

Gartner®

# Most Hyped Trends

Top workforce trends





# Your single source on the trends that everyone is talking about

Every year, corporate strategists spend one-quarter of their team's time and one-quarter of a million dollars on trend sensing.

Gartner has taken this work off your plate.

## **The No. 1 imperative for corporate strategists is to keep the organization ahead of emerging trends.**

Most of the time when a company loses value it's because of external market disruption — or rather, a lack of awareness and the absence of a mitigation strategy on the part of the corporate strategist.

As a result, **the average corporate strategist spends 26% of their team's time and \$220,000 of the annual budget on investigating emerging trends.**

But no amount of time or money spent will ever be enough: No corporate strategist can read everything, and what's more, the volume of information available creates a confusing environment with potential misinformation.

Gartner can help you reduce the time spent scanning sources to identify trends generating the most buzz. Our artificial intelligence (AI) capabilities enable us to quickly scan more than 100 publications respected by strategy leaders to identify the most frequently mentioned emerging trends.

**Gartner's approach yields a precise, quantified view of the top trends.**

# Most Hyped Workforce Trends 2019

Increasing demand for digitally skilled talent and augmented workforce





**Increasing demand for digitally skilled talent:** With the rise in use of automation and other digital technologies in the workplace come a higher demand for technologically skilled talent. However, today's workforce isn't trained for the skills required to create impact through digitalization.



**Augmented workforce:** As automation, robotics and AI gain traction, organizations are creating new opportunities for human-machine collaboration. This will lead to the rise of an augmented workforce that connects the best of human and machine skills to increase efficiency and value creation. Over the next few years, experts expect continuing adoption and maturation of AI, robotics and automation solutions.

# Increasing demand for digitally skilled talent

For digital transformations to succeed, we must fill skill gaps



**With the rise in use of automation and other digital technologies in the workplace come a higher demand for technologically skilled talent.** However, despite a growing desire among employees to upskill for digitalization (see chart below), today's workforce isn't trained for the skills required to create impact through digitalization.

**Employee Recognition of Digital Reskilling Needs**  
Percentage of Respondents



n = 5,997  
Source: Gartner 2017 Digitalization Survey

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Over time, workers will acquire new skills and migrate toward the jobs in demand. However, shifts of this nature take a considerable amount of time. Moreover, organizations not only lack the right set of technology skills but also face growing irrelevancy of the skills they currently have. Hence, **employers must invest more money in training and development programs to fill skill gaps** and continue their journey toward becoming truly digital organizations.

To increase their value proposition to digitally savvy workers, **employers are enhancing existing incentives with monetary benefits, appealing culture and flexible work arrangements. They also increasingly use acquisitions to bring digital talent on board from startup organizations.**

# Augmented workforce

With AI, robotics and automation maturing, we must create opportunities for human-machine collaboration





As automation, robotics and AI gain traction, organizations are creating new opportunities for human-machine collaboration. This will lead to the rise of an augmented workforce that connects the best of human and machine skills to increase efficiency and value creation. Over the next few years, experts expect continuing adoption and maturation of AI, robotics and automation solutions.

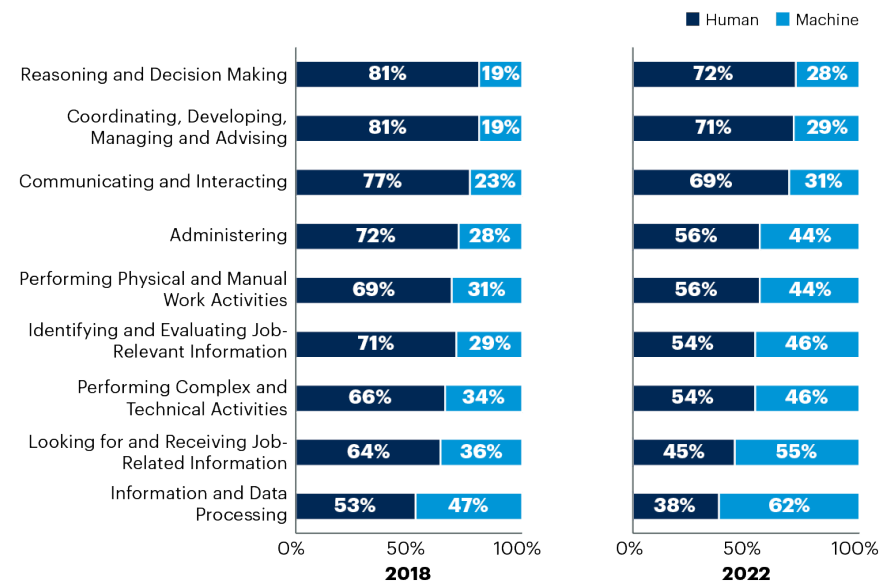
Contrary to popular belief, **automation and AI are expected to create more opportunities for human workers** as opposed to replacing humans entirely. The activities most susceptible to automation are physical ones in highly structured and predictable environments as well as jobs that entail data management and automatic response management, such as interactive voice response (IVR).

In today's context, **most work is expected to change to incorporate technology.** An entirely new category of knowledge-enabled jobs will become possible in the near future as machines embed intelligence and knowledge that less-skilled workers can access with a little training. In the future, these technologies will lead to the creation of new job roles that currently don't exist to replace those that are lost to technology.

Leading organizations are working hard to augment their workforces — **rethinking work architecture, retraining people and rearranging the organization to leverage technology to transform business.**

By 2022, it is expected that we will reap the productivity rewards that automation promises: The ratio of human-to-machine working hours for different job activities is expected to lean increasingly toward machine (see chart below).

**Ratio of Human-to-Machine Working Hours, 2018 vs. 2022 (Projected)**



Source: "The Future of Jobs Report," World Economic Forum, 2018

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# Competition for critical talent has never been fiercer

Get smart on the implications and trajectory of 9 other workforce trends



## 1. Purpose-driven work

Today's workforce is looking for more from a job than just compensation and financial incentives. An organization's purpose explains how the people involved in it are making a difference and contributing meaningfully to society.

Purpose-driven companies saw 85% growth in their revenue from 2012 through 2016<sup>1</sup>

## 2. Flexible workforce

Today's evolving workforce includes a mix of full-time employees, contract workers and freelance talent. Thanks to evolving technology, increasing connectivity and changing employer attitudes, the gig economy is becoming the new normal. Businesses want to increase their flexible workforces to reduce overhead costs and enhance their ability to attract remote talent from all over the world.

## 3. Focus on employee wellness

As the line between work and personal life blurs further, employees are demanding that organizations expand their benefits offerings to include a wide range of programs for physical, mental, financial and spiritual health. More than ever, employees are feeling stressed, lonely and burned out at work.

In response, major organizations are rethinking their reward and development programs to include some version of holistic, end-to-end well-being programs. Such programs are now seen as both a responsibility of good corporate citizenship and a key element of enterprise talent strategy.

## 4. Focus on diversity and inclusion

While the subject of diversity has been discussed for years, company investments in diversity and inclusion are significantly accelerating.

Organizations today see diversity and inclusion as equally important and have shifted their focus from just creating a diverse employee set to also creating an inclusive culture where diversity is at the core rather than an afterthought. This means creating a culture of fairness and respect, inclusiveness and empowerment.

Organizations with inclusive cultures are 8X more likely to achieve desired business outcomes and 2X as likely to exceed financial targets<sup>2</sup>

## 5. Personalized rewards

Employees today are asking for more personalized, agile and holistic rewards that are specific to their needs. Incentive packages are one of the most impactful ways to increase employee performance and intent to stay. Early experiments are exploring how to develop a holistic variety of rewards and continuously match them to individual preferences across diverse talent segments.

## 6. Smart workplaces

Businesses are developing smart workplaces in various ways:

- Augmenting the human workforce with robots
- Leveraging augmented reality and virtual reality for learning solutions
- Analyzing employee data to optimize recruiting and retention
- Monitoring workspace utilization to create more efficiency in the organization

The business impact of smart workspaces will be significant, ranging from improved employee productivity and engagement to improved customer experience as employees make better use of smart workspaces to serve clients.

## 7. Aging workforce

Baby boomers are retiring later than previous generations. Some are semiretiring by shifting to part-time or consulting roles.

Companies can use the aging workforce to their advantage to help avoid or defer “baby-boomer brain drain.” They can also use this as an opportunity to fill talent and experience gaps exhibited by younger employees.

But shifts in retirement have the potential to increase payroll and benefits costs and may even disrupt the talent pipeline.

## 8. People analytics

People analytics, also called talent analytics, is the use of workforce data to analyze, predict and improve employee engagement and performance. Companies use talent analytics for workforce planning, talent acquisition and management, and operational improvement.

People analytics results in an 80% increase in recruiting efficiency, a 25% rise in productivity and an 80% decrease in attrition rates<sup>3</sup>

## 9. Evolution of HR

With the advent of automation, managing both humans and machines will present new challenges for the HR department, including simultaneously retraining augmented workers and pioneering new HR processes for managing virtual workers, cognitive agents, bots and the other AI-driven capabilities.

By redesigning legacy practices, systems and talent models around the tenets of autonomies, HR groups can begin transforming themselves into nimble, fast-moving, dynamic organizations better positioned to support the talent — both mechanized and human — of tomorrow.

<sup>1</sup>EY Beacon Institute and Harvard Business School, <sup>2</sup>Deloitte, <sup>3</sup>McKinsey

# Our priority? Helping you to achieve yours

Gartner Strategy Leadership Council is the definitive research and advisory resource for strategists



Eighty percent of strategy leaders expect significant business model change. But they realize you can't transform the organization by playing it safe with incremental investments: You need to be bold and test entirely new business models, while also finding ways to reduce the risk that comes with that.

Strategists are under constant pressure to position their organizations to achieve long-term revenue growth. Shortsightedness among business leaders, shrinking strategy budgets and massive macroeconomic shifts make the strategist's job all the more difficult.

Gartner Strategy Leadership Council supports strategists against key processes including strategic planning, mergers & acquisitions, portfolio management and competitive intelligence.

Our support — which stems from proven approaches used by the world's leading companies — helps you save time and make better decisions within the strategy function.

"You provide research insights in a synthesized manner that enables us to think, 'What does that mean to our company? How can we take action?' Your research continues to be relevant as our business evolves, and your strategic planning resources have been integral."

*Dick Aubrecht, Vice President of Strategy and Technology,  
Moog Inc.*

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