Using People Insight to Make Hybrid Work

Objectively understanding people is now critical to organizational success

SHL.

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We are witnessing the biggest evolution in the workplace in decades as the pandemic accelerates changes already underway. We now have a great opportunity to reinvent and improve work experiences for generations to come. As the fundamentals of work — time, place, tools—are being reset, we are also reconsidering our priorities as people and individuals. Objectively understanding people will help to ensure hybrid really works.

In this report, we examine this second shift using SHL's proprietary global databases on personality, work preferences, and motivators. The pandemic has had a profound impact on us as individuals—the data explored shows that our core motivators and preferences have been re-calibrated. This provides key insight to help ensure that the next phase of hybrid work enables genuine progress for people and organizations through data-led approaches to talent acquisition and talent management.
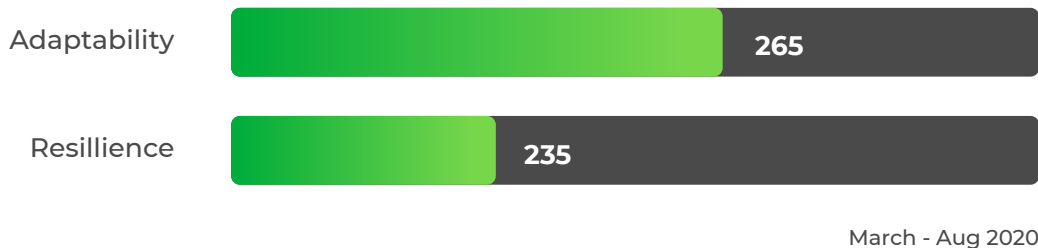
How the Pandemic Changed Us as Individuals

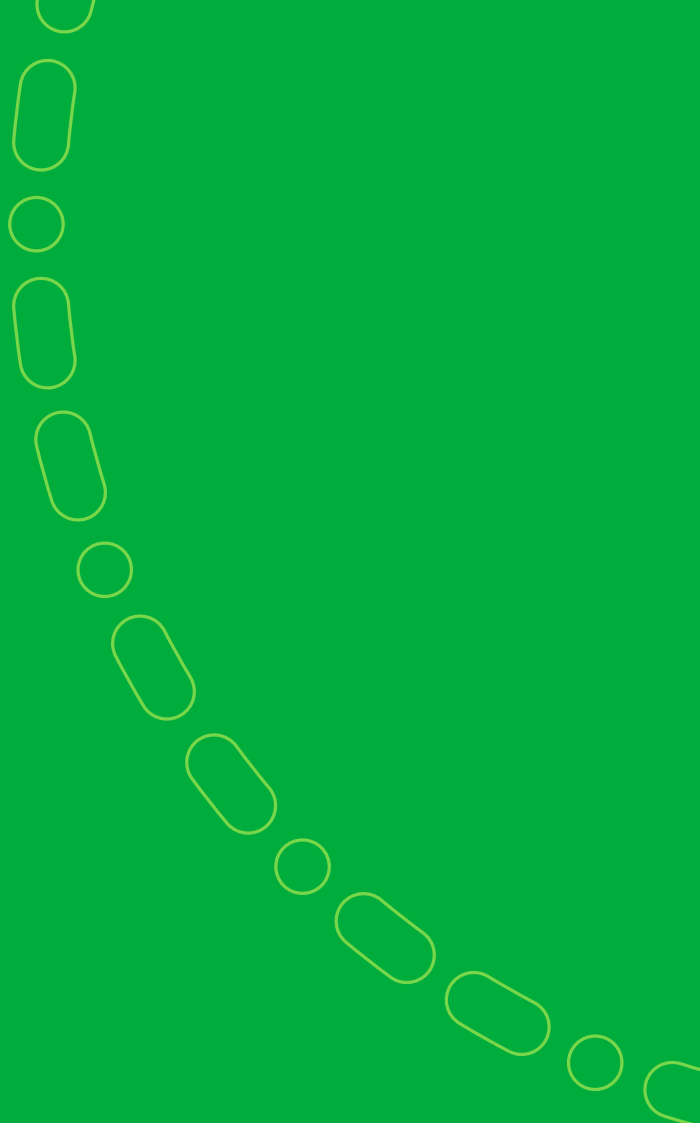## Our Levels of Adaptability and Resilience Have Declined

We examined the impact of the COVID-19 pandemic on adaptability and resilience, as measured by selected personality preferences assessed by the Occupational Personality Questionnaire (OPQ), an established and proven measure of personality. The study was conducted in the US with 4,574 respondents pre-Covid (Oct 2019 – Feb 2020) and 6,820 during lockdown (March to Aug 2020).

The findings show a significant drop in natural preferences with a 5% decrease in average adaptability competency scores and an 8% decrease in average resilience competency scores.

The pandemic has impacted us all in so many ways, both emotionally and physically. It is certainly true that collective trauma can bring people closer together, but it would be a mistake to assume we have all experienced the past few years in the same way. Individuals experienced trauma collectively but in a very individual way. Loss of health; stressful job circumstances; careers on hold; missed milestones. Despite individualized experiences, as a workforce this research shows that the pandemic has left us all feeling depleted.

OPQ Competency Scores Before vs During Pandemic

Adaptability **280**

Resillience **258**

Oct 2019 - Feb 2020

Adaptability **265**

Resillience **235**

March - Aug 2020

"We have invested a lot to upskill our leaders to future-proof their skills, resilience is one of those core competencies, adaptability and agility are others."

Dorna Eriksson Shafiei,
Vice President Talent Management, Atlas Copco AB

We Have Reprioritized Our Motivators

We also explored our Motivational Questionnaire (MQ) data set of 191,528 people from the past two years (2020 – 2022). In line with the evolving individual expectations, we found that many people have reprioritized their motivators towards:

• Workplaces offering opportunities for individual growth
• Purposeful work through connecting with society and meaningful impact
• Feeling valued through recognition and material reward
• Enabling connection with colleagues and feeling a sense of inclusion and belonging

On the other hand, individuals are more likely to be demotivated by:

• Lack of clarity – seeking work with clear expectations and achievable goals
• Encroachment into personal time, as they value work-life balance and family time
• Stressful targets and excessive workloads

In general, as individuals, our motivators shifted towards work where we understand how to perform and can achieve this within the parameters set. We want to feel rewarded and valued for our contributions but do not want work to encroach too heavily on our home lives, where there have been competing demands and priorities. Social connection, feelings of belonging, and a sense of security are particularly valued (potentially because this has been compromised), whereas challenging or stretching work with a risk of failure is, for most, likely to feel demotivating.

Motivators Shift Towards Ease and Security

Motivational drivers include **Synergy** (recognition, personal principles, and personal growth) as well as **Extrinsic Factors** (material rewards, progression, and status) compared to Energy & Dynamism (achievement, level of activity, competition, etc.) and Intrinsic Factors (interest, autonomy, flexibility).

However, in 2022, Extrinsic Factors overtook Synergy as the most highly motivating factor, despite Synergy remaining a very close second. Securing a financial safety net has become critical for individuals. This finding is true even when the lowest motivators (flexibility, immersion, and fear of failure) are removed from Energy & Dynamism and Intrinsic categories to account for data skewing.

In more stable periods, we typically see higher motivational levels of Energy & Dynamism linked factors. Interestingly, these aspects are often what organizations look for when identifying future stars or high potentials to develop and grow into critical roles. This is an important element to consider, as it is possible that for many, motivators linked to more challenging, stretching roles and tasks have been suppressed, and therefore might mean organizations need to identify potential in different ways, considering this shift in drivers

Motivational drivers during the pandemic based on MQ data

Driver	Value
Energy & Dynamism	55%
Synergy	93%
Intrinsic Factors	57%
Extrinsic Factors	90%
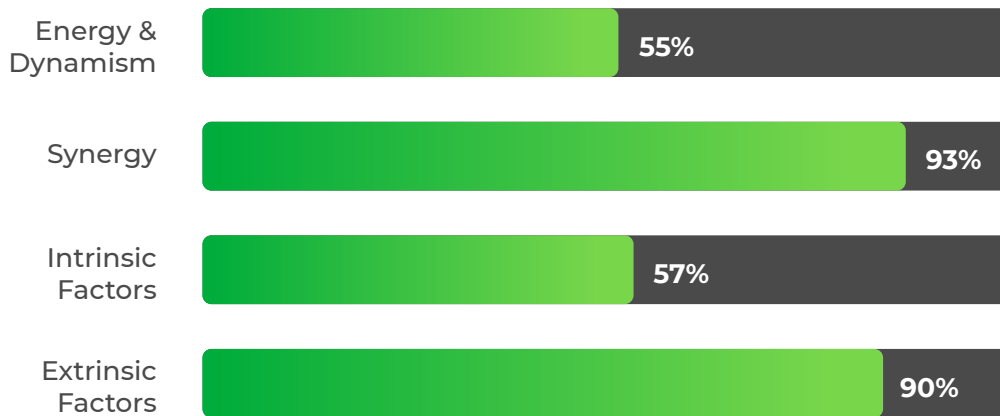
The trauma experienced from the pandemic has clearly impacted on our motivators. As the pandemic continued, a stronger desire for ease and security also began to emerge, showing the longitudinal impact on our motivators. In many ways, the pandemic has pushed us down to the base layers of <u>Maslow's hierarchy of needs</u>—feeling safe, secure, connected with others, and valued—and that has caused individuals to re-evaluate their willingness to take on levels of stretch, pressure, freedom to shape their own decisions and destiny at the higher levels of the hierarchy.

Motivational Differences Emerge Between Men and Women

The impact of the trauma felt through the pandemic has also been felt in different ways by diverse groups. Based on our data, we observed some differences in motivators between men and women.

On average, women find immersion (overload of work, excessive hours) and fear of failure more demotivating than men. This could result in women being less inclined than men to take on stretching or risky work due to a fear of failure and a stronger desire for ease and security, whereas men are more motivated than women through competition and less demotivated through the risk of failure. This is a factor for organizations to watch out for since it could serve to create an imbalance in women putting themselves forward for stretch opportunities or career progression.

Different Regions, Shared Motivators

Across the globe, drivers of motivation are broadly consistent. Despite geography, we have felt united as human beings throughout this period. Ease and Security emerges as a top motivator for all regions, except for Asia, where competition appears key. Immersion is most de-motivating for Americas and Europe, with 40% saying they are likely to contribute less if work encroaches on their personal lives. On the other hand, for these two regions, personal growth is the most motivating factor. Fear of failure is most de-motivating in Middle east, Europe and Africa with over 70% saying they will contribute less if goals are far reaching. Finally, in Africa, 60% say role clarity and clear expectations are critical when designing motivating work.
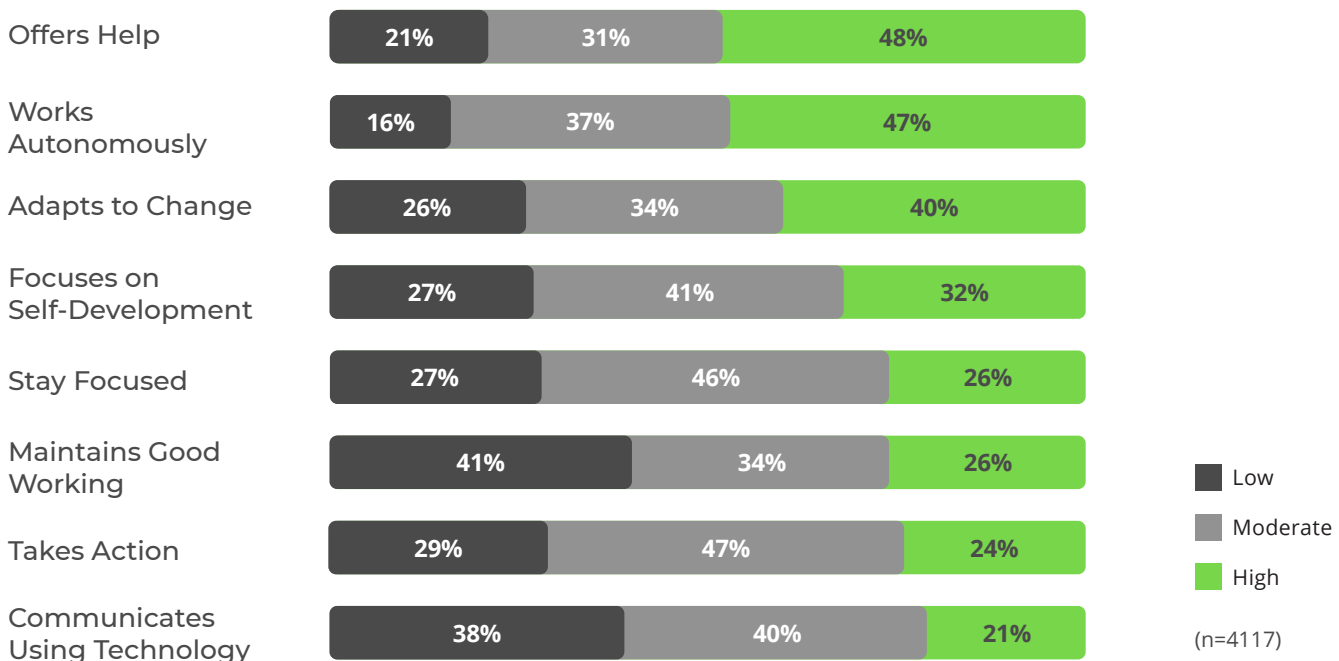
Sustaining Remote Work

As individuals, we are reasonably well-equipped to work remotely. However, there are some skills we are more likely to bring naturally and some that will need developing and help in sustaining over longer periods of time. Our team has conducted research using SHL's Remote Work Questionnaire (RWQ) which measures the likely aptitude for working remotely through a self-report questionnaire.

We examined and analyzed a global data set of 4,117 RWQ (Remote WorkQ) completions throughout 2020 to 2022 and found that most people are well equipped to work well autonomously 47% likely to have this as a strength. Moreover, they are also likely to have the natural strength to offer help to others (48%) and to feel comfortable adapting to change (40%). However, challenges and areas of development are likely to be seen in communicating using technology (38%) and maintaining good working relationships (41%).

Despite the results, as time progressed throughout the pandemic, we saw increases in our natural capability to maintain good working relationships and communicate using technology as well as focusing on self-development. This makes sense as the hybrid work model forces us to stay connected at work, and practice builds confidence and capability. We also got better at finding solutions and improving upon our own skills.

However, individuals showed a decrease in natural fit towards working autonomously and as time went on, the desire for human interaction and connection increased. Moreover, they also showed a decrease in natural fit towards taking action—perhaps a lack of confidence or willingness to take risks as resources felt depleted and the prioritization of ease and security crept in.

Remote Work (RWQ) Competency scores throughout the pandemic

Competency	Low	Moderate	High
Offers Help	21%	31%	48%
Works Autonomously	16%	37%	47%
Adapts to Change	26%	34%	40%
Focuses on Self-Development	27%	41%	32%
Stay Focused	27%	46%	26%
Maintains Good Working	41%	34%	26%
Takes Action	29%	47%	24%
Communicates Using Technology	38%	40%	21%

Legend:
- Low
- Moderate
- High

(n=4117)

Summary of Key Findings

1

Individuals' capacity to cope is negatively affected by the collective trauma of the pandemic, as shown with the 5% decrease in average adaptability personality traits and 8% decrease in average resilience personality traits.

2

As a workforce, our motivators have been re-prioritized. Most people are now motivated by individual growth, the feeling of being valued, purposeful work, and connection, and demotivated by the lack of clarity, work-life imbalance, and fear of failure.

3

On average, women find immersion (overload of work, excessive hours) and fear of failure more demotivating than men. Men are more motivated than women through competition and less demotivated through the risk of failure.
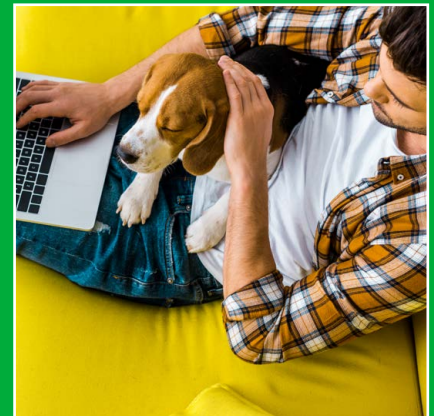
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Although generally individuals are well-positioned to work remotely, over time they struggle to sustain working autonomously and taking action on their own and seek support and collaboration at regular intervals.

5

There is a risk that the pandemic could have created long-term imbalances between groups, for example women vs men, as motivational differences were observed between these groups.

Using People Insight to Make Hybrid Work

Given the insight, here are 5 steps organizations can take to optimize experiences and talent approaches for individuals and businesses in a hybrid world.

Step 1

Commit to fair and transparent talent processes using objective data

Use objective assessment tools to understand what motivates people, their capabilities, and potential in talent acquisition and talent management processes. Personalize psychological contracts, career growth and work experiences particularly at key transition points, i.e. onboarding, life-events, promotion, etc.

In talent acquisition, for example, exploring motivational preferences using the MQ when onboarding a new employee can help managers to provide the optimal mix of experiences to stimulate engagement, learning and belonging.

In talent management, organizations need to focus on creating democratic opportunities for development, moving away from exclusive 'top talent' only programs. Using objective measures of potential can help identify hidden gems within an organization who, with the right development and support, could move into critical roles in the future.

Step 2

Critically evaluate your culture, prioritizing trust and belonging

The shared trauma has impacted our levels of adaptability and resilience as well as our core drivers and motivators. Leaders need to create feelings of security, belonging, and trust first, and gradually build a culture that enables high performance, challenge, and business growth over time. Push too hard, too fast now, and further damage will be done.

Consciously consider areas where there could be imbalances or divides within your organization—regions, demographics, those in and out of an office. Set up inclusive practices now—for example, ways to host virtual / in person meetings / events and talent initiatives to enable identification of potential—to ensure a fair and equitable playing field and that discrepancies do not fester and lead to organizational gaps and limitations in years to come.

Step 3

Facilitate continuous learning and connection

Despite individuals being well-equipped to work remotely, they still need support and encouragement in developing and sustaining hybrid working skills. For most people, a decline in remote work capabilities is likely over a longer duration. Organizations need to be aware of this and put in place objective assessment checks and skill diagnostics to ensure individual performance and health do not deteriorate.

Continued focus on skill building, for example facilitating effective hybrid meetings, using new technology, etc., will be important. However, for many, their natural effectiveness at working autonomously declines over an extended period of working remotely. Organizations must therefore establish mechanisms to enable collaboration, learning, and connection for all workers, whether remote or in person.

Step 4

Re-define the role of managers, empowering them to lead with empathy

In a hybrid world, the role of manager changes significantly and increases in criticality. Goals shift from supervising and monitoring outputs in a visible, physical environment, to enabling connections, demonstrating empathy, coaching and focusing on outcomes across a highly networked and dispersed organization. Considering the behaviors you need for managers to be successful within a hybrid world and clearly defining these will provide a blueprint for hiring and development.

Organizations who take steps now to train managers in these essential skills and who also trust managers to make decisions to benefit individuals and organizations, will be very well-positioned to thrive in a hybrid world.

Step 5

Build objective and dynamic people data to optimize organizational agility

We are entering the era of employee data. Now it is imperative for HR to build a central database of employee data, including skills, behavioral capabilities, and potential from across talent acquisition and talent management initiatives. Access to this information, through a scientifically valid and technologically agile platform, will enable predictive and dynamic models to be built, matching individuals—their capabilities and potential—to emerging opportunities (e.g., new skills, new roles) as the market and organization continuously evolves.

Organizations who fail to invest in capturing and dynamically viewing employee data now will struggle to compete, as people-focused, agile organizations become the standard in expectation.

5 Steps organizations can take to make hybrid work

Step 1

Use objective data to ensure fair and transparent talent processes

Step 2

Critically evaluate your culture and prioritize trust and belonging

Step 3

Facilitate continuous learning and foster connection

Step 4

Re-define the role of managers, empowering them to lead with empathy

Step 5

Build a central database of objective and dynamic people data to enhance organizational agility

Conclusion

The way we work has changed and fundamentally so have we, as individuals. Our collective experience of living throughout the pandemic has altered our personalities, behaviors, and has shifted our core motivators. The crisis has accelerated change and ultimately elevated the urgency for organizations to become people-led and served to remind us of the ever-changing and disruptive world we live in. We must now focus on building understanding of our people as individuals and carefully rebuild workplaces and talent approaches in line with our new foundations.

At SHL, our global workforce data fundamentally shows that as people, we have changed. As many re-evaluate and re-prioritize life and work, organizations must now shift their goals towards establishing and maintaining a people-first culture. There are risks simmering, as differences in priorities and preferences emerge between men and women. Failure to act on establishing fair, transparent and data-led processes in talent acquisition and talent management now, will undoubtedly create bigger divides later.

As individuals, leaders, and organizations, we are united in our need to build an objective understanding of ourselves and our people, as from this, we can build and sustain better working lives and businesses.

Find out more about SHL's OPQ, MQ, and RWQ to understand your people's motivation and readiness to work in this hybrid world, so you can build a more effective hybrid or remote workforce.

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