Predictions for 2020: Clarity, Focus, Action!

In This Report

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Introduction

David Mallon, Vice President and Chief Analyst

2020: From one vantage point, this number represents the coming year. From another, it describes a measure of visual clarity and focus. As we anticipate what awaits the world of HR, talent, and learning, we will need more than perfect vision to thrive as we move forward.

In a time of increasing turbulence, HR leaders will need:

- **Clarity** of purpose for their organization and meaning for their workforce
- **Focus** on where and how to spend time and resources on what matters most
- **Action**, taken with precision and courage, driven by confidence in their ability to create value and a willingness to leave behind tired perspectives and old ways of working

The world of work is an increasingly uncertain place, and the pace of change and technological innovation continues to accelerate. Organizations are struggling to find talent in the market and best use the talent they already have. Geopolitical and economic headwinds are intensifying in the form of trade conflicts, a predicted slowdown in the overall global economy, new relationships forming in the wake of the final Brexit decision, and a highly contested election cycle in the United States.

Not surprisingly, collective confidence throughout organizations is low as 2020 approaches:

- CEO confidence is at its lowest level since 2009. Only 4 percent believe that economic conditions are set to improve in the near term; 67 percent expect conditions to worsen.
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- Only 26 percent of surveyed millennial workers—including only 18 percent of those in developed markets—expect their economic situation to improve in the coming year.4
- Continuing a two-year downward trend, only 55 percent of millennial workers believe that businesses have a positive impact on wider society.
- Faith in leaders is also falling: only 27 percent of surveyed millennial workers say that political leaders are making a positive impact on the world, with business leaders just moderately higher at 37 percent.5

How will HR leaders respond to this crisis?

Our previous Predictions reports, spanning the past five years, have called on HR as follows:

- **Redesigning the Organization for a Rapidly Changing World (2015):** Lean into the redesign of the organization itself to better ride the waves of change.
- **A Bold New World of Talent, Learning, Leadership, & HR Technology Ahead (2016):** Be bold in its aspirations to bring value to the organizations that it serves.
- **Everything Is Becoming Digital (2017):** Leverage the energy and the agency that comes with digital transformation to improve the experience of the workforce.
- **Embracing Radical Transparency (2018):** Embrace—rather than fight—the radical transparency of today’s always-on, always-connected, data-saturated world and workplace.
- **The Productivity Imperative (2019):** Hold the wellbeing and productivity of the workforce as HR’s highest calling.

In the coming year, we believe all these past imperatives will continue to remain important and relevant. But let’s be clear: 2020 looks like a year in which the demands on HR will be greater, and available budgets will be less. We know from similar moments in the past (e.g., the global financial crisis of 2008–2009) that simply reacting to changing conditions can do more harm than good.

Considering this increased uncertainty, it is more important than ever to seek **clarity** about intended destinations and the lodestars that guide us. We must arm ourselves with the ability to sense our environment so we can recognize small changes in conditions that will become larger disruptions and track broad patterns that will transform our marketplaces over time. We sometimes call this the ability to “zoom in / zoom out.”

We must then **focus** our attentions and move to **action** with precision and courage. HR cannot do everything or be all things to all people—HR leaders must focus on what will create value, both for the organization and for the humans who comprise it. This focus will likely be hard, as times of scarcity tend to be. You may need to let go of beloved programs, processes with years of sunken costs, or methods that have rightfully garnered affection because of their success thus far. But in their place, we must make a much-needed shift to new ways to working—indeed, new ways of being—that are better suited to the age, more fit for our organizations’
current purposes, and more apt to help leaders focus on what will matter most.

In the next section, our team of analysts share their viewpoints regarding the most relevant and interesting developments to watch for in 2020 as HR and business leaders endeavor to find **Clarity, Focus, and Action!**

### Predictions 2020

**Metrics that evaluate how organizations balance profit with purpose will gain influence**

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Over the past few years, we’ve talked about the rise of the social enterprise—an organization that combines a focus on revenue growth and profit-making with the need to respect and support its environment and stakeholders. This is no longer a matter of choosing one or the other, but rather of balancing both. Progressively sophisticated and vocal stakeholder groups (e.g., customers, employees, communities, investors) continue to drive this change, rewarding organizations that choose to move beyond mission statements and generic community involvement efforts, learning to **lead** as a social enterprise, and reinventing themselves around a human focus—both internally and externally.6 Some subsets of these groups are even organizing coalitions to address major social and environmental issues like wealth inequality, climate change, affordable housing, discrimination, and privacy breaches.

### Assessing the Social Enterprise

With this increasing focus on organizations’ social behavior, there is a growing need for effective measures to monitor these efforts—separating truly successful companies from those “greenwashing” for appearances. We expect that assessment frameworks such as the triple bottom line7, ISO 140318, and the Conscious Business Institute9 will become more common and more sophisticated. Further, we may see a convergence toward certain certifications or other stamps of approval bestowed upon social enterprises by third parties, as has been the case with other standardized measures of corporate performance, such LEED certification for “green” buildings.

A prominent example of such a designation is a B Corp certification. B Corps balance profit and purpose by meeting standards of “social and environmental performance, public transparency, and legal accountability.”10 Environmental, social, and governance (ESG) criteria represent another way to evaluate a broad range of organizational behaviors consistent with the notion of the social enterprise. These standards are often deployed in the investment community to help prospective investors identify organizations they might like to support.11

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**KEY POINT:** With an increasing focus on organizations’ social behavior, there is a growing need for effective measures to monitor those efforts.
Such measures and certifications will continue to reflect and shape how workers, investors, customers, and communities view and evaluate an organization—determining who they choose to buy from and work for. As workers increasingly seek employers they can be proud to work for, as investors look to put their money where their values lie, and as customers seek to do business with like-minded brands, companies will be compelled to take action and evolve—or face extinction.

**What Does This Mean for HR Leaders?**

An organization’s evolution to a social enterprise relies on change from within. Workers and leaders at every level can drive—or prevent—this change. With so many entrenched talent practices, organizational policies, and time-worn traditions, mobilizing an organization around anything other than financial results can feel close to impossible. However, the opportunities for organizations to take action, to “nudge” an organization via incremental change, and to show real progress all exist right now. Ask yourself and your organization the following questions:

1. **What does your organization stand for?** Do its core values reflect a socially responsible organization? How can you encourage your C-suite and board to have tough conversations about your organization’s role as a social enterprise? Does its “inside” talent brand match its external market brand?

2. **Why do you think it is important for your organization to incorporate socially responsible practices into its business model?** What are the implications and opportunities for attracting and retaining talent? Attracting and retaining customers?

3. **Do your leadership behaviors reflect your core values?** Are empathy and inclusion present in how you hire, develop, assess, and reward workers?

4. **Are you treating workers with dignity by providing a living wage?** Does your culture encourage employees to bring their whole selves to work? Do you advocate for these issues in your community and business ecosystem?

5. **Does your employment brand speak to the organization’s role as a social enterprise and reinforce your values and culture?**

The time is now! Set your intention to lead your organization as a social enterprise. Focus your efforts on the communities, ecosystems, and industry sectors in which you operate. Act with clarity to align your organization’s practices and policies with its values. Doing so now can help maximize your organization’s social impact—both internally and externally—and position you for success as the measurement of such impact becomes commonplace.

**The alternative workforce will be the next frontier in the war for talent**

*Kathi Enderes, PhD, Vice President, Talent & Workforce Research Leader*

*Mike Kemp, Research Manager & SRA Team Lead*

The talent market is tighter than ever—skills requirements are rapidly changing, and unemployment is at unprecedented lows in many parts of
the world. Not surprisingly, 67 percent of organizations worldwide are having trouble filling open positions.12

At the same time, more and more workers are opting out of traditional employment scenarios and choosing alternative employment options instead—as contractors, consultants, freelancers, gig workers, even crowd work.

Technology is enabling everyone to operate with fewer parameters and is also facilitating better ways to match organizations and the talent they need, with platforms for gig work offering options beyond just hourly work, expanding to job titles like lawyers, consultants, designers, and data scientists. It’s logical, then, that organizations are turning to the alternative workforce for many positions beyond traditional roles like IT.13

The benefits of alternative workers for organizations are well known—the alternative workforce can reduce costs, provide access to scarce skills when needed, increase flexibility to scale up and down, and provide more diverse perspectives and experiences. Effectively leveraging this on-demand workforce can enable organizations to not only put the right people in the right place when they are needed but also adjust easily as those needs shift.

Unfortunately, just over half (54 percent) of organizations either manage alternative workers inconsistently or have few or no processes for managing them at all.14 Organizations that want access to alternative workers’ skills and experience will have to intentionally cultivate a positive experience for and extend the overall workforce strategy to align with these worker segments. The days of managing alternative workers transactionally are over—this is an imperative that HR must take on.

Integrating Alternative Workers with Purpose and Meaning

The best alternative workers will have their choice of options; a simple exchange of skills for money might not be enough to attract them. Top talent will look for an engaging experience in which their opinions and contributions are valued and respected. And, although the big moments matter, the small moments are just as impactful to workforce experience. Meaningful work and opportunities to use one’s strengths, access to tools and necessary resources, input into how work is designed, and balance between flexibility and predictability are all vital for traditional employees and alternative workers alike.15

A new value proposition will need to be carefully designed and tailored to enable organizational culture, workforce needs, and the organization’s brand—and it must allow for the unique needs and aspirations of the alternative workforce. Many organizations have experience with this: part-time employees are not typically treated the same as full-time employees. Their experience is not better or worse, but rather tuned to their needs and the value they bring—and this experience can be transferred to the alternative workforce. To get the best alternative talent (not just a person in a role), organizations need to have a strategy that evaluates cost and
In the battle to attract the best alternative workers, organizations will stand out among their competition if they focus on engaging alternative workers by curating an underlying and ongoing relationship with them, even though the employment relationship might not last long. Even a short-term worker can be a potential customer, a positive brand ambassador, and a valued member of a team when returning for another gig with the organization.

Organizations will face some hurdles in this fight. The first is a mindset challenge—most organizations are approaching alternative workers tactically rather than strategically as ongoing relationships and potential customers in the market. Second, managers and leaders are often confused about the line between legality and risk and may leave behind opportunities to benefit from this workforce segment for fear of crossing that line. Applicable laws in most countries are blurry at best, and outright confusing at worst. But while these laws haven’t caught up with new realities of work—particularly people’s dissatisfaction with legacy employment scenarios—they still need to be followed. This fluid regulatory and legal landscape represents the third and most vexing hurdle we see.

**Equipping Your Organization to Leverage the Alternative Workforce**

In order to win the battle for the alternative workforce, the time to start is now.

- **Start with outcomes.** What business goals are you trying to accomplish with the alternative workforce? A balance of cost, value, growth, and meaning in work is key.
- **Imagine the possibilities.** Broadening the talent pool to strategically take advantage of alternative workers presents myriad opportunities. Be sure to check your assumptions.
- **Compose a plan.** Prioritize your starting point. It could be the part of your business where there is high value for customers (remembering that alternative workers may also be customers), where leadership is ready, where skills are particularly hard to locate, or where the most flexibility is needed.
- **Activate the workforce.** Access needed skills and capabilities with a worker-centric approach. Curate engaging experiences for the alternative workforce—a mere 8 percent of organizations have effective processes in place to manage and develop alternative workers. Make learning experiences for alternative workers part of the work itself. Engage the workforce—high-performing organizations are 4.8 times more likely to provide alternative workers with performance goals, 10 times more likely to provide them with regular performance feedback, and 6.5 times more likely to provide them with access to organizational learning resources.

The alternative workforce is here to stay. To tap into this workforce segment and position your organization to reap the benefits, focus on creating an attractive value proposition for alternative workers and...
intentionally deciding where to use them. In 2020, we will share more insights on the approach to transforming the total workforce for the future.

**Nurturing capabilities will be as important as building skills**

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Work, the workforce, and the very notion of a “job” are all changing fast, thanks to accelerating technological innovation, digital disruption, and a groundswell of alternative workforce models. In response, organizations are searching for new ways to define the work required to execute strategies and generate value—and, subsequently, to develop workers and evaluate their contributions.

In many organizations, the short-term response to these challenges is to focus on reskilling workers; however, the pace of change in the market and the speed at which skills lose viability already make it difficult for organizations to keep up, much less anticipate what’s next. Additionally, the traditional concept of *skills* applies to a defined process or set of tasks, yet workers are increasingly asked to fill multiple roles or take on new responsibilities, with little or no development. For many, work feels like a “night at the Improv.” Is there another, more effective way to help workers thrive when their jobs and how they are doing them changes continuously?

In 2020, we expect that organizations will start to manage and execute work by defining the *outcomes* of work and the human *capabilities* that workers must possess to realize those outcomes. Organizations will create workforce experiences around those capabilities to reinforce ongoing development efforts and attain a more meaningful approach to skilling and reskilling their workforce.

**Recognizing the Need for Human Capabilities**

Performing work requires the possession of multiple *skills*, the use or application of those skills in a particular *context*, and the human *capabilities* we all possess. Let’s break that down:

Skills are the tactical collections of knowledge, expertise, and patterns of activity needed to accomplish tasks and achieve work outcomes within a specific context. In other words, skills help us get work done in a specific situation—say, writing code in Python to build a mobile app, designing a menu for a dinner party, or drawing blood from a patient. Skills can be learned through training, experience, and exposure.

Skills must develop and change constantly, because *context*—the environment in which skills are applied—does too, and the pace of that change is accelerating. For example, cashiers have adapted to new ways of completing transactions as payment methods have evolved from cash to debit cards to mobile applications. And some cashiers have evolved to
execute customer care and assistance roles as point-of-sale kiosks become self-service.

Human capabilities are already part of what many organizations identify as valuable attributes—creativity, resilience, empathy, and so on. Skills might evolve and change, but capabilities are something we are born with. Like muscles, they need exercise to grow stronger. When leveraged, they multiply our ability to perform activities and create outcomes that deliver value. We all possess these human capabilities, so there is tremendous promise for organizations to assess their current workforce’s capabilities and leverage them to meet the needs of a disruptive future. Some human capabilities traditionally have been left untapped in the workplace and present opportunities for companies to open the aperture and help employees be more “human” at work. And while these untapped capabilities can be nurtured, it is a different process than teaching a skill.

Putting Human Capabilities to Work
Organizations that focus on identifying and developing these human capabilities retain a belief that all talent can be nurtured. These organizations thrive on a growth mindset, which is why they can see the malleability and potential of their workforce’s most basic qualities. The related business benefit is not just talent retention—organizations with a strong growth-oriented culture are approximately twice as likely to report being able to effectively anticipate change and respond efficiently.18

Organizations need to help workers recognize, employ, and further develop their capabilities, and putting learning into the flow of work helps them do so.19 While decidedly not human, technology can play a role in generating these experiences. For example, virtual reality is providing ways for workers to practice honing their empathy, communication, and collaboration as they navigate mock scenarios that require these capabilities. Practice can also happen through stretch assignments, collaborative work, and peer experiences, depending on the capabilities to be nurtured and the actions of leaders to support these experiences.

The Role of Capabilities for Leaders
Recent research tells us that in order to develop a holistic view of workforce experience, high-performing organizations seek to create day-to-day moments that foster inclusivity and transparency.20 Responsibility for bringing these approaches to fruition rests with leaders, but not all leaders are necessarily prepared to do this effectively. This challenge calls for a different set of capabilities than, say, implementing a new sales technique or developing an action plan.

To connect with individuals and truly drive a meaningful work experience, leaders require a set of human capabilities that foster trust, open communication, and convey empathy. These capabilities are not simply taught—they’re lived out by leaders to improve workforce experience. Just recognizing the relevance of these capabilities challenges long-standing assumptions that high-performing individual contributors will also be high-performing leaders. As key influencers of culture and learning, leaders will

KEY POINT: Organizations need to help workers recognize, employ, and further develop their capabilities, and putting learning into the flow of work helps them do so.
be among the first in the organization challenged to actively cultivate and hone human capabilities to meet these needs (see Figure 1).

**Figure 1: The Shifting Roles of Leaders**

![Figure 1: The Shifting Roles of Leaders](image)


By making this shift toward capabilities, organizations will be able to rely on their talent ecosystem to navigate a slew of changes—even those that are unpredictable. Considering work through the frame of capabilities, not just skills, will help transform paths to desired outcomes and new ways of working, ultimately connecting business needs with talent’s potential.

Reinventing how they think about work with a focus on capabilities (combined with an emphasis on outcomes) has the potential to make leaders and individuals more acutely aware of the difference they’re making in their work, bolstering greater meaning and a sense of purpose. This fosters connection and engagement for employees and improved business outcomes.

To meet this challenge of building capabilities, organizations need the structures and operational ability to recognize and address them in their workforce. Success in the new world of work will rely on multiple vehicles, including the integration of capabilities into organizations’ structure and culture. A growth mindset is essential. Upcoming Bersin research will focus on operating models for learning organizations to better drive this dynamic, as well as further explore the integration and promotion of workforce experience across various elements of the business. By placing focus and acting on nurturing capabilities, organizations will help to reinforce the role of leaders as stakeholders of workforce experience, operationalize learning in the flow of work, and better prepare their workforce to handle the changing nature of work.

**Assessment will go mainstream for engaging, hiring, developing, and retaining workers**

*Denise Moulton, Vice President, HR & Talent Research Leader*

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Finding and keeping good talent has been a challenge for organizations since the dawn of the first Industrial Revolution—and it continues to this day. Deloitte's 2019 Human Capital Trends research demonstrates this: 70 percent of respondents cited recruitment as important, and 16 percent said it was one of three most urgent issues their organizations would face this year. Across every industry sector, talent acquisition (TA) and business leaders are struggling to hire talent that sticks. Retention strategies are often reactive, relatively scarce, and disconnected from organizations' recruitment initiatives.

In a competitive talent market with a socially conscious and highly selective candidate pool, recruiting teams need to be more data-driven in order to keep up with organizational demand without sacrificing quality of hire. TA must fundamentally reinvent its approach to hiring through a focus on accessing capabilities and optimizing tools and technology. Yet, despite understanding this need, the TA function is often resistant to experiment and change.

In 2020, this shifting focus will be the new imperative for the TA function. As enterprises evolve and adopt more data-driven approaches to talent selection and development, assessment technologies will become increasingly prominent. Such innovations are long overdue, according to our High-Impact Talent Acquisition research:

- Only 23 percent of organizations are effective or very effective at leveraging cognitive applications.
- As few as 16 percent of organizations are effective or very effective at using analytics-enabled applications.
- Merely 8 percent of organizations are effective or very effective at embedding artificial intelligence and machine learning into the TA process.

**Reinventing the Hiring Process through Assessment Tools**

Organizations continue to bear the burden of their own ineffective talent practices (e.g., gut hires, unstructured interviews), but there is an alternative to this approach—or lack thereof. Empirical evidence strongly supports that hiring for culture fit and conducting structured interviews focused on assessing skills, capabilities, and values can lead to better hiring decisions and positive talent outcomes, all of which impact the bottom line. But recruiters are still wired to hire to one opening and then quickly move on to the next requisition without truly considering the potential downstream impact of these hiring decisions. Time to fill tends to win over quality of hire, mainly because it's easier to measure and claim success. Both are important, yet these goals have become disconnected in many organizations. How can organizations address this gap?

Enter psychometric assessment, which will finally help bridge the divide between recruitment and employee retention in 2020. Psychometric assessments will empower TA teams to more fully evaluate talent prospects, helping them understand the whole person—beyond just demonstrated skills and education—behind the resume. These new tools can enable recruiters to assess unique human capabilities such as

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empathy and curiosity, as well as identify talent that is likely to fit well with an organization's culture and thrive in a particular context—all in a fraction of the time and with greater clarity and accuracy than current “gut instinct” methods. By leveraging science-based predictions, recruiters can reduce the potential for misjudgments in the screening process and begin to assemble an internal talent marketplace that is the right fit for both open jobs today and enterprise needs in the future. Organizations already recognize the impact of a bad hire, but in most cases, this is caught too late. With a keen focus on assessments in the early stages of talent pool development, recruiters will begin to uncover more about the behaviors and motivators of successful employees—and focus their efforts accordingly.

Additionally, by sharing the key insights that assessments reveal about human capabilities (e.g., willingness to experiment, adaptable thinking, openness and inclusion), theTA team can also begin to break down organizational silos and unlock unprecedented opportunities. The role of talent acquisition can then shift from a transactional “conveyor belt” to a valued connector across the organization, using its unique position to identify key talent opportunities across functions. For example, adaptable workers seeking growth can find the right opportunities within the organization instead of looking elsewhere; organizations can identify potential leaders based on their capacity for empathy or collaboration rather than just rewarding high individual performance. This creates the critical linkage to internal mobility that has previously eluded so many TA teams. Connecting candidate data with future-focused talent management initiatives will strengthen TA's position across the HR suite, differentiate the organization’s hiring approach, and help the business prepare for the future of work.

Organizations trying to stay competitive should incorporate assessments as part of the top-of-funnel sourcing process. With richer data and validated insights, the TA function can have the clarity needed to deliver an intentional and fully integrated talent strategy. TA teams can fully optimize their impact by hiring the right people for the right roles, driving better retention outcomes at scale. Once TA leaders learn how to balance data with intuition—blending human interactions with augmented solutions—the function will be able to better deliver a less homogenous and more effective pool of talent, and one that fits and stays put.

**Organizational network analysis will expand from examining current networks to architecting new ones**

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Gone are the old “predict-and-control” models of organizational leadership and people management—relics of a time when hierarchy reigned supreme and five-year plans rarely changed. New paradigms such as business ecosystems and agile teams are emerging to offer exciting **KEY POINT:** By sharing the key insights that assessments reveal about human capabilities, the TA team can begin to break down organizational silos and unlock unprecedented opportunities.
opportunities to spark innovation and growth—but they can also bring paralyzing complexity. For example, while 53 percent of companies with cross-functional teams reported an increase in organizational performance, only 6 percent rated themselves as very effective in managing those teams.25

Fortunately, the new technologies that are disrupting work and the workplace are also enabling new ways of measuring and managing these complex, networked organizations. People analytics solutions, which serve to quantify the activities and attitudes of the workforce, have proliferated the world of work over the past few years—both to help organize the tremendous amounts of data that workforce technologies generate as well as to derive insights from that data. Organizational network analysis (ONA), a subset capability of these people analytics solutions, seeks to quantify the countless relationships between individuals within an organization and describe how information flows among these groups. In fact, 41 percent of currently available people analytics solutions use ONA, with another 19 percent planning to incorporate network analytics as a capability in the near future.26

As organizations adopt ONA to supplement traditional and transaction-based metrics, business leaders, including HR, will drive strategy in new ways. Instead of focusing insights derived from ONA solely on understanding and optimizing current networks, leaders will use these insights to intentionally design new organizational networks—activating expert communities and sparking human interactions. This shift from network mapping to network design will be prevalent in reimagining operating models and facilitating change management.

**Shaking Up Operating Models**

Traditional operating models are typically plagued by functional boundaries and siloed behavior. These models are often too rigid to keep up with the dynamism and complexity required for nonroutine contexts such as continuous innovation and personalization. In order to create more agile and innovative teams, formal organization charts will be supplemented and overlaid with “network governance.” Borrowing from open-source software development, organizational network governance incorporates informal but intentional social systems (as opposed to bureaucratic structures) to provide adaptability, coordination, and safety in pursuit of community and innovation.27 Network governance offers the context and conditions for interaction, coordination, and exchange—all critical for agile, effective teams—without formal job descriptions, reporting lines, or responsibility matrices that can hinder creativity and flexibility. Business leaders looking to architect the organization of the future will intentionally shift their mindsets from “sticks and boxes” to “nodes and edges” and incorporate network governance into increasingly team-oriented operating models. These shifts confirm that individuals within the organization need to be seen as belonging to multiple teams within the structure. Leaders may start this transition by redesigning work and shaping incentives to foster collaboration and collective outcomes and by prioritizing the interactions that enable these outcomes.

**KEY POINT:** Instead of focusing insights derived from organizational network analysis solely on understanding and optimizing current networks, leaders will use these insights to intentionally design new organizational networks.
Easing the Pain of Change

Like innovation and personalization, change management is notoriously difficult. Nobody likes change—but this difficulty presents an opportunity. Using ONA, leaders can empower themselves to identify influencers at all levels in the organization and begin to map how emotions, whether resistant or supportive, can spread from person to person in groups experiencing change. Understanding this “emotional contagion” can create opportunities for business leaders to activate and connect these influencers to form coalitions, build consensus, and, ultimately, transform culture. As a result, business leaders will intentionally design and activate networks to govern and direct positive emotional contagions while mitigating negative ones, fostering sustainable business transformation and cultural change.

ONA can grant organizations clarity into how their networks function, allowing leaders to build new dimensions of organizational structure. This intentional architecting will be essential for businesses and their leaders looking to stay ahead of—and benefit from—continuous disruption. High-performing organizations are already building networks to create clarity around design decisions and organizational strategy. For example, 60 percent of high-performing organizations already use network analysis to guide decisions related to enterprise and business-unit design, compared to just 21 percent of low-performing organizations.28

Upcoming Bersin research will dive deep into operating models and networks, including those for HR as a whole and those for talent acquisition and learning organizations. In addition, change management continues to be an important theme for our members and across all our upcoming research. In order to prepare yourself for the coming paradigm changes and to help your organization capture the immense power of intentional network design, educate yourself on ONA and its potential applications. We recommend starting with our primer29 on ONA and its applications, as well as our research on the people analytics solution provider market mentioned earlier.30

Organizations will use internal talent marketplaces to unleash talent mobility

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Talent mobility is a priority for most organizations—76 percent of companies that participated in the 2019 Deloitte Human Capital Trends survey described the issue as important or very important.31 That’s no surprise: unemployment in the United States is currently at record lows, and the number of open positions exceeds the number of unemployed workers.32 As a result, many organizations are looking for new ways to meet their talent needs. Moving forward, we predict that internal mobility will take on greater prominence for companies, leapfrogging the recruitment of external candidates as a talent source. Internal talent marketplaces will play a key role in enabling that mobility by helping people...
find opportunities within their organizations more easily and fostering more agile skill development and team-building.

Internal mobility helps organizations find better candidates: organizations that promote employees internally are 32 percent more likely to be satisfied with the quality of their new hires,33 in large part because external hires typically take two years to reach the same level of performance. Compared with internal hires in similar positions, external hires are 61 percent more likely to be laid off or fired in their first year of service and 21 percent more likely to leave on their own.34

Internal mobility is also important from a workforce experience perspective: 49 percent of millennials would, given the choice, leave their current jobs for better roles in the next two years, and of that group, 35 percent planned to exit due to the lack of opportunities to advance.35 In the quest to retain key people, providing opportunities for development and growth should be an organizational priority.

Unfortunately, internal mobility is not a strength of most organizations. According to Deloitte’s Human Capital Trends study, only 6 percent of organizations do an excellent job at moving people from role to role.36

**Fueling Internal Mobility with Talent Marketplaces**

One problem with internal mobility involves transparency around available positions. More than 50 percent of surveyed people find it easier to get a job outside their organizations than inside, and most organizations look to external sources for needed skills and capabilities.37 Talent marketplaces can provide this missing element of transparency, letting employees see the openings in their organization, describing the skills and experiences needed, and suggesting possible matches. Conversely, team leaders or project managers trying to staff open positions or initiatives can search internal candidates to determine the best matches and review those who have expressed interest.

In short, talent marketplaces can provide the structure that allows organizations and individuals to access a wealth of opportunities. Internal talent marketplace technology is now sufficiently advanced to mirror the experiences of external candidates and provide organizations insight into their internal mobility processes. This technology isn’t limited to advertising internal job openings—it can identify open project work, role opportunities, and the skills and capabilities needed by both the individual and the organizations going forward. Internal talent marketplaces can also help in reskilling the workforce for future needs, helping people learn in the flow of work.

The best talent marketplaces also serve up proactive insights, suggesting to workers where they could advance in their careers and informing team leaders of candidates (who may not have been otherwise identified) whose skills and capabilities may be a fit for open roles. Thinking about roles instead of just jobs helps test out talent for specific areas and functions and increase agility to recalibrate in case of misalignment. For individuals, a nudge from the platform to hone skills and capabilities in ways that meet organizational needs can create a more meaningful work experience,

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**KEY POINT:** Internal talent marketplace technology can identify open project work, role opportunities, and the skills and capabilities needed by both the individual and the organizations going forward.
increase individual skills and portfolios, and develop business relationships.

**Looking Internally as an Organization**

So why haven't talent marketplaces gone mainstream? Even though organizations have overcome technological barriers, other issues persist. Many workers are not prepared to embrace new opportunities, and managers continue to resist internal mobility.38 These problems are worsened by organizational practices that discourage risk-taking, reward talent-hoarding, and reinforce established job structures and hierarchies. For both managers and employees, “playing it safe” is often the norm.

Fortunately, these challenges can be addressed head-on. If your organization has been overlooking internal talent, here are some practical tips to start developing an internal talent marketplace:

- **Invest in the right technology.** Internal talent marketplace technology now supports the creation of platforms that allow visibility into organizational needs and how workers’ profiles compare to them. Any internal marketplace needs to be searchable by both workers and their employers and provide for easy updates of user profiles.

- **Define the work.** Understand what work is most critical to your organization and aligns to the overall strategy of your business. Define that work not merely in terms of jobs but in terms of roles, capabilities, and skills.

- **Get leadership on board.** Show leaders the value of supporting company-wide retention outcomes through internal mobility. High-performing organizations set explicit targets for internal talent mobility and tie management compensation to building workers’ readiness for lateral or upward movement.39

- **Create and popularize a culture of internal mobility.** Understand the close relationship between internal talent and organization-wide performance—and then treat talent as critical to growth. Inviting homegrown leaders to share their stories can be an essential part of building a culture of internal mobility. Setting expectations for managers to be “exporters” of top talent is key.

As organizations work toward greater levels of internal talent mobility and design talent marketplaces to meet these needs, the shift in mindset required will gradually be viewed as business as usual. An agile and modular approach to work, talent, and careers will not only increase the flexibility and retention of key talent but ultimately will help make work more meaningful. As organizations become intentional about internal talent mobility, they will leverage internal talent marketplaces and seize the opportunity to increase workforce satisfaction, retention, and encourage a more agile organization. Transforming the workforce for the future will depend on internal talent mobility, and we’ll explore what practices differentiate outcomes in 2020.
Organizations will use AI and behavioral nudges to reduce bias across the workplace

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Bias is everywhere. Nearly two-thirds of respondents in The Bias Barrier, Deloitte’s 2019 Report on the state of inclusion, reported experiencing bias in the workplace last year. And the sobering statistics continue from there: respondents reported that bias had negative impacts on productivity (68 percent), engagement (70 percent), and on happiness, confidence, and wellbeing (84 percent).40

As humans, we can hold a variety of unconscious biases. Many are necessary to daily life, almost intuitive; some are less productive and are holdovers from the past, no longer relevant. We tend to favor people most like ourselves (similarity bias). We often prefer information that confirms our beliefs and are prone to discount information that contradicts them (confirmation bias). We also can put greater emphasis on things that have just happened (recency bias). These and other types of biases can unconsciously influence our decision-making: we may inadvertently hire or promote those most like us, make talent selections that align with our preconceived notions, and base our performance evaluations on what we expect to see or have seen most recently.

Organizations are increasingly recognizing that humans are biologically hardwired to operate on instinct and habit and are seeking nonhuman solutions to mitigate outdated and problematic biases. For instance, the use of artificial intelligence (AI) in recruitment alone is expected to increase threefold over the next two years.41

Using AI to Help Reduce Bias across HR

AI is not new, but it has been making increasingly interesting strides into talent acquisition, internal mobility, learning and development, and performance management. Some common use cases of AI include:

- Revising job postings to use gender-neutral language
- Anonymizing resume information (e.g., names, photos, gender, schools, ZIP codes, graduation dates) to reduce reviewer bias
- Using gamification to assess abilities beyond resume text and match applicants to their best-suited roles
- Providing real-time performance metrics to nudge more frequent feedback, transparency, and learning recommendations

However, AI is not without its own challenges. The algorithms that drive AI (including the parameters for machine learning applications) are created by humans—and humans have unconscious biases. Until we reach the technology singularity, at which point AI will program itself (we’ll save that prediction for a future year), this means that AI is also subject to bias.
For example, if your company is currently made up of mostly Caucasian males over 40 years of age, and the talent acquisition AI tool is establishing correlations using only this data set to bring in more high performers, then it should be no surprise that the result will be more Caucasian males over 40. Clearly, a more thoughtful approach to “programming” the AI is required in order to identify and bring on a more diverse talent pool.

Many organizations are aware of AI’s flaws and are taking steps to address them. For example, several leading technology companies have announced their use of open-source software tools that can be used to examine bias and fairness in AI models. Furthermore, there is a growing number of AI auditing firms emerging to help address these issues.

**Combining AI with Behavioral Science**

AI can provide humans with powerful tools to reduce unconscious bias, but in turn, humans need to design AI with fairness standards in mind and routinely monitor and test algorithms to ensure they do not favor or disadvantage any particular group. In this way we can use human judgment, aided by AI, to reduce both our unconscious biases and inadvertent machine-learning biases.

Of course, even when work is augmented by AI, many decisions will still fall to humans—who are prone to cognitive shortcuts. But we can take this another step forward: behavioral science can help create environments and offer choices that encourage better decision-making.

For example, a hiring manager or recruiter may show similarity bias in reviewing a resume. A resume-masking AI tool could be used to anonymize demographic details in order to reduce bias and nudge the resume reviewer to focus on the most critical job-related aspects. The intent is not to rely on biased shortcuts or “trick” people into one decision or another but rather to nudge them to consider the most pertinent factors.

**Considerations for Mitigating Bias in Your Organization**

To get started:

- Examine your end-to-end talent life cycle to identify the areas most prone to bias (e.g., decisions on resume screenings, interviewing, selection, performance management, or internal mobility).
- Explore AI/data science solutions while designing for fairness to reduce the bulk areas of potential bias (e.g., identifying processes or tasks that can be automated).
- Determine behavioral science opportunities to nudge decision-makers at the right times with the right information to inform decisions (e.g., examining a full review period rather than only recent actions when measuring performance, evaluating ability test results to supplement resumes when selecting candidates for interviews, or showing candidate details as a group instead of one by one to compare to the desired fit).
- Keep in mind that, for humans, a bias issue can be seen as a learning issue: Think, for example, how we all learned to drive. We start the learning process at an “unconscious incompetence” level.
and move on to “conscious incompetence,” then to “conscious competence,” and finally, through learning and practice, arrive at “unconscious competence.” Similarly, we can think of the journey from bias to inclusion in the same way, starting with “unconscious bias,” moving to “conscious bias” (uncomfortable), then through learning to “conscious inclusion,” and finally through practice and more learning to “unconscious inclusion” and new business-as-usual inclusive behaviors. AI, nudging, and behavioral science tools can help us get there.

The combination of AI and behavioral science will be on the rise in 2020. An increased number of AI tools will continue to emerge, and organizations will become more familiar with behavioral science tools and nudges to help their people make better and more informed talent decisions.

Bersin will continue to explore the topics of bias and the impact of AI and behavioral science through 2020 with research in areas such as nudging and AI for inclusion, people analytics for the individual, the diversity and inclusion solution provider market, and our next High-Impact People Analytics study.

**Organizations will use virtual work and workforce development to improve the performance and productivity of people and teams**

*Chris Havrilla, Vice President, HR Technology and Solution Provider Strategy & Research Leader*

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The realities of tomorrow’s workforce will require organizations to be more flexible in enabling the execution of work—wherever it needs to happen. Organizations are already working on their ability to build a distributed workforce, whether to tap into talent pools that live far from existing operations or to entice a population of nomadic workers who prefer to work with more flexibility. This need will intensify in 2020 in response to reduced budgets and geopolitical uncertainties that make it harder to move talent around the globe.

What’s more, it will not be enough to just get work done. Organizations must be able to continually reskill their workforce and build their capabilities, no matter where they work: talent and population shortages, shifting demographics, and rapidly aging skills sets place a critical emphasis on learning and development. Companies must also deliver a compelling experience for their workforce, regardless of location. As a result, HR organizations will turn to emerging technologies to support the development and management of their distributed workforce.

**Emerging Technologies Connect a Distributed Workforce**

Emerging technologies tend to fall into one of two buckets: those that demand new skills from workers, such as robotic process automation and cognitive agents, and those that support the development of new skills and ways of working. The latter can help to connect individuals across...
physical spaces, provide tailored coaching and development recommendations, and create virtual learning experiences—thus enabling the performance and productivity of a distributed workforce.

• **Virtual collaboration.** Collaboration technology that can connect the distributed workforce is essential to workforce experience and productivity. In 2020, the number of self-employed workers in the United States is projected to reach 42 million—nearly triple what it was in 2018—and with this rise will come a higher expectation for remote work opportunities. As such, organizations will shift their focus to fostering teamwork and collaboration—and thus productivity and engagement, especially as it becomes easier and easier to find gig work. Beyond basic email and chat systems, collaboration and work management tools help ensure accountability across different workstreams and provide visibility into related automated tasks. We expect to see a rise in virtual conferencing tools—not just the video-conferencing options we have today, but in 3-D, via virtual- and augmented-reality technologies. The potential of these tools will catapult them past face-to-face meetings that require travel to become the preferred way to collaborate on ideation, design, and even modeling or prototyping—helping lead to better outcomes and better workforce experiences.

• **Virtual coaching.** Virtual coaching solutions help reduce the psychological distance between the learning opportunity (i.e., coaching) and an individual’s work. The ability to document and share immediate feedback on performance lets coaches offer real-time perspective on their colleagues’ performance. These conversations can directly help to overcome challenges and celebrate the successes of work. As such, they provide one example of how to embed learning in the flow of work. Emerging coaching technologies will target specific roles (e.g., executives or managers) and provide more scalable access to coaching for the entire workforce. In the case of the former, individuals will often connect with live coaches, either inside or outside their organization. Colleagues can schedule times to connect or correspond more casually with questions and tips for development. For greater scale and reach, automated chatbots will employ exploratory questioning and machine-learning capabilities to help surface new learning and development opportunities that match an individual’s capabilities, interests, development needs, and career aspirations—even ones not originally considered.

• **Virtual learning.** In addition to providing new ways of connecting and coaching, virtual tools have long enabled learning experiences that would otherwise not be possible. New technologies like VR headsets will help provide empathetic learning experiences from other perspectives or provide virtual environments that might be uncommon or unsafe in person (e.g., training retail employees how to respond during a holiday rush or in an emergency situation). While earlier versions of this type of learning technology have been around for some time, 2020 will mark a year of continued growth and new capabilities as more providers enable customizable learning experiences that help deliver unique learning environments.

**KEY POINT:** Emerging technologies tend to fall into one of two buckets: those that demand new skills from workers, such as robotic process automation and cognitive agents, and those that support the development of new skills and ways of working.
not previously possible.

Forging Connections and Action

External factors will continue to drive organizations to leverage their distributed workforce. But just because workers’ locations are different does not mean their experience has to be. Organizations will look to emerging technologies to drive new ways of working and creating value—while fostering connection and development in the process. To do so, they will need to stay up to date on those technologies that can help them identify and respond to disruptions. As organizations continue to explore the different ways in which new technologies can support their distributed workforce, Bersin will be working with solution providers to help provide you with an up-to-date view of the available capabilities in the market.
Endnotes

Predictions for 2020: Clarity, Focus, Action!

The Bersin™ Membership Program

Our research-driven insights are provided exclusively to organizational members of Bersin. Member organizations have access to the Bersin suite of offerings, including our proprietary tools and services. In today's business-driven HR landscape, we offer research, analytics, and industry insights to help design and execute innovative talent, leadership, and change programs, including:

- **Content and Insights**—Market-leading, proprietary research including research reports, high-impact industry studies, videos, webcast replays, process models and frameworks, and case studies.

- **Interactive Factbooks**—Covering a wide spectrum of Human Capital metrics, this platform allows members to filter by industry and company size and create custom benchmarks, analyze trends, and identify drivers of variance.

- **Maturity Scorecards**—Research-based maturity assessments, integrated with business feedback, deliver actionable custom analysis, relevant research resources, and guidance from member advisors. These scorecards help members develop a plan to progress in maturity.

- **Tools and Job Aids**—Practical materials in the form of checklists, worksheets, templates, guiding questions, and more. Members can use these materials to help promote thinking, facilitate discussion, enable self-assessment, outline steps, direct processes, and aid decision-making.

- **Member Advisors**—Through virtual and in-person activities, our specialized member advisors help members understand our research, uncover deeper insights, prioritize human capital issues, and map solutions to some of their most pressing challenges.

- **Networking**—Member-only online Communities, working groups, and member exchanges let you connect with peers and industry leaders to discuss and learn about the latest industry trends, emerging issues, and leading practices.

- **IMPACT Conference**—Our executive conference brings research-driven insights to Human Capital leaders and their teams, offering them the opportunity to exchange ideas with other senior-level practitioners, industry thought leaders, and Bersin team members.

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