear before your eyes.

## **The CHRO role will be integral to organizational success.**

If you're an HR or functional leader, let me celebrate you now. You and your peers have been the saviors of our economy, and I hope your company understands your importance. The last two years have thrust HR leadership into the center of business recovery; this is a role we should maintain into the future.

The old debate about HR having a seat at the table is now over. Every single business issue comes down to a discussion about people, and we, as HR leaders, need to keep pushing ahead. Over the last two years, HR leaders have become experts at empathy, flexibility, empowerment, and health. You've learned about agile design, the global supply chain for talent, internal mobility, and new approaches to leadership. And you've learned how to bring the employee-first focus to your CEO, CFO, and CIO.

In 2022, we must continue this effort. While companies have become more focused on human-centered leadership during the pandemic, it's important not slip backward as we go back to a more normal economy. In 2022, we will face the issues of inflation, higher interest rates, and an intense need to improve sustainability, climate protection, and environmental care.

Jill Sochor, one of our faculty members who helps lead the leadership development work at Ford Motor Company, recently told me the top competency for leaders at Ford is "care." And while this may seem a bit touchy-feely, as we talked it through, I understood. Ford, which is going through the biggest reinvention the company has seen in generations, has discovered that taking care of people is what makes the

company work. And this lesson is one we, as HR leaders, have to take forward.

As the CHRO role evolves, so does the way companies name the role itself. We're now seeing the HR function being rebranded as people operations, and the leader is now called the chief people officer. Other companies have taken rebranding even further by giving leaders titles such as the chief heart officer (Vayner Media) or chief amazement officer (Rock Central). And while traditionally disciplines and experience in employee relations, employment law, or compensation management were most desirable for senior leaders, we now see more and more people coming into these pivotal roles from disciplines like organization development, people analytics, or even marketing or business operations.

In the year ahead, as the labor market becomes hypercompetitive, it will be up to the CHRO to drive the internal mobility, new career pathways, recruiting, and employment branding your company needs to flourish and grow. Challenges ahead will include upskilling the HR team, organizing HR around agile design and delivery, and continuously innovating around the employee experience, recruitment, hybrid work, and multigenerational career paths.

## Wrapping It Up

---

Let me summarize with this. The last two years have taught us a lot. Our organizations are more flexible, more empathetic, and more digital than ever. This coming year will bring a challenging set of issues: a very competitive labor market, inflation and supply chain disruptions, and a highly empowered workforce.

HR leaders are in the driver's seat. We hope these predictions give you the insights and perspective to keep your team and strategies current in the year ahead. As always, we look forward to hearing from you and helping you with your organization's people strategies.

## About the Authors



### Josh Bersin

*Josh founded Bersin & Associates in 2001 to provide research and advisory services focused on corporate learning. He expanded the company's coverage to encompass HR, talent management, talent acquisition, and leadership and became a recognized expert in the talent market. Josh sold the company to Deloitte in 2012 and was a partner in Bersin by Deloitte up until 2018.*

*In 2019, Josh founded the Josh Bersin Academy, a professional development academy that has become the "home for HR." In 2020, he put together a team of analysts and advisors who are now working with him to support and guide HR organizations from around the world under the umbrella of The Josh Bersin Company. Recent research covers topics such as hybrid work; HR technology market trends; employee experience; and diversity, equity, and inclusion. He is frequently featured in publications such as Forbes, Harvard Business Review, HR Executive, The Wall Street Journal, and CLO Magazine. He is a popular blogger and has more than 800,000 followers on LinkedIn.*



### Kathi Enderes, PhD

*Kathi is the vice president of research at The Josh Bersin Company; she leads research for all areas of HR, learning, talent, and HR technology. Kathi has more than 20 years of experience in management consulting with IBM, PwC, and EY and as a talent leader at McKesson and Kaiser Permanente. Most recently, Kathi led talent and workforce research at Deloitte, where she directed many research studies on various topics of HR and talent and frequently spoke at industry conferences. Originally from Austria, Kathi has worked in Vienna, London, and Spain and now lives in San Francisco. Kathi holds a doctoral degree and a master's degree in mathematics from the University of Vienna.*



### Janet Mertens

*Janet is the director of research at The Josh Bersin Company. In this role, she conducts empirical research on a variety of topics related to work and people, as well as leads the development of fact-based insights for today's HR executive. With 20 years of HR consulting experience across multiple industries, Janet most recently led the human capital research program at IBM's Institute for Business Value. She has published key studies on employee experience, the enterprise skills gap, and the emerging role of the CHRO. Janet holds degrees in computer science, education, and psychology; her current research areas include talent acquisition, workforce wellbeing, and the application of AI in HR.*



### Nehal Nangia

*Nehal is the senior manager for research at The Josh Bersin Company. In this role, Nehal drives empirical research on key workforce-related topics and the development of actionable insights and powerful stories for today's talent executives. Nehal has almost 15 years of professional experience in human capital, with a focus on performance management; employment value proposition; workforce transformation; and diversity, equity, and inclusion (DEI). Prior to joining The Josh Bersin Company, Nehal was a global advisor for clients at Deloitte and published several studies on pertinent topics such as DEI, performance management, and bias. Nehal lives and works in India and has a master's degree in psychology.*