

Skills for a post-pandemic future

PULSE REPORT 4
OCTOBER 2020



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SUMMARY

THE RIGHT SKILLS ARE A FUNDAMENTAL FACTOR FOR POST-PANDEMIC SUCCESS

A re-occurring theme in AHRI's fourth HR Pulse report is the critical impact the right skills have had for organisations during the pandemic. Skills that include change management and leadership, adaptability and flexibility, and effective communication were considered by HR practitioners to be among the contributing factors to organisational survival through the crisis. They also identified that these very skills would be crucial for organisations post-pandemic.

However, the report also found that only half of HR practitioners believe their workforce is ready for 2021, and even fewer believe their workforce actually has those skills they identified as critical for future success.

The research found a positive relationship between organisations being in a position to make strategic decisions about their future operating model and the level of confidence HR had in their workforce's skills. Despite this, while 4/5 of HR practitioners believe their organisation will recruit over the next 6 months, only 1/5 are confident they will be recruiting for specific skills.

Both of these findings suggest that rapid upskilling will be required for many organisations to move from the states of 'reacting' or 'resolving' to 'recovering'. While the survey shows that HR practitioners are well aware of this, leadership also needs to understand how fundamental an appropriately skilled workforce is to their organisation's recovery journey.

Sarah McCann-Bartlett
Chief Executive Officer and Managing Director,
Australian HR Institute

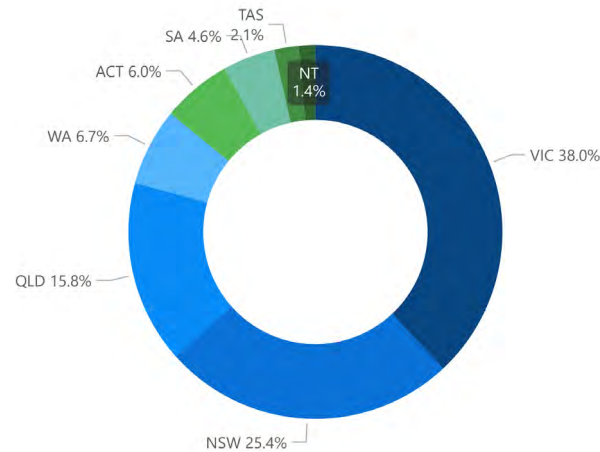
DEMOGRAPHICS

The Australian HR Institute surveyed 284 HR leaders between the 21st August – 2nd September, on their ongoing experiences relating to skills as a result of the COVID-19 pandemic.

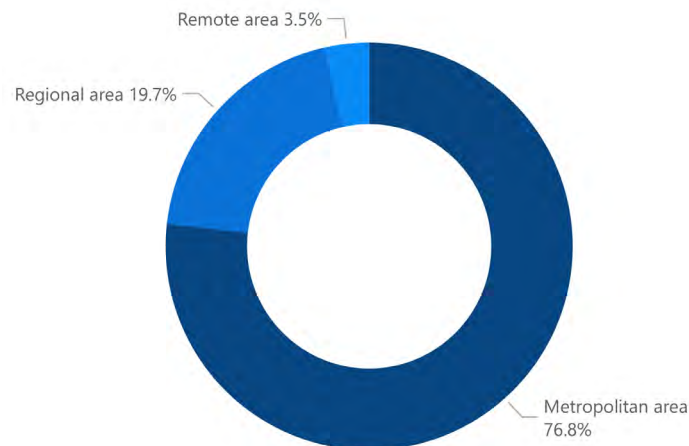
The majority of respondents reside in Victoria (38%) and New South Wales (25.4%), in a Metropolitan area (76.8%).

The majority are either HR managers (32.8%), HR Advisers (17.3%) or HR Business Partners (16.2%). 'Other' respondent roles include 'Recruitment & HR Officer', 'People Analytics' and 'HR Systems specialist'.

STATE/TERRITORY (N=284)



LOCATION (N=284)



JOB ROLE (N=284)

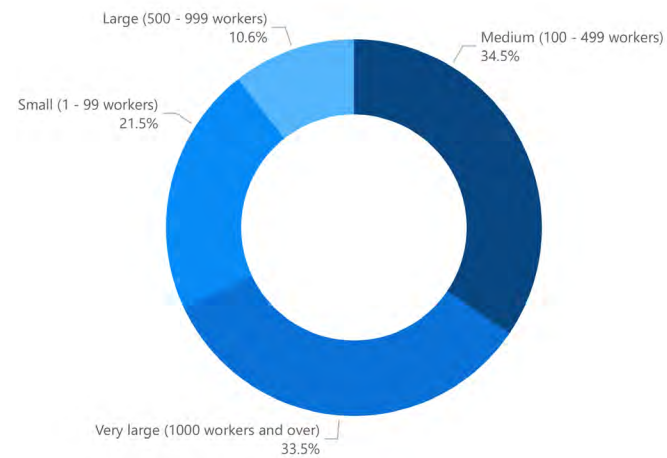
HR Manager	32.8%
HR Adviser	17.3%
HR Business Partner	16.2%
HR Director (national focus)	6.3%
HR Consultant	5.6%
Senior Executive team	4.9%
HR Administrator	4.2%
HR Director (state focus)	4.2%
HR Director (global focus)	1.8%
Other (please specify)*	6.7%

DEMOGRAPHICS

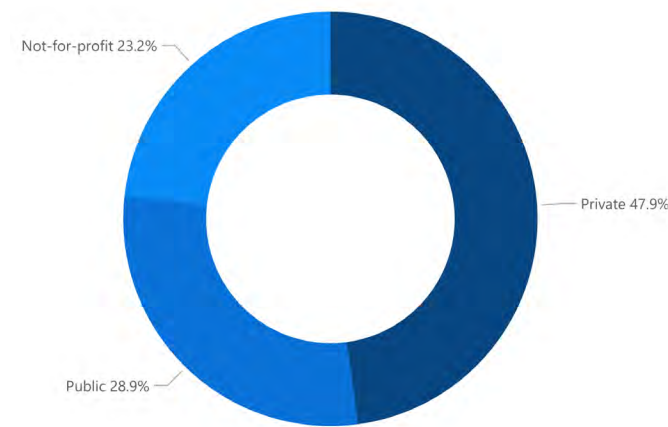
Most respondents report working in medium size organisations (100-499 workers; 34.5%), followed by very large organisations (1000 workers and over; 33.5%).

Further, the majority of respondent organisations are in the private sector (47.9%), and in the Healthcare and Social Assistance industry (12.7%). Other industries include 'Aerospace', 'Life Sciences' and 'Publishing'.

ORGANISATION SIZE (N=284)



SECTOR (N=284)



INDUSTRY (N=284)

Healthcare and Social Assistance	12.7%
Professional, Scientific and Technical Services	11.3%
Education and Training	10.2%
Financial and Insurance Services	9.5%
Public Administration and Safety	8.1%
Manufacturing	6.3%
Mining	3.5%
Transport, Postal and Warehousing	3.2%
Agriculture, Forestry and Fishing	2.8%
Construction	2.8%
Accommodation and Food Services	2.5%
Arts and Recreation Services	2.5%
Electricity, Gas, Water and Waste Services	2.5%
Retail Trade	2.1%
Wholesale Trade	1.4%
Administration and Support Services	1.1%
Information Media and Telecommunications	0.7%
Rental, Hiring and Real Estate Services	0.4%
Other services (please specify)	16.6%

CURRENT STATE OF OPERATION

Organisations are split about their current state of operation in relation to the pandemic. The states of operation were defined as the below:

1. Reacting

Continuing to react to changing conditions (36.6%)

2. Resolving

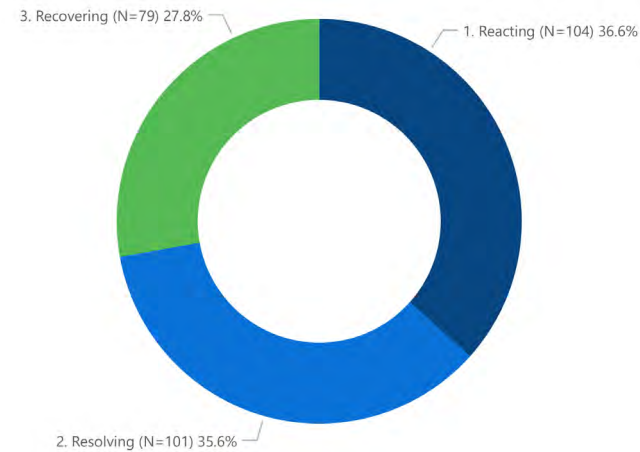
Implementing a new operating model for the current circumstances (35.6%)

3. Recovering

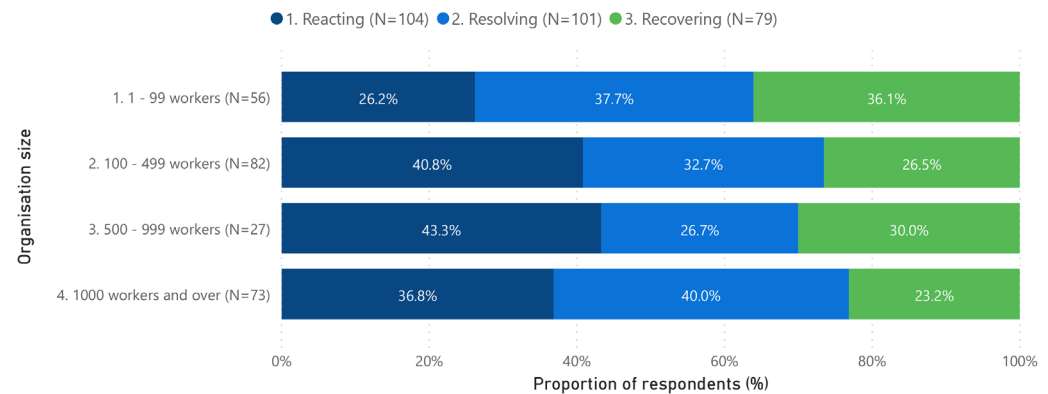
Making strategic decisions about our future operating model (27.8%)

There is a general trend that larger organisations are less likely to be in the recovery phase in relation to the pandemic, with only 23.2% of workers in very large organisations (100 workers and over) in the recovery phase, and 36.1% of small organisations (1-99 workers) in the recovery phase.

OUR ORGANISATION'S CURRENT STATE OF OPERATION (N=284)



OUR ORGANISATION'S CURRENT STATE OF OPERATION, BY ORGANISATION SIZE (N=284)

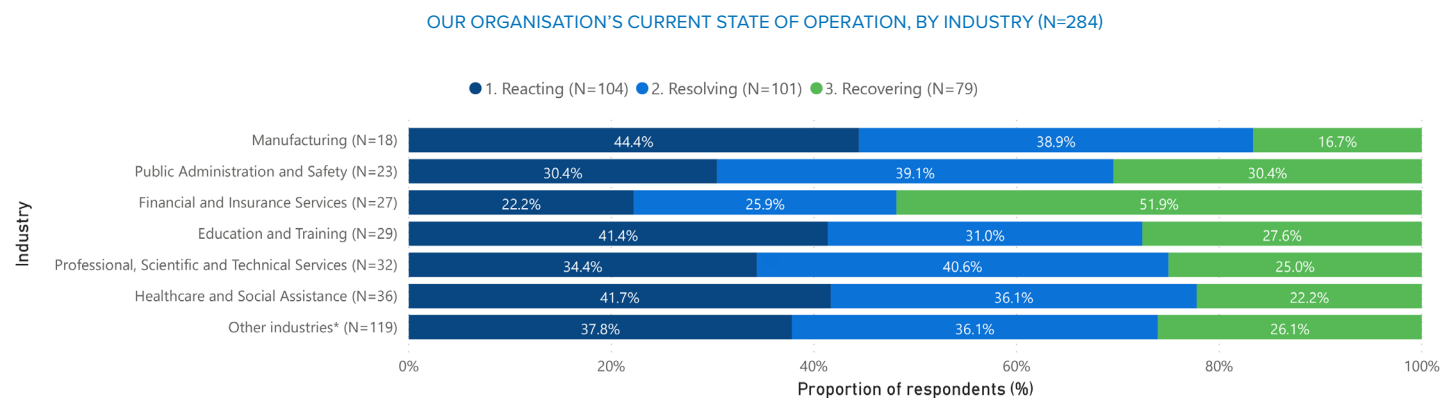


CURRENT STATE OF OPERATION

Further, some industries were more likely to be in the recovery state of operation, with Financial and Insurance Services having the highest proportion (51.9%), as opposed to Healthcare and Social Assistance with a low recovery proportion (22.2%) and Manufacturing with the lowest (16.7%).

There are no major differences in relation to state of operation by location in Australia, by state.

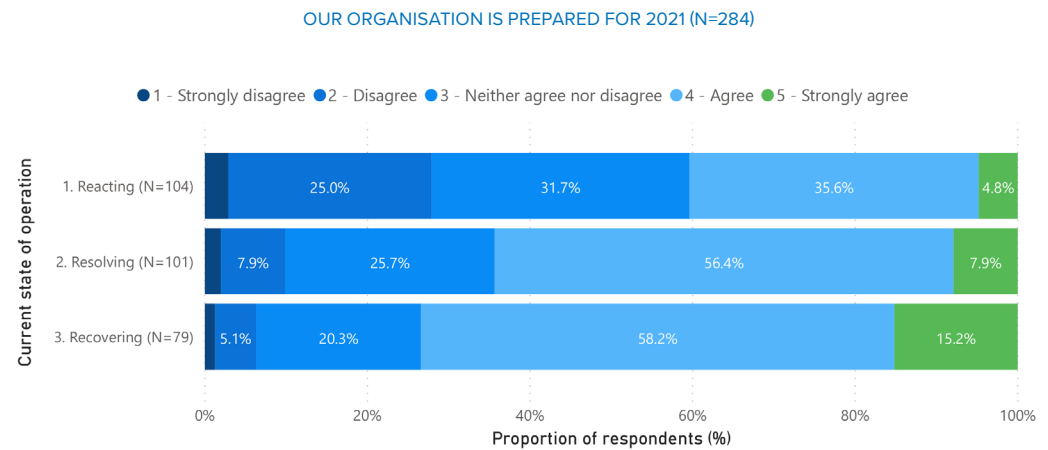
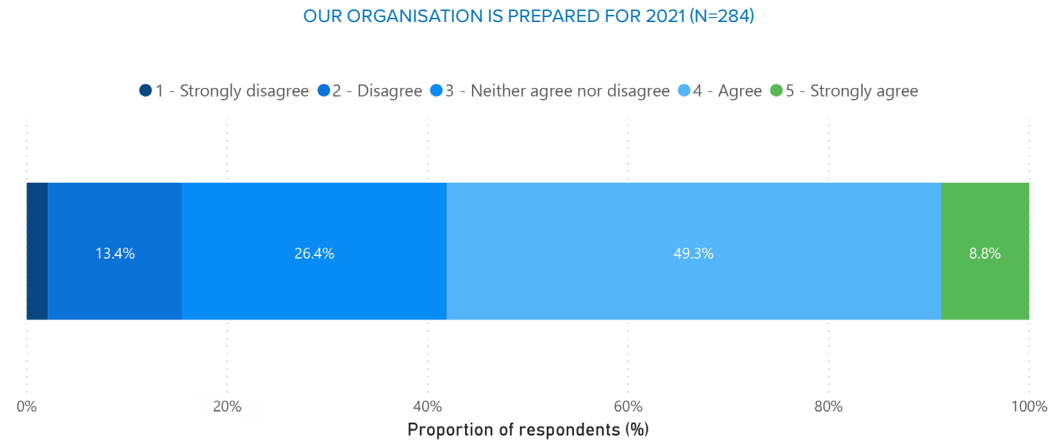
*Industries with less than 15 respondents were merged into the 'Other industries' category



FUTURE READINESS

58.1% of HR professionals indicated their organisation is prepared for 2021.

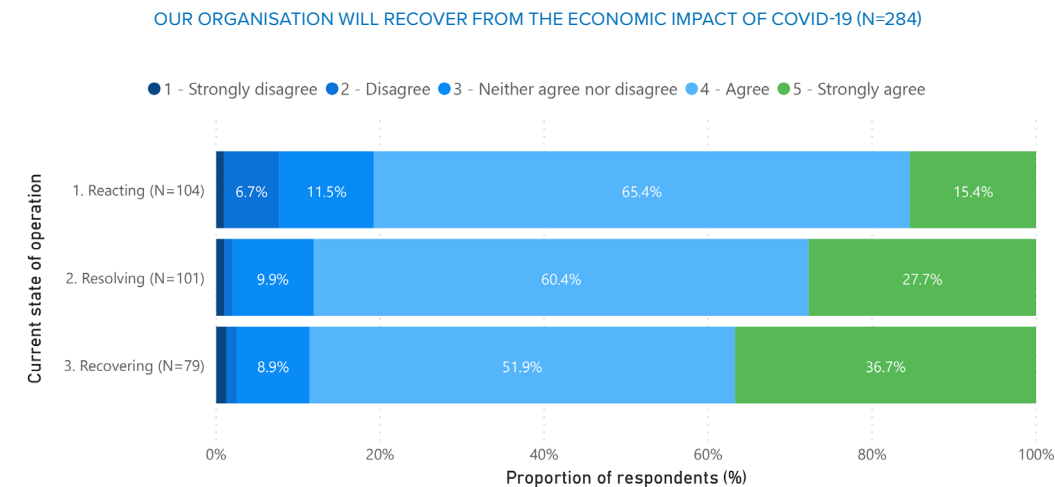
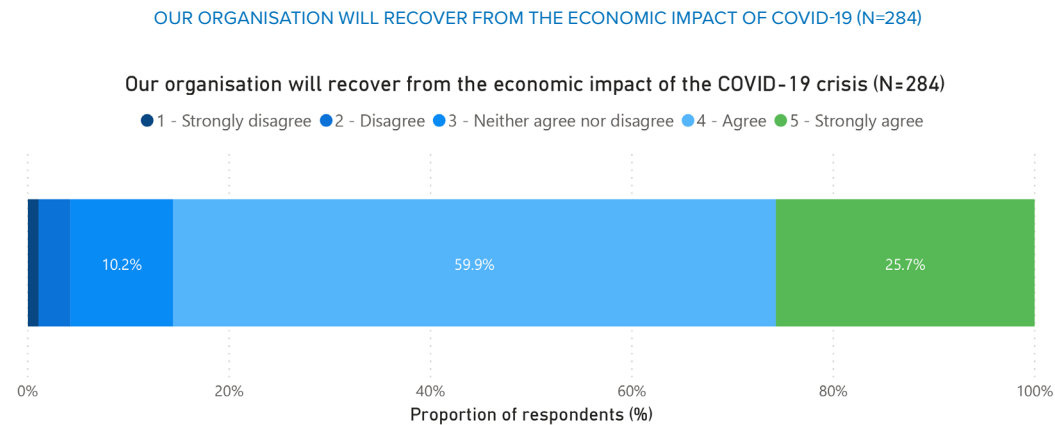
Organisations who are looking forward at their strategic operating model ('3. Recovering') are 33% more likely to feel prepared for 2021 (73.4%) than those who are continuing to react to changing conditions ('1. Reacting'; 40.4%).



A POST-PANDEMIC RECOVERY

The large majority of HR professionals agree their organisation will recover from the economic impact of the COVID-19 crisis (85.6%).

The private sector had the most confidence about economic recovery (88.9%), and the not-for-profit sector had the least confidence (78.8%).



The key HR skills for recovery

Respondents suggested there was a myriad of crucial skills required for post-pandemic recovery. The skills fell into five categories that identified HR's focus moving forward. These were centred around adapting to change, resilience, workforce planning, communication and compliance in an ever-changing IR/ER environment.

1.

Change management,
flexibility, adaptability
and agility

2.

Managing wellbeing, resilience
and psychological safety

3.

Strategic workforce
planning

4.

Communication

5.

Compliance, industrial
relations and employee
relations

HR SKILLS

Only 36.1% are confident their HR team currently have the skills required for post-pandemic recovery.

Barriers for HR to develop those future-ready skills include:

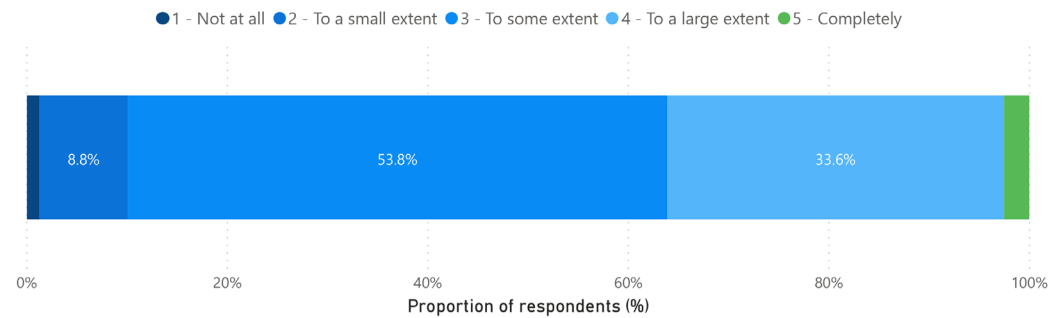
- Lack of time and resources
- Focusing on reacting to current priorities or emergencies
- Lack of strategic planning
- Access to affordable courses

“

“Senior leaders are cutting costs too lean, and HR’s previous strategic partnering role has taken a back seat to deal with more operational issues.”

”

OUR HR TEAM CURRENTLY HAVE THOSE SKILLS REQUIRED FOR RECOVERY POST-PANDEMIC (N=238)

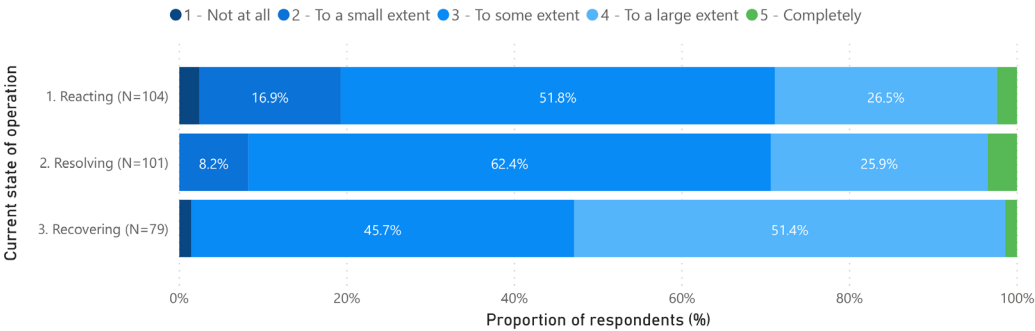


HR SKILLS

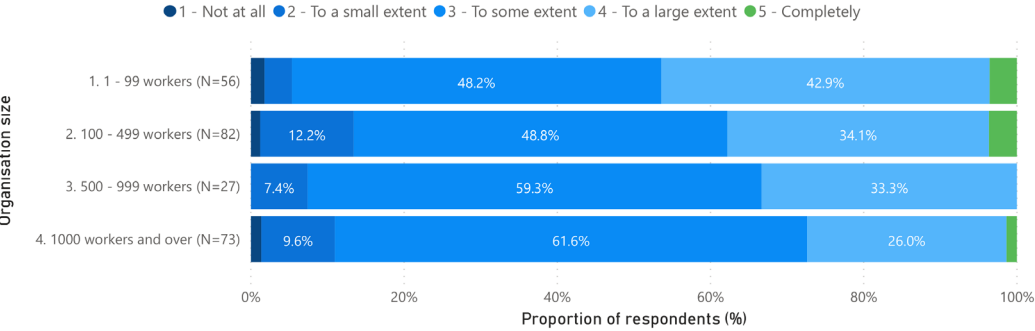
Organisations who are looking forward, making strategic decisions about their future operating model ('3. Recovering') are 23.7% more likely to be confident about their HR team's skills (52.8% confidence), than respondents from organisations in the resolving (29.4%) or reacting (28.9%) states of operation.

Further, the larger the organisation, the less confident they are about their HR team's skills (27.4% confidence in very large organisations above 1000 workers; 46.5% confidence in small organisations with 1-99 workers).

OUR HR TEAM CURRENTLY HAVE THOSE SKILLS REQUIRED FOR RECOVERY POST-PANDEMIC (N=238)



OUR HR TEAM CURRENTLY HAVE THOSE SKILLS REQUIRED FOR RECOVERY POST-PANDEMIC (N=238)

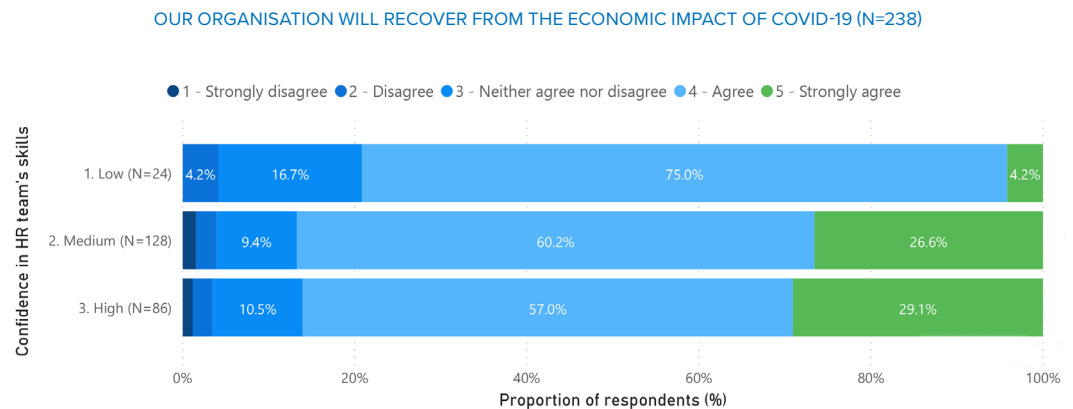
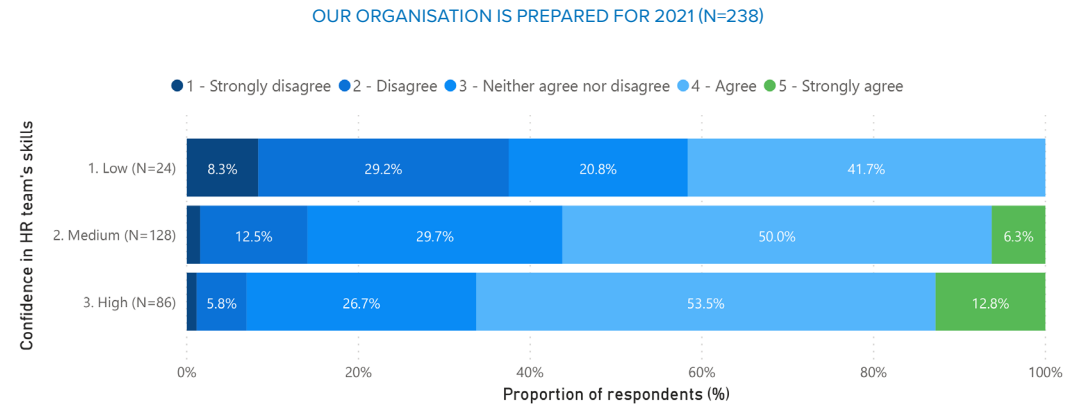


HR SKILLS

Confidence in the HR team's skills influenced whether HR professionals thought their organisation was prepared for 2021. Those who had high confidence in HR skills agreed more so that their organisation was prepared for 2021 (66.3%), than those with medium (56.3%) or low confidence (41.7%).

Perceptions of confidence somewhat influenced how strongly HR professionals agreed that their organisation would recover from the economic impact of the COVID-19 crisis.

Only 4.2% of those with low confidence in HR skills strongly agreed their organisation would economically recover from COVID-19, as compared to 26.6% in the medium confidence group or 29.1% in the high confidence group.



Getting through 2020: HR's critical skills

HR professionals suggested there were several crucial skills that they needed to have to be able to handle the pressures that the pandemic had placed upon their organisation. Of these skills, the top five were the ability to adapt quickly, be able to drive change management effectively, consistent and open communication, effective and impactful organisational design and development, and resilience.



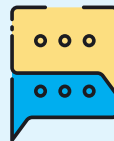
1.

Adaptability, agility
and flexibility



2.

Change
management



3.

Communication



4.

Organisational design
and development



5.

Resilience

HR INFLUENCE

Perceived HR influence on the executive team has risen by 14.9% during the crisis, and is expected to remain at a similar level post-pandemic.

Further, those with high confidence in the HR team's skills are more likely to suggest stronger perceived HR influence on the executive team during the pandemic (8.7), than those with medium (7.3) or low confidence (6.3).

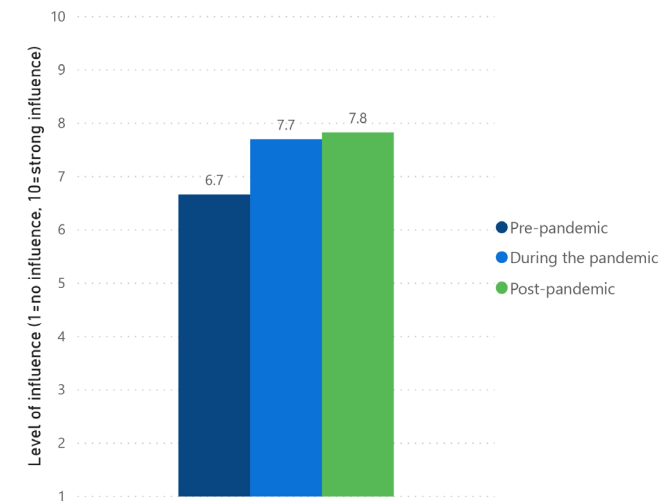
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“HR has strongly influenced the leadership team to promote team cohesion, open communication, encouraging staff connections and HR check ins on hot topics during pandemic (incl mental health, L&D remote training, etc)”

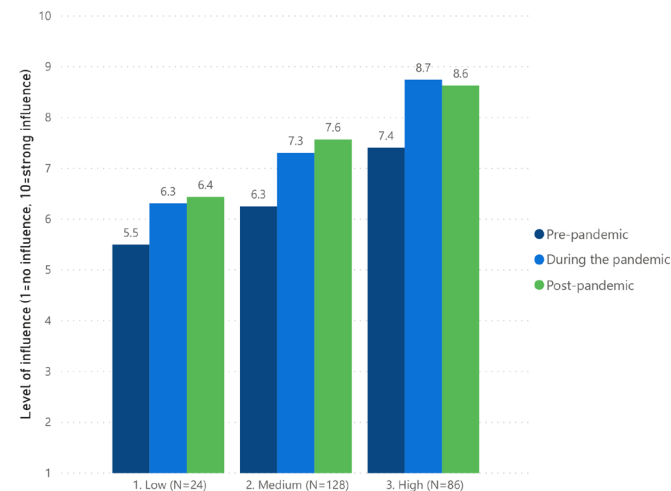
“We stopped the leadership team from making knee jerk reactions. We educated them on alternative pathways and methods of coping.”

”

PERCEIVED LEVELS OF HR INFLUENCE ON THE EXECUTIVE TEAM (N=212)



PERCEIVED LEVELS OF HR INFLUENCE ON THE EXECUTIVE TEAM (N=212)



Only ½ of respondents (50.8%) are confident their workforce has the skills needed for post-pandemic recovery.



A skilled workforce is critical

Only half of HR professionals are confident their workforce has the necessary skills for a post-pandemic recovery, and they identified what these critical skills were. The top five skills for workforces centred around change management, effective leadership, the ability to adapt and be flexible, resilience, and good communication.

1.

Change management

2.

Leadership

3.

Adaptability & flexibility

4.

Resilience

5.

Communication

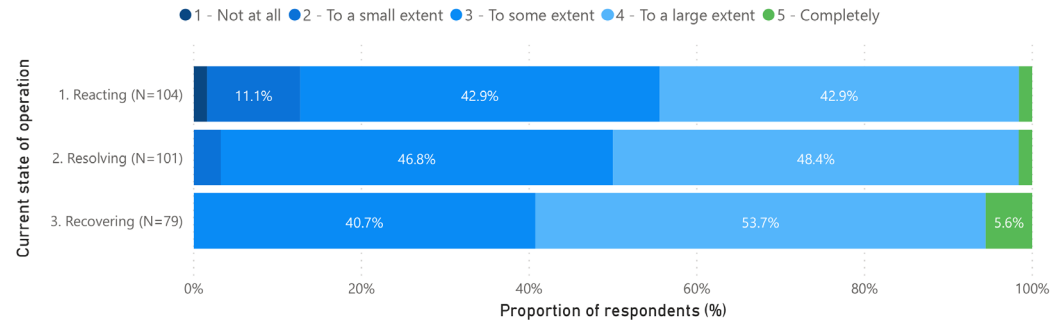
WORKFORCE SKILLS

Organisations who are making strategic decisions about their future operating model ('3. Recovering') are more likely to be confident about their workforce's skills (59.3% confidence), than respondents from organisations in the '2. Resolving' (50%) or '1. Reacting' (44.5%) states of operation.

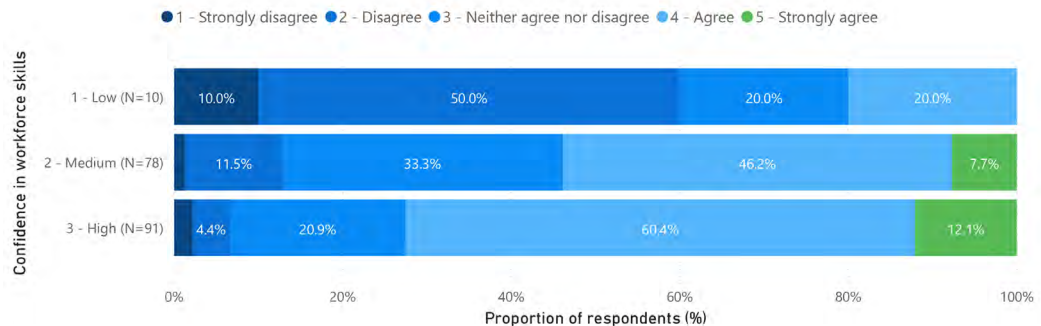
Confidence in those workforce skills directly interacts with whether they feel prepared for 2021, and whether they are in the recovery phase in relation to the pandemic.

“Once we understand the strategic direction of the company, we can support management and employees better with emerging issues and changes in the way we look at the needs of the employees”

OUR ORGANISATION'S WORKFORCE HAS THE SKILLS IT NEEDS FOR RECOVERY POST PANDEMIC (N=179)



PREPAREDNESS FOR 2021 BY EXTENT OF REQUIRE WORKFORCE (N=179)



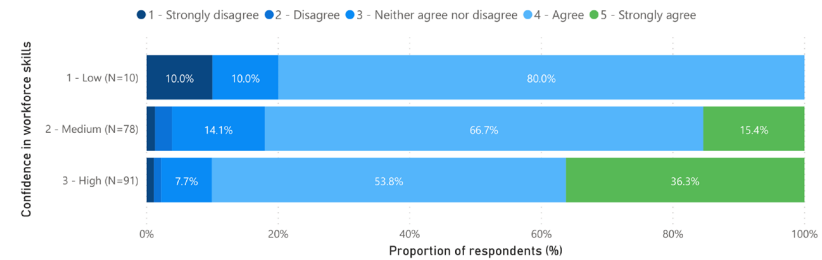
WORKFORCE SKILLS

Confidence in workforce skills also influenced whether HR professionals thought the organisation would recover from the economic impact of COVID-19. Those who had high confidence were more likely to strongly agree they would economically recover from COVID-19 (36.3%), as opposed to those with medium (15.4%) or low confidence (0%).

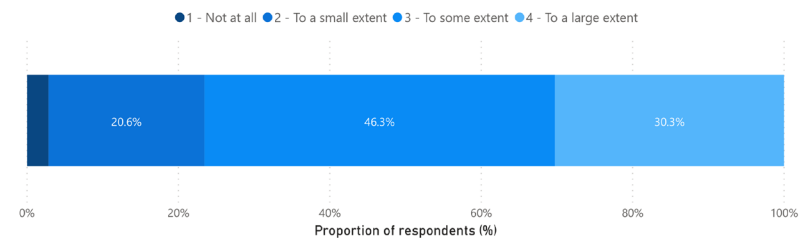
Only 30.3% were confident their organisation currently has the skills required to be future ready.

To be future ready, 38.9% suggest they will have to upskill the current workforce in the next 6 months.

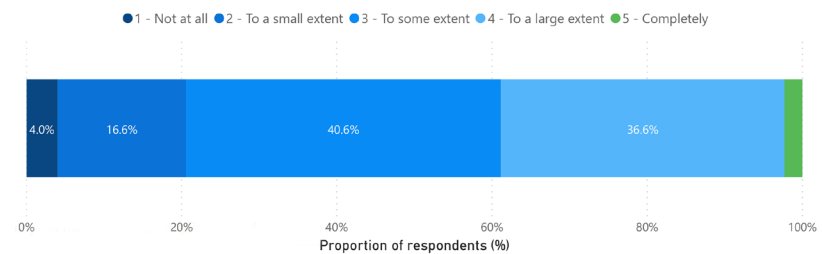
OUR ORGANISATION WILL RECOVER FROM THE ECONOMIC IMPACT OF THE COVID-19 CRISIS (N=179)



OUR ORGANISATION CURRENTLY HAS THE SKILLS REQUIRED TO BE FUTURE READY (N=175)



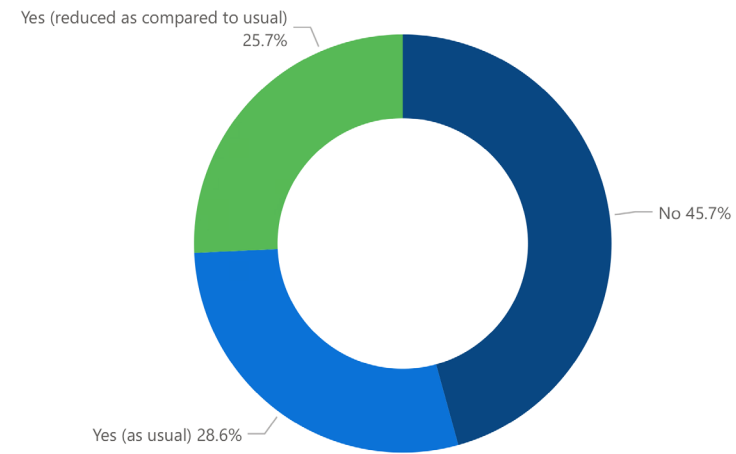
TO BE FUTURE READY, OUR ORGANISATION WILL HAVE TO UPSKILL THE CURRENT WORKFORCE IN THE NEXT 6 MONTHS (N=175)



SALARIES

Respondents were somewhat split about their organisation's course of action for salary increases for the remainder of 2020. Almost half of respondents said there would be no salary increases in their organisation for this period (45.7%), and over half said there would be (54.3%). Of the group that suggested there would still be salary increases, about half (25.7%) stated that this would be reduced as compared to usual.

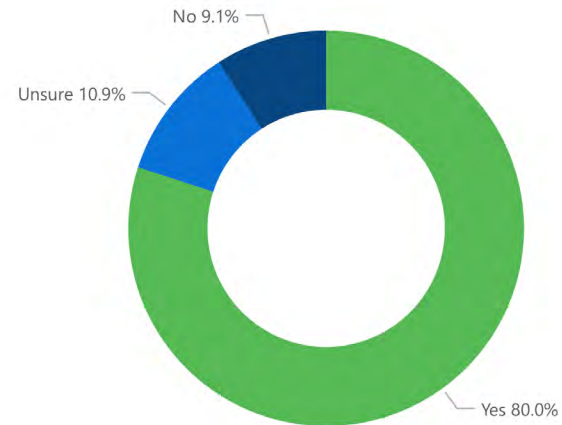
FOR THE REMAINDER OF 2020, WILL YOUR ORGANISATION BE IMPLEMENTING ANY SALARY INCREASES? (N=175)



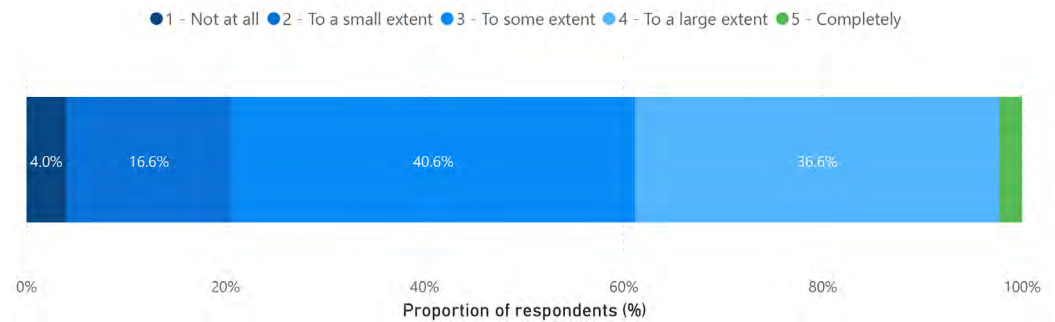
RECRUITMENT

While 4/5 (80%) believe their organisation will recruit in the next 6 months, only 22.3% are confident they will be recruiting for specific skills to be future ready.

DO YOU BELIEVE YOUR ORGANISATION WILL RECRUIT IN THE NEXT 6 MONTHS? (N=175)



TO BE FUTURE READY, OUR ORGANISATION WILL HAVE TO UPSKILL THE CURRENT WORKFORCE IN THE NEXT 6 MONTHS (N=175)

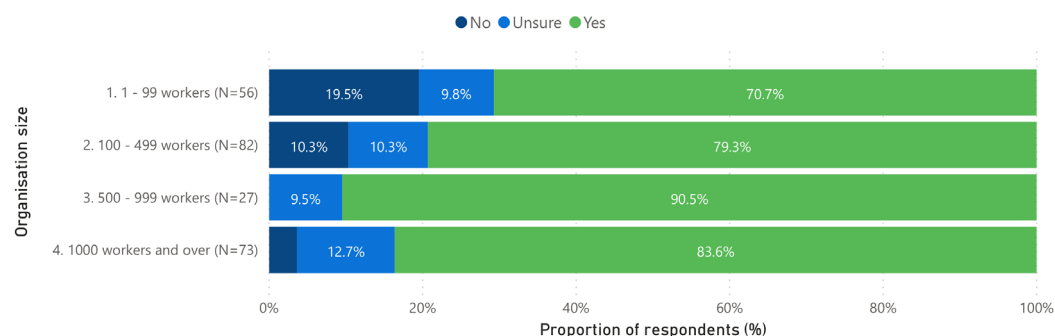


RECRUITMENT

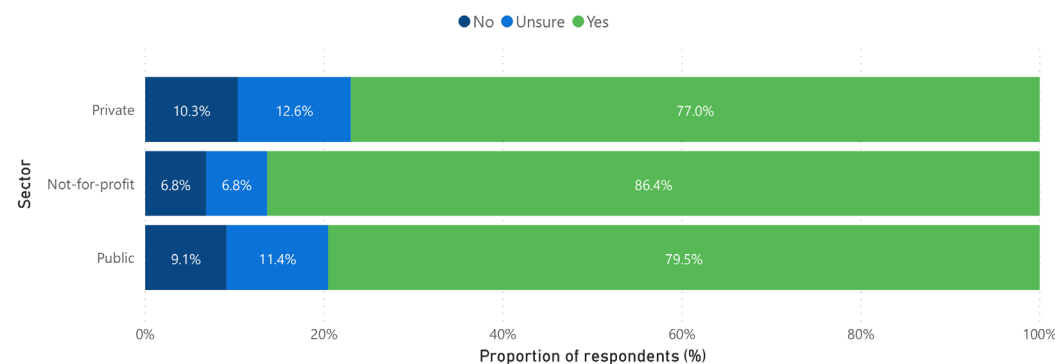
Those in smaller organisations (i.e. 1-99 workers) are less likely to suggest their organisation will recruit in the next six months (70.7%), as opposed to those from large organisations (500-999 workers; 90.5%) or very large organisations (1000+ workers; 83.6%).

Further, those in the not-for-profit sector indicate a higher likelihood of recruiting in the next 6 months (86.4%) than those in the private (77%) or public sector (79.5%).

DO YOU BELIEVE YOUR ORGANISATION WILL RECRUIT IN THE NEXT 6 MONTHS? (N=175)



DO YOU BELIEVE YOUR ORGANISATION WILL RECRUIT IN THE NEXT 6 MONTHS? (N=175)



A POST PANDEMIC WORKPLACE

We asked HR professionals what employees would like to see in a post-pandemic workplace. The following was suggested:

- Flexibility and remote working
- Increased communication
- Job security

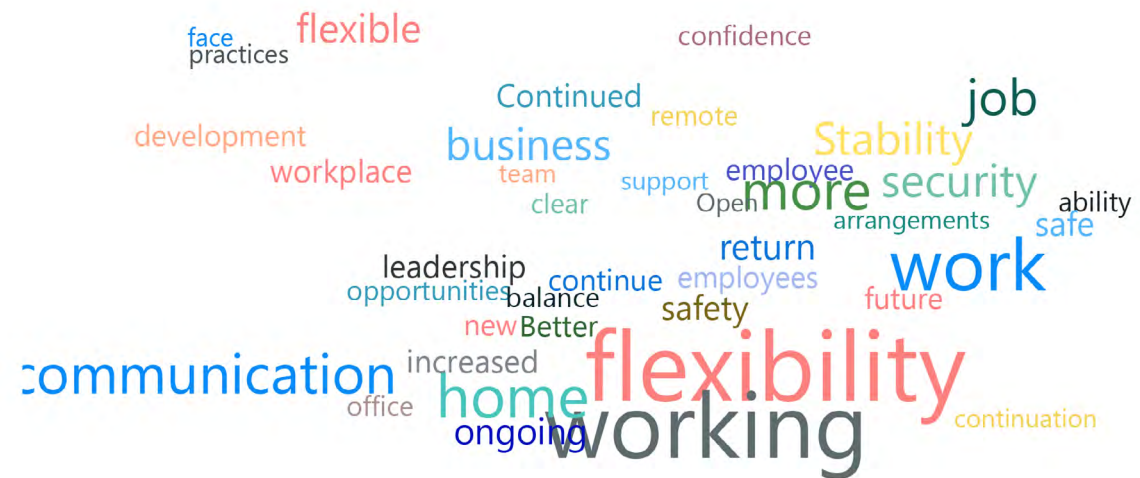
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“We need a greater flexibility in our ways of working and better support for a remote and geographically dispersed workforce.”

“They want a continuation of the level of communication provided during the pandemic”

”

WHAT IS THE MOST IMPORTANT THING THAT YOUR EMPLOYEES WANT TO SEE IN THE POST-PANDEMIC WORKPLACE? (N=175)

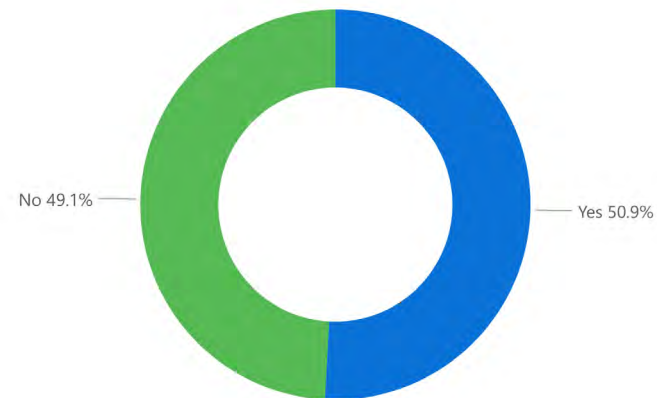


HR CERTIFICATION

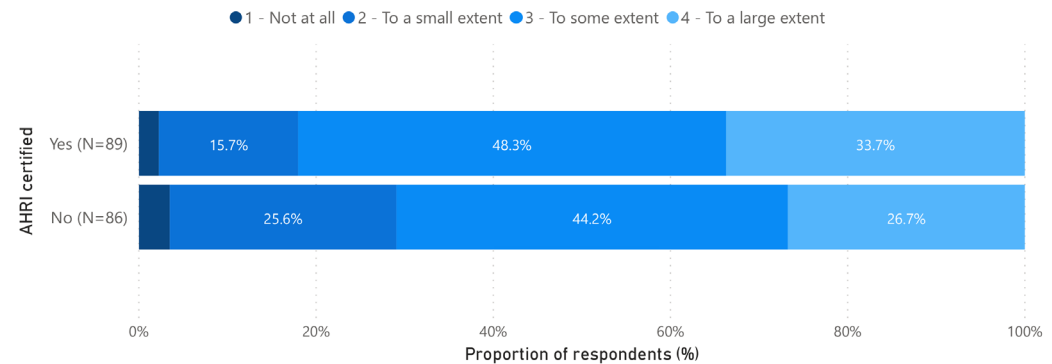
The majority of the respondents of this survey were certified or fellow certified HR practitioners (i.e. CPHRs or FCPHRs; 50.9%).

Those HR professionals who are AHRI certified are more confident their organisation has the skills required to be future ready (33.7%) as opposed to those who are not certified (26.7%).

ARE YOU A CERTIFIED MEMBER, I.E FCPHR, CPHR, CAHR, FCAHR? (N=175)



OUR ORGANISATION CURRENTLY HAS THE SKILLS THAT ARE REQUIRE TO BE FUTURE READY (N=175)



PLAN YOUR UPSKILL JOURNEY

AHRI's Training Needs Analysis (TNA) tool is a free, 30-minute online tool that assesses your skills and capabilities and recommends a personalised education and training solution.

You'll be able to gain insights into your own HR capabilities, and configure a roadmap to reach a next stage in your journey and expertise.

TAKE THE TNA

ahri.com.au/TNA



ABOUT AHRI

The vision of the Australian Human Resources Institute (AHRI) is to shape the HR profession for the future.

As the professional association for people managers, AHRI provides career support, holds learning and development events and programs, and provides insights to organisations and the wider business world through research activities.

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