Empowering people in a hybrid workforce

Capita

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Foreword

As citizens of the 21st century, technological change is rapidly becoming a deep cultural norm for us all. We're seeing technology transform everything from the way we perform the most menial tasks, to the way we communicate across the globe – and with the pace of change only set to increase, it's important that as business leaders, we're ready to meet it.

We're well aware that the future viability of organisations increasingly relies upon their ability to rapidly and effectively manage the transition from traditional ways of working, to a fully tech-enabled future state. Yet much of the discourse in this area continues to focus on digital infrastructure and wider technological capability.

Both are, of course, important, but the singular truth remains that no matter how much we invest in technology, it is our people that represent the beating heart of our organisations. And our people will be the difference.

Too many organisations appear to be overlooking their people. Technology is undoubtedly an important part of future workforce planning but the transition to a hybrid workforce requires a 'people-first' strategy, one that establishes the skills, agility and learning culture an organisation and its workforce will need to be successful.

This paper explores the attitudes of UK workers as they are confronted with the future world of work. We reveal their current levels of understanding of these new workforce dynamics, and their expectations of, aspirations for and concerns about the widescale introduction of AI and automation into the workplace. Most importantly, we identify their wants, needs and drivers as they embark on their own personal journeys to becoming part of a hybrid workforce.

When we began the Human to Hybrid dialogue at the start of this year, we wanted to explore what the move from 'traditional' ways of working to a truly tech-enabled future state would really look like for organisations.

The Human to Hybrid story is important because it forms the basis of a much larger conversation about the rapidly changing nature of work - and indeed the world - as we know it.

Our research to date tells us that the shift to a hybrid workforce (where humans work in a fully digitised environment alongside AI and automation) is now the most pressing challenge for UK organisations.

It has identified that organisations must have a clear vision of the optimal workforce they need to create, and then seek to build a robust, tangible strategy that will see them achieve a smooth and successful transition from human to hybrid across the three key levers of 'digital', 'data' and 'people'.

Yet whilst most business leaders recognise the need to ready their workforces to make this journey, many remain uncertain about how to approach it, and are struggling to make significant progress. And as senior leaders, it's important that we not only seek to understand the possibilities that new technology and ways of working afford us, but also ensure that we're meeting these with open arms, and are equipped to realise the huge potential they offer to drive better outcomes for our people and our businesses.

> " **Our research to date tells us that the shift to a hybrid workforce (where humans work in a fully digitised environment alongside AI and automation) is now the most pressing challenge for UK organisations.**

> **Technology is undoubtedly an important part of future workforce planning but the transition to a hybrid workforce requires a 'people-first' strategy, one that establishes the skills, agility and learning culture an organisation and its workforce will need to be successful.**

From the rise of the gig economy to managing a multi-generational workforce, the challenges businesses now face are more complex than ever. In very real terms, we know that the expectations our children have of their working lives are already wildly different to the way we began our own careers. The idea of the three-stage career – from education, to work, to retirement – is almost completely alien to young people entering the world of work today.

The next generation are not thinking of their working lives as something rigid and linear. Indeed, they will move roles freely and seek to obtain life experiences that previous generations would have waited until retirement to obtain.

But how does that stack up against the varying expectations across the senior workforce contingent, for whom 'always-on' may not be a non-negotiable? Or for future generations whose preferences we haven't even begun to consider yet?

In a bid to better-understand what the future of work is going to look like across an increasingly diverse workforce, we surveyed over 2000 employees and 500 organisations. This paper represents the second of a two-part journey into the expectations of both businesses and employees as they prepare for the future of work. Over the next few chapters, this paper explores the attitudes of UK workers as they are confronted with the future world of work.

We reveal their current levels of understanding of these new workforce dynamics, and their expectations of, aspirations for and concerns about the widescale introduction of AI and automation into the workplace. Most importantly, we identify their wants, needs and drivers as they embark on their own personal journeys to becoming part of a hybrid workforce. Our research shows that UK workers have vastly differing attitudes to the future. They can be split into two distinct camps: those who are fearful about job security and sceptical about digitisation's impact in the workplace, and those who are hungry to embrace change and the opportunities they believe new technologies will present to them.

" Our message for organisations is clear. When defining their Human to Hybrid strategies, they must consider every segment of their workforce, and provide all their employees with tailored, personalised experiences that will engage, support and incentivise them.

> **"It's clear that there's an increasing need for business and HR leaders to engage with their employees around this future vision of work — welcoming their input, sharing ideas and having meaningful and honest conversations with them.**

Our message for organisations is clear. When defining their Human to Hybrid strategies, they must consider every segment of their workforce, and provide all their employees with tailored, personalised experiences that will engage, support and incentivise them.

However, our research shows that only 15% of employees feel that their employer can accommodate different types of workers and create engaging experiences for them based on their age, experience, working patterns and preferences. This is a very disappointing statistic, and one that organisations must work hard to improve.

Employees of all ages and experiences know they need to develop new skills (particularly digital and creative ones) and adapt to new working practices and cultures to progress their careers.

Yet the failure of businesses to make their people feel supported and fulfilled represents a major risk for organisations, which could face alienating or losing significant talent as they make this much-anticipated shift to a hybrid workforce — something they simply cannot afford to do.

We found that a common complaint among employees is that their employer doesn't share information or communicate frequently enough. It comes as no surprise that they want their employers to be much more transparent and communicative about this future world of work; at the moment they don't feel invested in, or even understand, their organisation's hybrid workforce strategy or their role within it.

Little wonder, then, that this fosters feelings of uncertainty, fear and mistrust — and their employers are missing the chance to motivate and excite them about the changes and opportunities ahead.

It's clear that there's an increasing need for business and HR leaders to engage with their employees around this future vision of work — welcoming their input, sharing ideas and having meaningful and honest conversations with them.

Ismail Amla,
Chief Growth Officer,
Capita

Introduction: The future of work through the eyes of the workforce

A huge amount has been written about the seismic changes that are set to transform the world of work over the next decade. Technological advancements, particularly widescale adoption of Artificial Intelligence (AI) and Robotic Process Automation (RPA), will dramatically alter how work is resourced within organisations, and the shape, structure and function of human workforces.

Businesses all over the world know they need to prepare for the disruption to come, and they're ready to embrace these new technologies to become more efficient,and deliver enhanced experiences to their customers. Indeed, 'digital transformation' has long featured at the top of boardroom agendas, as business leaders have recognised the need to digitise their operations to remain competitive and meet ever-increasing consumer expectations. However, far too often, the most important part of the transformation puzzle gets missed. In the excitement (and perhaps fear) surrounding the implementation of AI and RPA, business and HR leaders forget the impact this technology will have on their workforces: the very people who will be working alongside it every day.

One of the misconceptions about widescale deployment of AI and automation in the workplace is that it will diminish or de-value human workers' contributions.

In fact, while technology will take on more of the repetitive and mundane work, employees' skills, vision, rationality and creative thinking will make the difference.

Organisations will no longer get a competitive edge from efficient and streamlined processes and operations: technology will enable any business to run lean and efficient processes and keep its overheads low. Instead, they will need to compete on customer experience, innovation, and the speed and agility with which they can respond to opportunities. And this means that they will need to have a highly skilled, motivated and agile workforce, which can leverage technology to drive performance and growth.

In our previous paper, 'Human to Hybrid: The Next Workforce Frontier', we revealed that business leaders are struggling to deliver the workforce transformation they so urgently need, held back by the sheer scale and complexity of the task. Organisations need to put people, rather than technology, at the centre of their hybrid workforce strategies, to ensure that they develop the skills, agility and learning cultures they will need to succeed.

> " **In fact, while technology will take on more of the repetitive and mundane work, employees' skills, vision, rationality and creative thinking will make the difference.**

Building on this need for a people-first approach, this paper examines the dynamics of the Human to Hybrid journey from the employee's perspective, providing an unprecedented study of UK workers' expectations, aspirations, motivations and concerns as they journey towards this future world of work.

Our research reveals that UK workers generally feel positive about being part of a hybrid workforce, believing that it will give them greater opportunities to pursue more interesting, meaningful and varied careers. But they are uncertain about how this future will play out, because they have no control over and little understanding of how their employers will approach the transition. This has made them concerned about its cultural impact, whether their job will be secure and what skills they'll need.

The message for business and HR leaders is clear: they must give more consideration to how they can best protect, prepare, excite and empower their people during this transition and beyond.

This means listening to their people and engaging in meaningful dialogue with them, involving them in shaping future workforce plans, and making the future workforce vision transparent. Most importantly, it means giving people the skills, confidence and mindset to work within a hybrid workforce.

Employers themselves need to be completely clear about how they will recruit, retain and reward the very best talent in the future.

Finally, the paper argues that, to get the Human to Hybrid transition right, organisations must focus on optimising the employee experience and make this their guiding principle. It is only by providing their people with personalised experiences and opportunities, and by offering them genuine flexibility, variety and learning, that organisations can build the human workforces they will need to thrive in a hybrid future.

> **" Most importantly, it means giving people the skills, confidence and mindset to work within a hybrid workforce. Employers themselves need to be completely clear about how they will recruit, retain and reward the very best talent in the future.**

What is Human to Hybrid?

For the purposes of this research, we defined Human to Hybrid as 'the new dynamic where humans will work in a fully digitised and technologically-optimised environment, and increasingly work alongside robots and AI, over the next ten years'.

Research methodology

We wanted to uncover the current level of understanding of and attitudes towards this shift to a hybrid workforce, among both employees and senior business leaders in UK organisations. This meant exploring the expectations, aspirations and concerns of people at all levels of organisations in relation to this future vision of work, and how both employees and business leaders can best prepare themselves and their organisations now for the dramatic changes to come.

We also wanted to identify what steps, if any, organisations are currently taking to manage the transition, the challenges they are encountering, and their strategies for workforce transformation over the coming years.

Capita People Solutions undertook comprehensive, independent research among business leaders and employees, comprising of:

- Interviews with 500 business leaders (board directors, senior directors and heads of departments) within organisations in the UK. All respondents worked for organisations with more than 100 employees and 75% worked for organisations with more than 500 employees. Respondents came from a representative sample of industries

- Interviews with 2,031 employees of organisations in the UK. All respondents worked for organisations with more than 100 employees and 68% worked for organisations with more than 500 employees. Respondents came from a representative sample of industries and job roles/functions

All research was conducted by Insight Avenue in November / December 2018 and January 2019.

The hybrid divide: Employer & employee perspectives

Our research reveals that UK employees are split when it comes to how they feel about being part of a hybrid workforce. Half (51%) are largely positive about the prospect of working in a technologically-optimised environment, while 30% are worried about their future job prospects and employability. 19% are highly sceptical about the value of a hybrid workforce and their own role and purpose within it.

As the chart on the next page shows, attitudes differ according to employees' age and job function, with younger people more positive about the shift to a hybrid workforce than their older colleagues, and administrative workers more sceptical and worried than people in other roles. This is undoubtedly linked to the fact that automation is expected to have the most impact on administrative roles in the short term.

How UK workers feel about being part of a hybrid workforce

Excited and open to new possibilities that a hybrid workforce brings

51%

Highly sceptical about value of hybrid workforce and my role / purpose in this

19%

Worried about the future of my job and future employability

30%
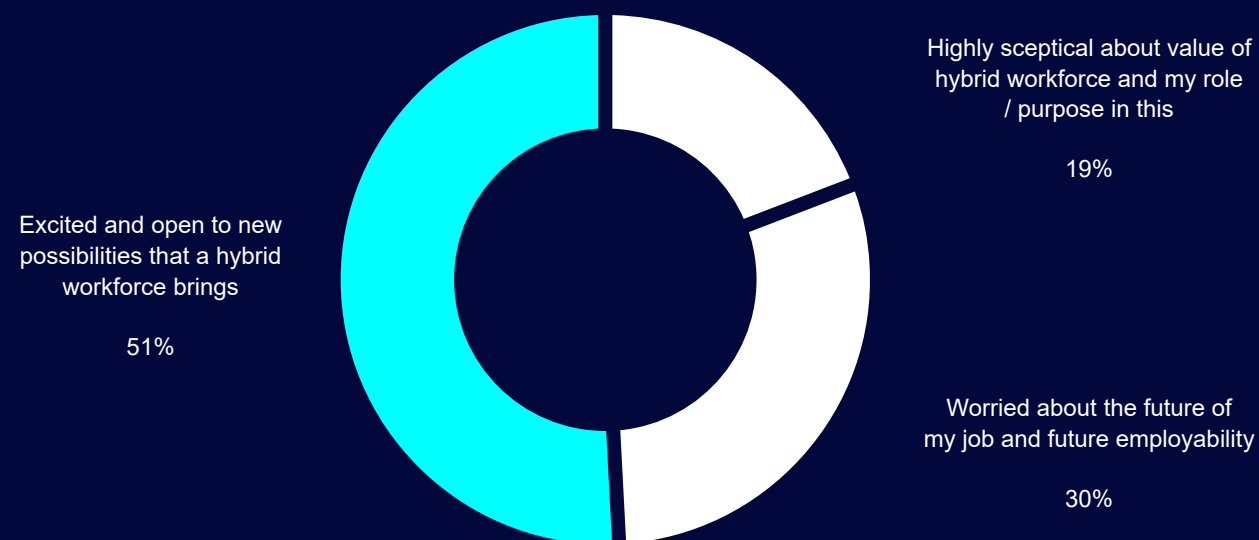
By age…	20s	30s	40s	50s	60s
Excited…	55%	57%	46%	41%	44%
Worried…	34%	30%	30%	28%	25%
Highly sceptical…	11%	13%	24%	31%	31%

By role…	Sales / marketing	Operations / production	Customer service	General management	Admin	Finance	IT
Excited…	55%	53%	47%	58%	36%	58%	69%
Worried…	33%	27%	32%	28%	40%	30%	18%
Highly sceptical…	12%	19%	21%	14%	25%	12%	12%

Figures may sometimes sum to 99% or 101% due to rounding.

Interestingly, business leaders think that their employees have a more negative attitude towards working in a hybrid workforce than employees express themselves. Business leaders believe that only a third (36%) of their employees are fully engaged and open to the possibilities offered by a hybrid workforce.

They see another third (32%) as partially engaged but worried about their job security and future employability; and they see the final third (32%) as disengaged and highly sceptical about the value of a hybrid workforce and their own role and purpose within it.

Business leaders: Employee attitudes towards the hybrid workforce

What proportion of your employees do you think are likely to fall into the following categories within a hybrid workforce?

Fully engaged and open to new possibilities that a hybrid workforce brings

36%

Disengaged and highly sceptical about value of hybrid workforce and their role / purpose

32%

Partially engaged but worried about the future of their job and employability

32%
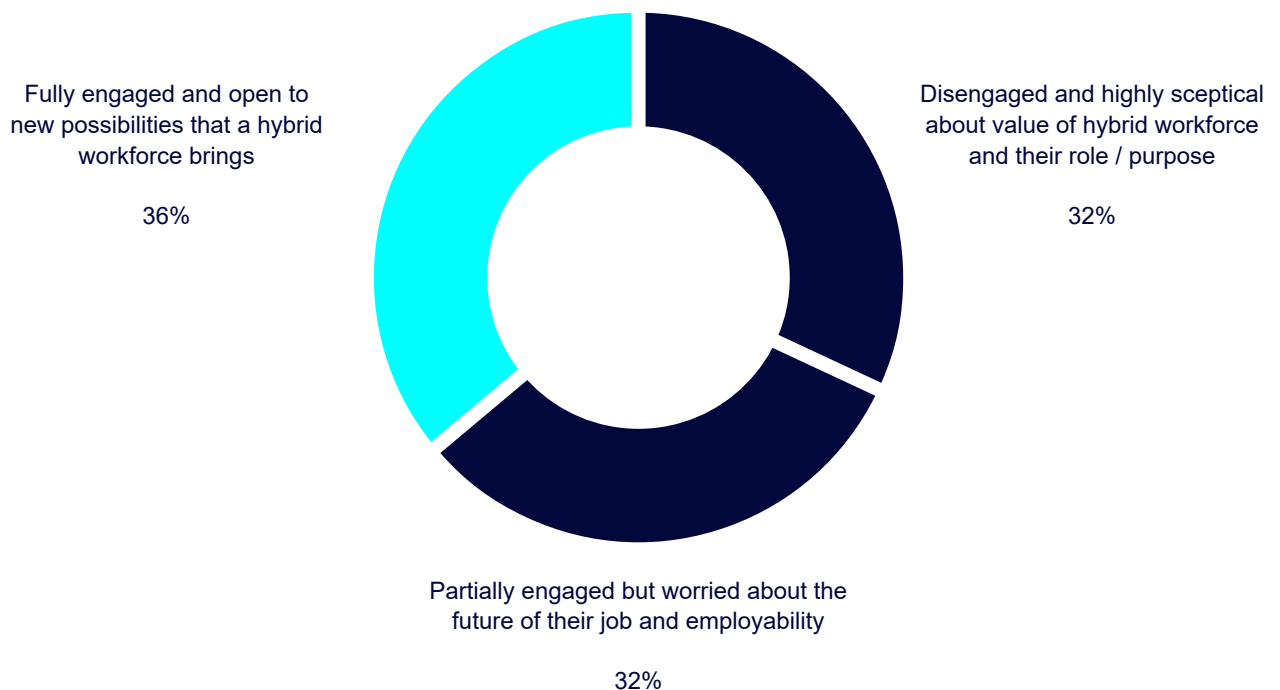
Business leaders also acknowledge that attitudes towards the prospect of working within a hybrid workforce depend to some degree on the employee's age, seniority and role. They believe that older workers, those with line management responsibilities and those

in customer service or general management roles will have the most difficulty in adjusting to a hybrid working environment. On the other hand, they think that younger employees and those working in IT or innovation and strategy roles will adapt to future working practices easily.

Business leaders: Workers most likely to struggle in a hybrid workforce

By seniority

Admin / operations

11%

Line management

35%

Leadership

22%

Executive / client facing

32%

By age group

Those in their 20s

10%

Those in their 60s

25%

Those in their 30s

18%

Those in their 40s

24%

Those in their 50s

23%

By role

General management 17%

IT 5%

Innovation / strategy 7%

Finance 7%

Sales 7%

Admin 8%

HR 9%

Marketing 12%

Operations / production 13%

Customer service 14%
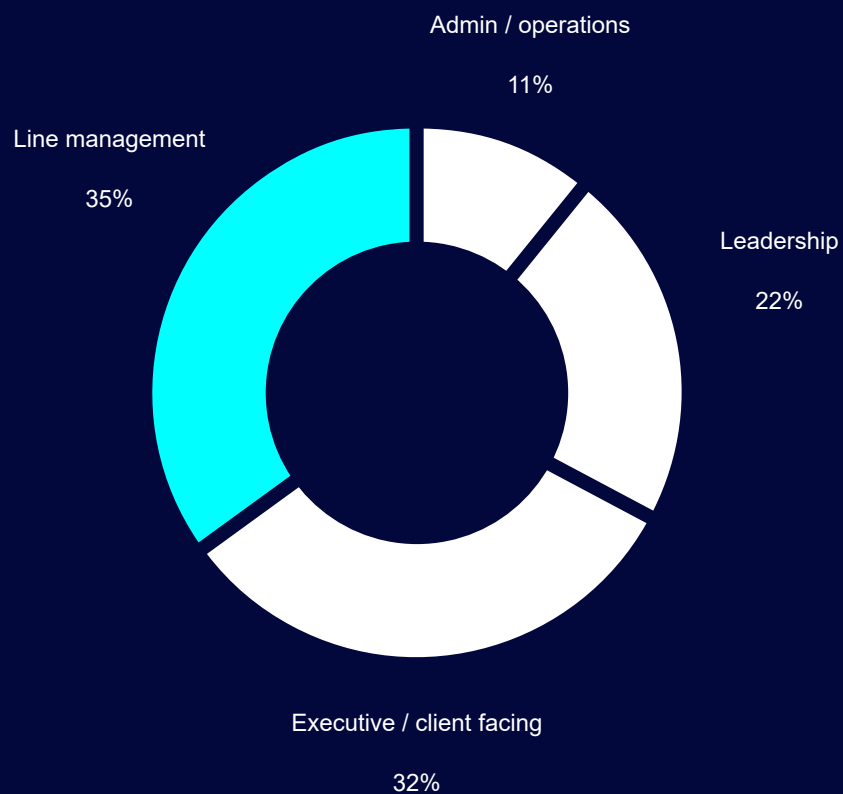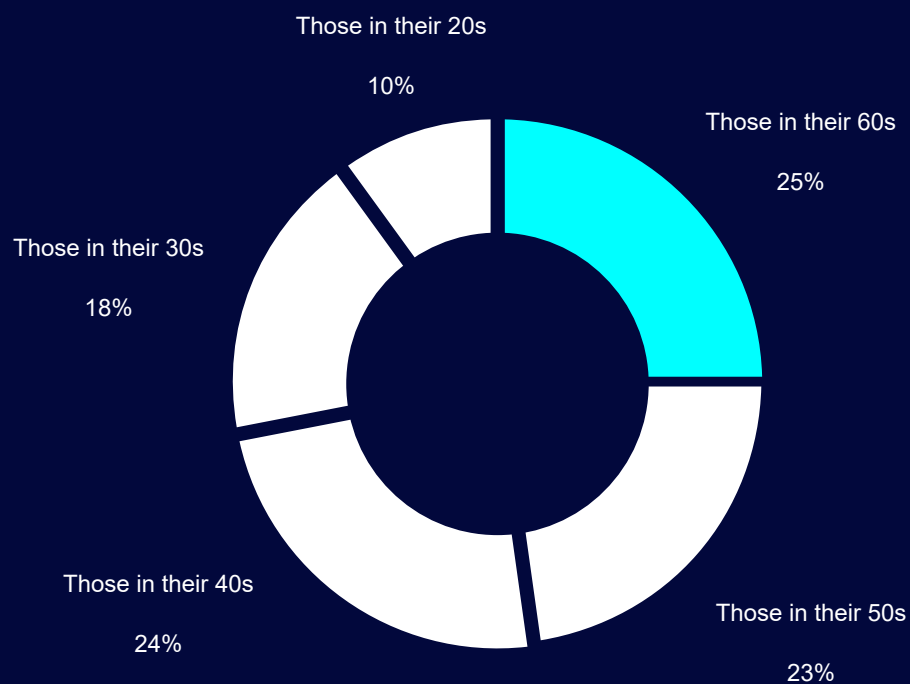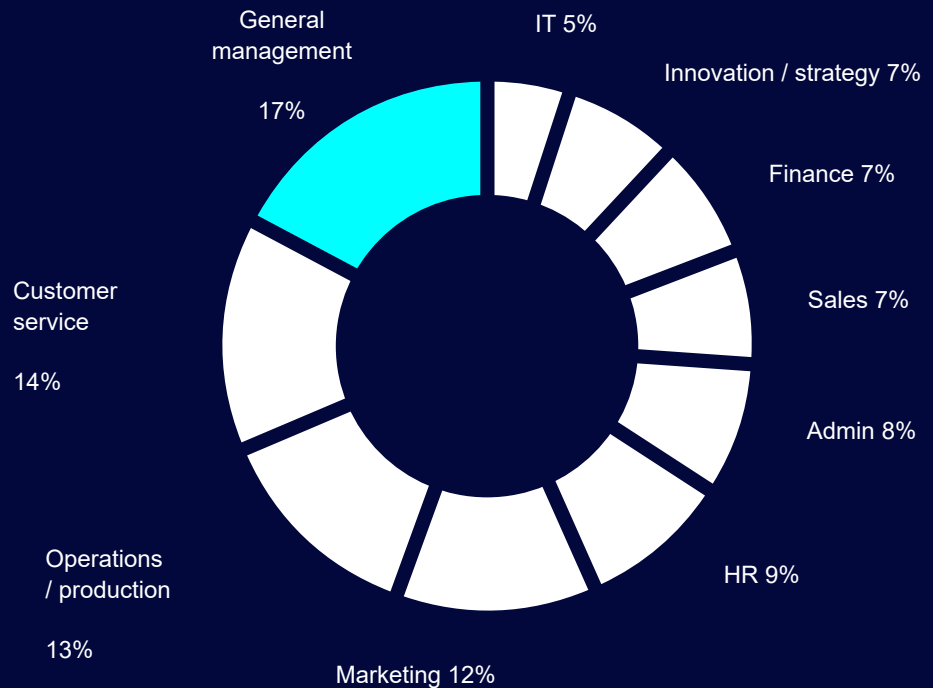
Our research affirms the need for employers to enable all employees to adapt to working in a hybrid environment at their own pace and with the exact level of support, training and reassurance necessary.

However, only 15% of employees report that their employer is currently able to accommodate different types of workers and create great experiences for them based on their age, experience, working patterns and preferences.

People in their 40s, 50s and 60s are more likely to feel that their employer struggles to provide these first-rate personalised experiences for all workers, an indication that many organisations may be at risk of leaving behind or alienating older workers on the journey to a hybrid workforce.

> " **Only 15% of employees report that their employer is currently able to accommodate different types of workers and create great experiences for them based on their age, experience, working patterns and preferences.**

Creating great employee experiences for different types of worker

How well do you think your organisation can currently accommodate and create a great employee experience for different types of worker (in terms of age, experience, location, working pattern, preferences)?

Very well
15%

Don't know
5%

Not at all well
7%

Not particularly well
29%
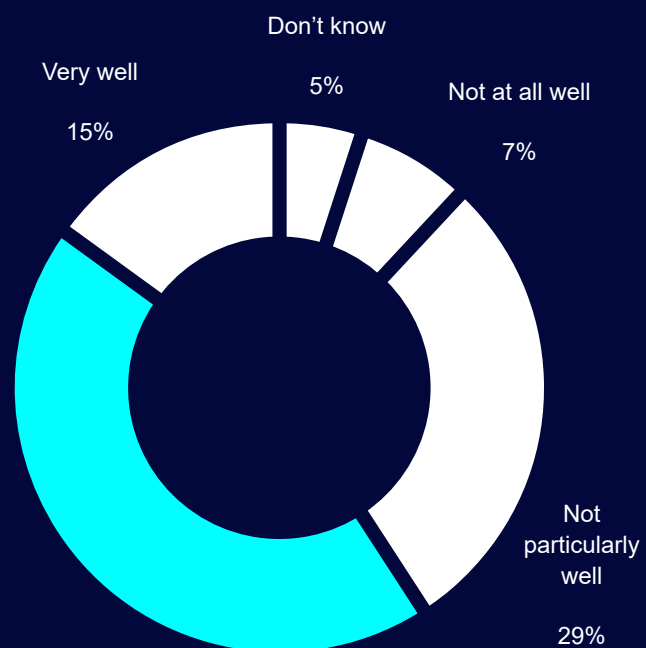
By age…	20s	30s	40s	50s	60s
Very well…	7%	6%	6%	9%	10%
Quite well…	28%	29%	31%	31%	28%
Not particularly well…	42%	42%	48%	45%	42%
Not at all well…	20%	18%	11%	9%	9%
Don't know…	3%	4%	4%	7%	10%

By role…	Sales / marketing	Operations / production	Customer service	General management	Admin	Finance	IT
Very well…	5%	10%	7%	5%	7%	5%	7%
Quite well…	33%	36%	28%	27%	28%	29%	24%
Not particularly well…	43%	42%	44%	47%	44%	45%	44%
Not at all well…	14%	9%	15%	17%	13%	19%	23%

While UK workers clearly have mixed feelings about the transition to a hybrid workforce, they can point to a number of benefits that it could bring them, including the opportunity to learn new skills, work in a more flexible way and focus on more interesting, creative and varied tasks.

Perceived benefits of working as part of a hybrid workforce

What do you see as the benefits that working as part of a hybrid workforce could bring you personally?

Percentage	Benefit
44%	Opportunity to learn new skills
40%	More flexibility to work where and how I choose
32%	Would free up my time at work to focus on more interesting, creative tasks
28%	Opportunity to work on greater variety of tasks / projects with different people
28%	Company seen as cutting-edge / innovative
27%	Good experience to improve my employability elsewhere
20%	Creating a safer working environment
18%	Better, more personalised employee experience
17%	Reduce interpersonal issues / conflicts with managers or colleagues
15%	Don't know

Addressing employee concerns about Human to Hybrid

Employees report a wide range of concerns about working within a hybrid workforce. These worries extend far beyond the well-established narrative of employees fearing that robots and AI are going to replace them.
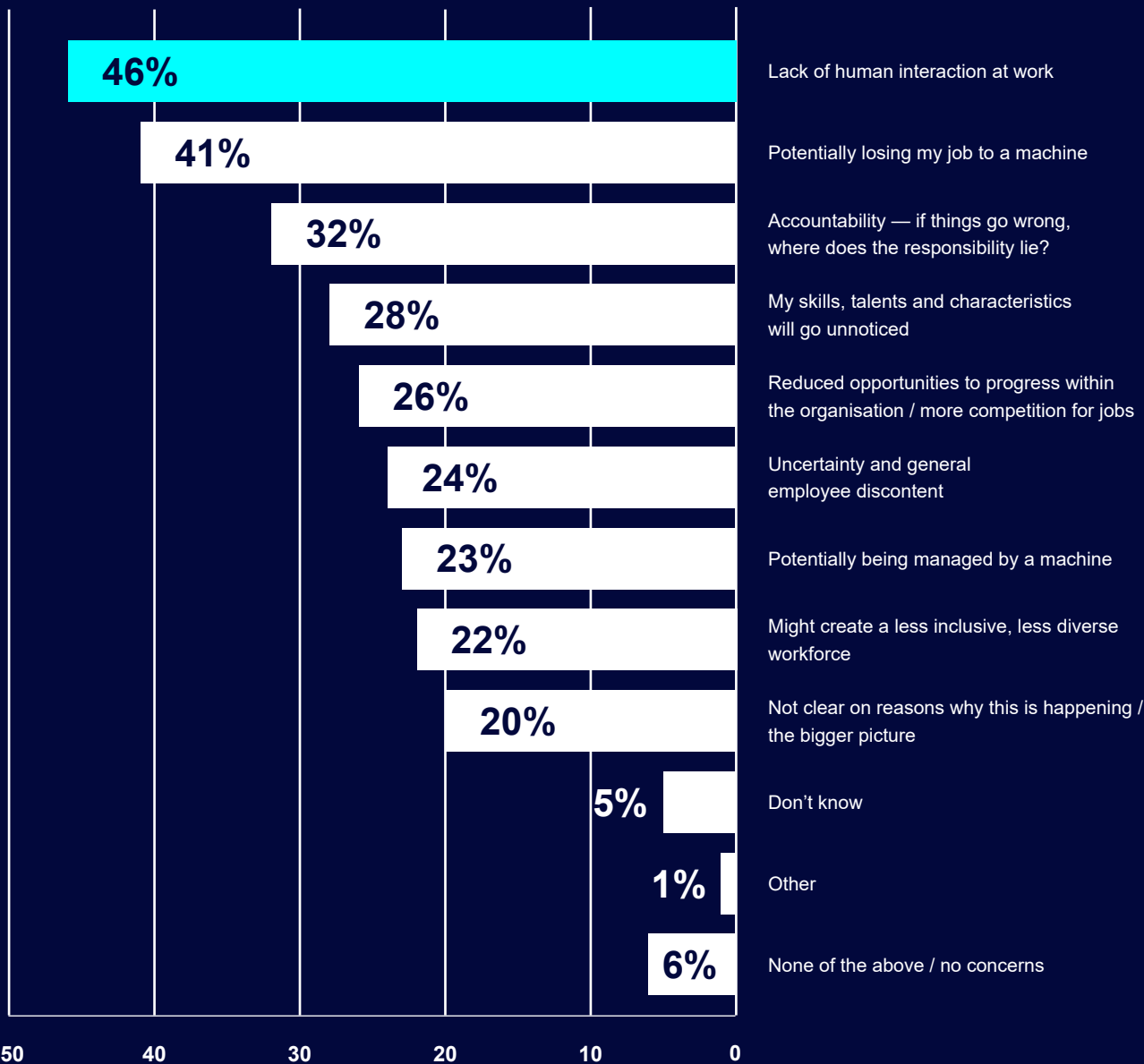
The risk of losing their job to a machine is not employees' biggest concern. They are more apprehensive about the cultural implications of working in a hybrid workforce environment, and a potential lack of human interaction.

Beyond this, they are concerned and sceptical about a number of things, including accountability, recognition, diversity and career progression.

Concerns about working as part of hybrid workforce

What are your concerns about working as part of a hybrid workforce?

46%	Lack of human interaction at work
41%	Potentially losing my job to a machine
32%	Accountability — if things go wrong, where does the responsibility lie?
28%	My skills, talents and characteristics will go unnoticed
26%	Reduced opportunities to progress within the organisation / more competition for jobs
24%	Uncertainty and general employee discontent
23%	Potentially being managed by a machine
22%	Might create a less inclusive, less diverse workforce
20%	Not clear on reasons why this is happening / the bigger picture
5%	Don't know
1%	Other
6%	None of the above / no concerns

50   40   30   20   10   0

When it comes to how employers should address these concerns, employees demand transparency, involvement and greater learning opportunities. They want their organisations to be transparent about their plans to deploy automation and AI, to be consulted and included in decision making, and to have access to support as and when they need it.

35%
of employees believe that organisations should be offering more opportunities for them to develop their skills on the journey to a hybrid workforce.

Addressing concerns about the move to a hybrid workforce

What can your employer do to help alleviate concerns that you and others may have about working as part of a hybrid workforce?

48%	Be completely transparent about what is happening and why
46%	Involve employees more in decision making
37%	Ensure assistance and support is available for all employees
35%	Offer more training / learning to employees so we can upskill as necessary
32%	Adopt a more experimental culture so if things don't work, we can re-adjust and try something different
27%	Leaders can demonstrate learnability / willingness to learn new skills
8%	Don't know
5%	Nothing

50   40   30   20   10   0

Most noticeably, our research shows that employees firmly believe that their employers must manage this transition to a hybrid workforce in a structured and controlled way, and will not tolerate poor planning or execution.

51%
claim that they will leave their organisation if it doesn't manage the transition to a hybrid workforce properly.

Employee needs in a hybrid workforce: Digital, data and skills

Our research explored the specific ways in which organisations can prepare, support and empower their people to thrive in a hybrid workforce, focusing on the three strategic levers of the Human to Hybrid transition: Digital, Data and People. When it comes to digital, employees believe that technology can enable them to maximise their productivity, work more flexibly, and enjoy high quality learning experiences.

They also see technology's potential to deliver a more personalised employee experience and allow for greater collaboration across the business.

How technology can support employees in a hybrid workforce

In the shift towards a hybrid workforce, how much do you feel new technology / digital can support you with the following?

35%	50%	15%	Enabling me to be as productive as possible
35%	49%	15%	Enabling me to work flexibly (when, where and how I choose)
35%	50%	15%	Providing a high-quality learning experience
28%	47%	26%	Ensuring I have the best possible, most personalised benefits package
28%	54%	18%	Greater visibility of internal work opportunities that are best suited to my skills, needs and aspirations
28%	50%	22%	Having a great, personalised candidate experience when looking for a new job
27%	54%	19%	Enabling me to take responsibility for / control of my own development and learning
26%	49%	25%	Improving my wellbeing at work
24%	54%	22%	Building stronger relationships / increasing collaboration across the business even if we're not in the same place

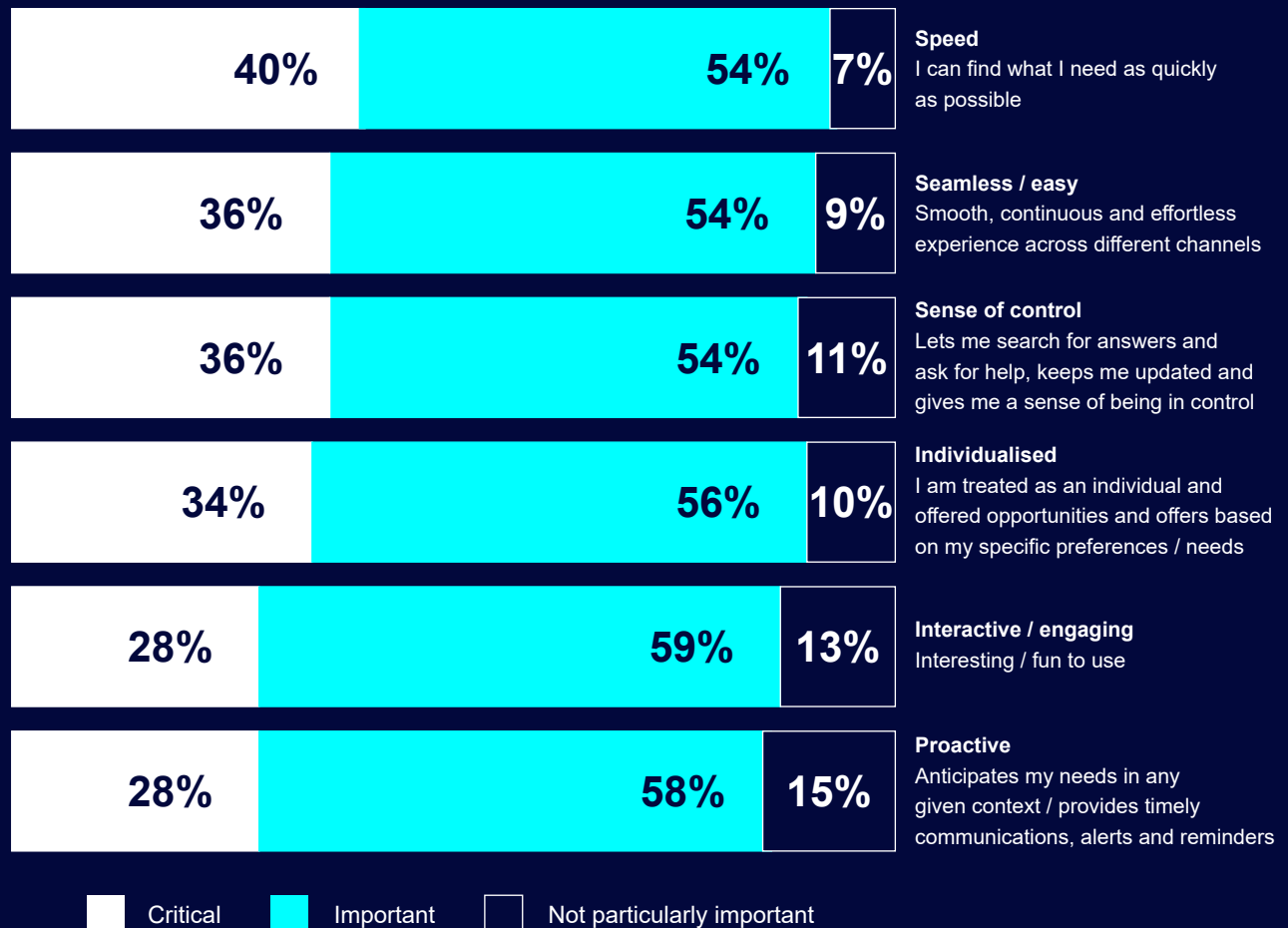■ To a great extent   ■ To some extent   □ Not at all

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Employees believe that a first-rate digital experience is largely dependent on the three Ss — speed (being able to find what they need as quickly as possible), seamlessness (smooth and continuous access to information across different channels) and a sense of control (being able to search for answers, ask for help and stay updated on all aspects of the business).

Our research reveals how younger workers are overwhelmingly drawn to employers that embrace cutting edge technology. It is critically important for 80% of employees in their 20s and 81% of those in their 30s to work in a company culture that embraces the latest technologies, compared with only 66% of workers in their 50s.

Contributing factors to a great digital experience for employees

Thinking about how you would like to engage with technology as an employee at work, how important are each of the following in contributing to a great digital experience for you?

40%	**54%**	**7%**	**Speed** I can find what I need as quickly as possible
36%	**54%**	**9%**	**Seamless / easy** Smooth, continuous and effortless experience across different channels
36%	**54%**	**11%**	**Sense of control** Lets me search for answers and ask for help, keeps me updated and gives me a sense of being in control
34%	**56%**	**10%**	**Individualised** I am treated as an individual and offered opportunities and offers based on my specific preferences / needs
28%	**59%**	**13%**	**Interactive / engaging** Interesting / fun to use
28%	**58%**	**15%**	**Proactive** Anticipates my needs in any given context / provides timely communications, alerts and reminders

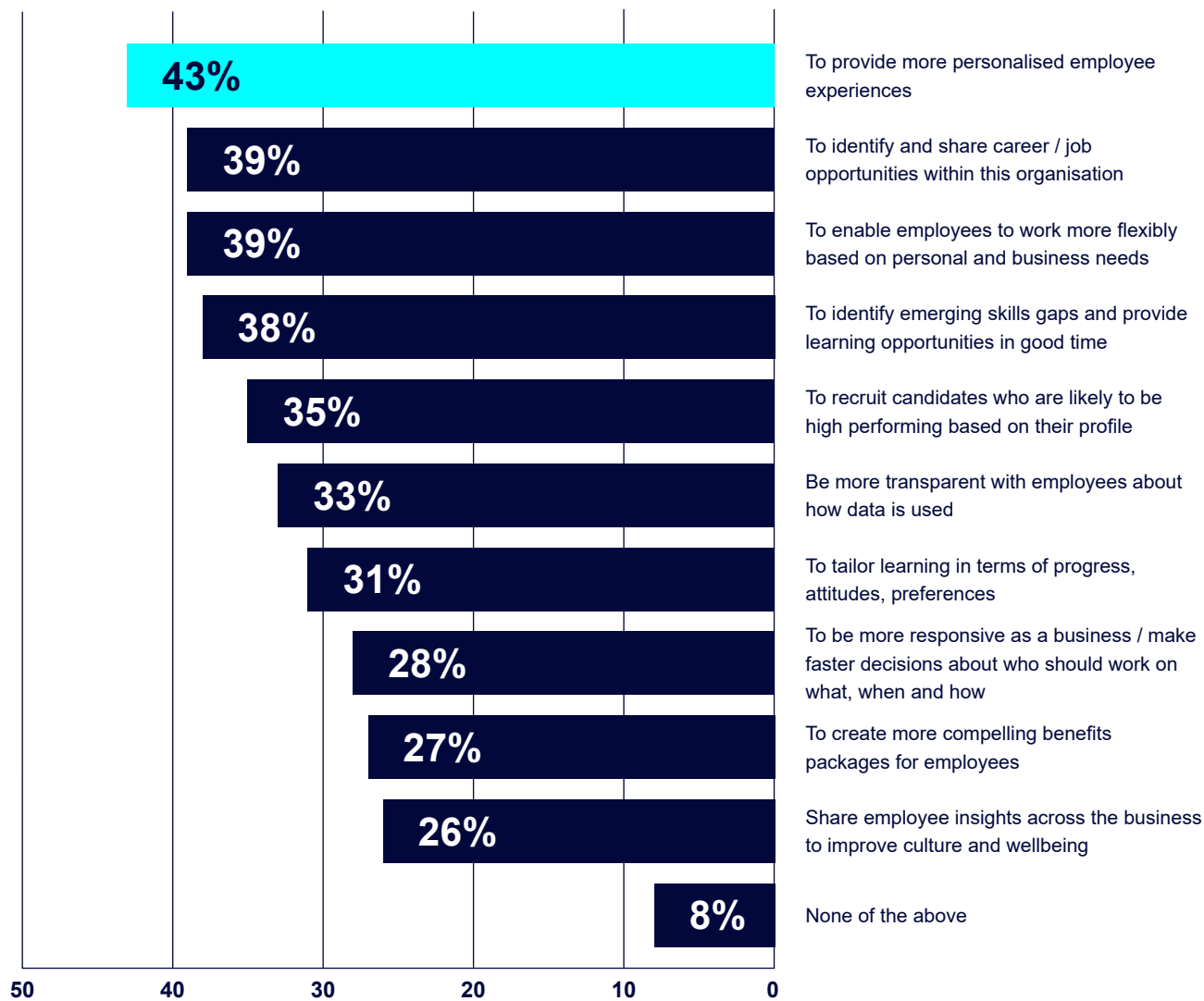Critical   Important   Not particularly important

However, most employees say they are currently dissatisfied with the technological and digital experiences they encounter at work.

While most employees embrace the use of digital to provide them with more personalised and seamless experiences, they still value and expect face-to-face communication. 88% believe that real-time and face-to-face interactions will always be important at work, no matter how technology evolves. Employers must, therefore, be wary of 'over-digitisation' as they transition towards a hybrid workforce.

Data also has an important role to play in creating first-rate employee experiences, although, again, people are split on the extent to which they would want their employers to use their personal data. The majority express concern about this and would want to retain some control of the type of data they share. However, 92% of employees can recognise at least one area in which their employers could make better use of data to improve their experience within a hybrid workforce. This includes using data to deliver a more personalised experience, identify and share career opportunities within the organisation, and identify emerging skills gaps and provide learning opportunities in good time.

How technology can support employees in a hybrid workforce

In the shift towards a hybrid workforce, how much do you feel new technology / digital can support you with the following?
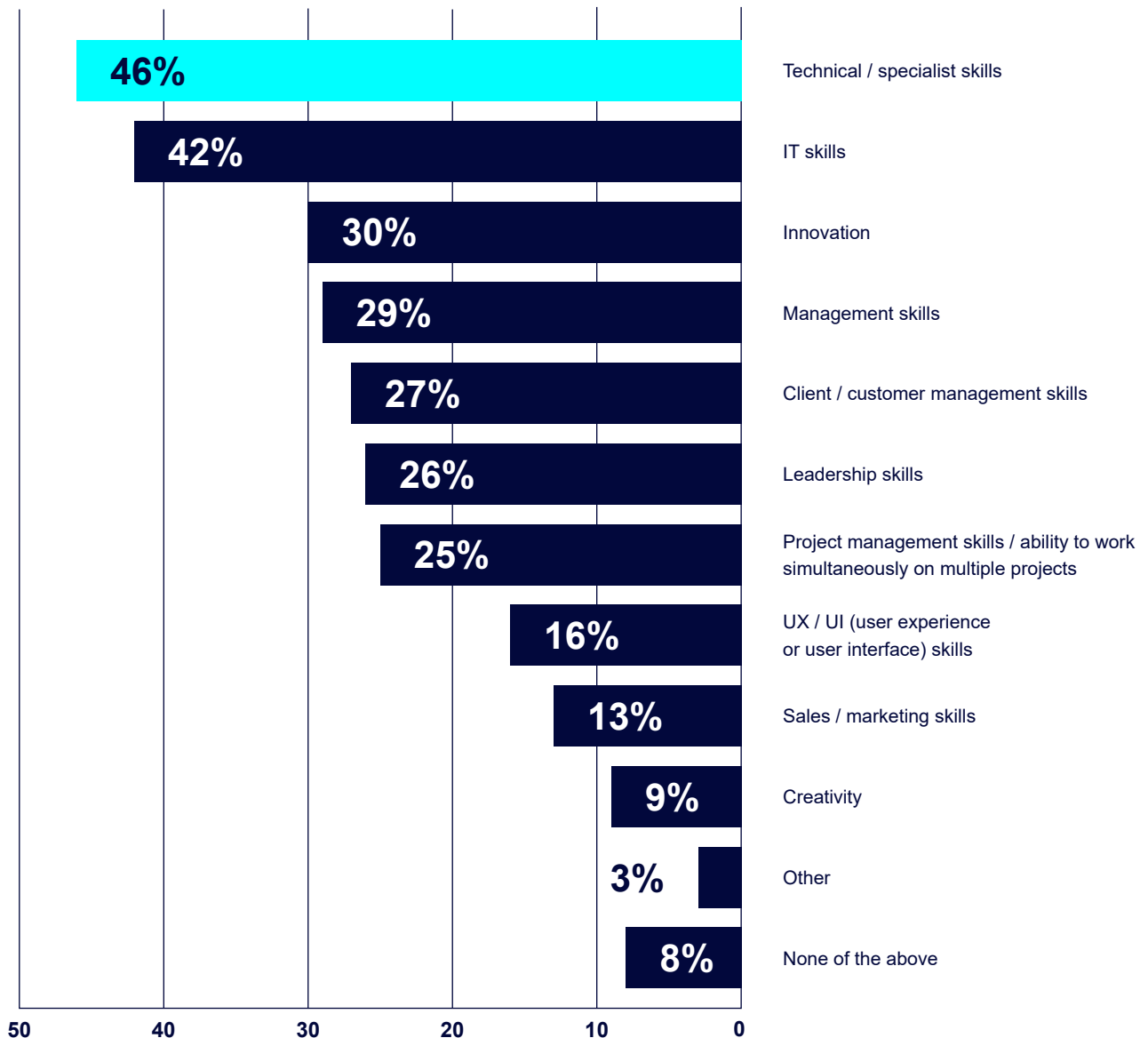
Percentage	Statement
43%	To provide more personalised employee experiences
39%	To identify and share career / job opportunities within this organisation
39%	To enable employees to work more flexibly based on personal and business needs
38%	To identify emerging skills gaps and provide learning opportunities in good time
35%	To recruit candidates who are likely to be high performing based on their profile
33%	Be more transparent with employees about how data is used
31%	To tailor learning in terms of progress, attitudes, preferences
28%	To be more responsive as a business / make faster decisions about who should work on what, when and how
27%	To create more compelling benefits packages for employees
26%	Share employee insights across the business to improve culture and wellbeing
8%	None of the above

Our research reveals that many employees are concerned about the skills and competencies that they will need to succeed in a hybrid workforce and are anxious about how they can acquire them over the next two to three years.

Almost half (46%) feel they need to develop their technical skills, 42% need to improve their IT skills, and 30% need to work on their creative and innovative thinking.

Most important skills to develop to thrive in a hybrid workforce

Which skills do you personally see as important to develop in order to thrive as part of a hybrid workforce?
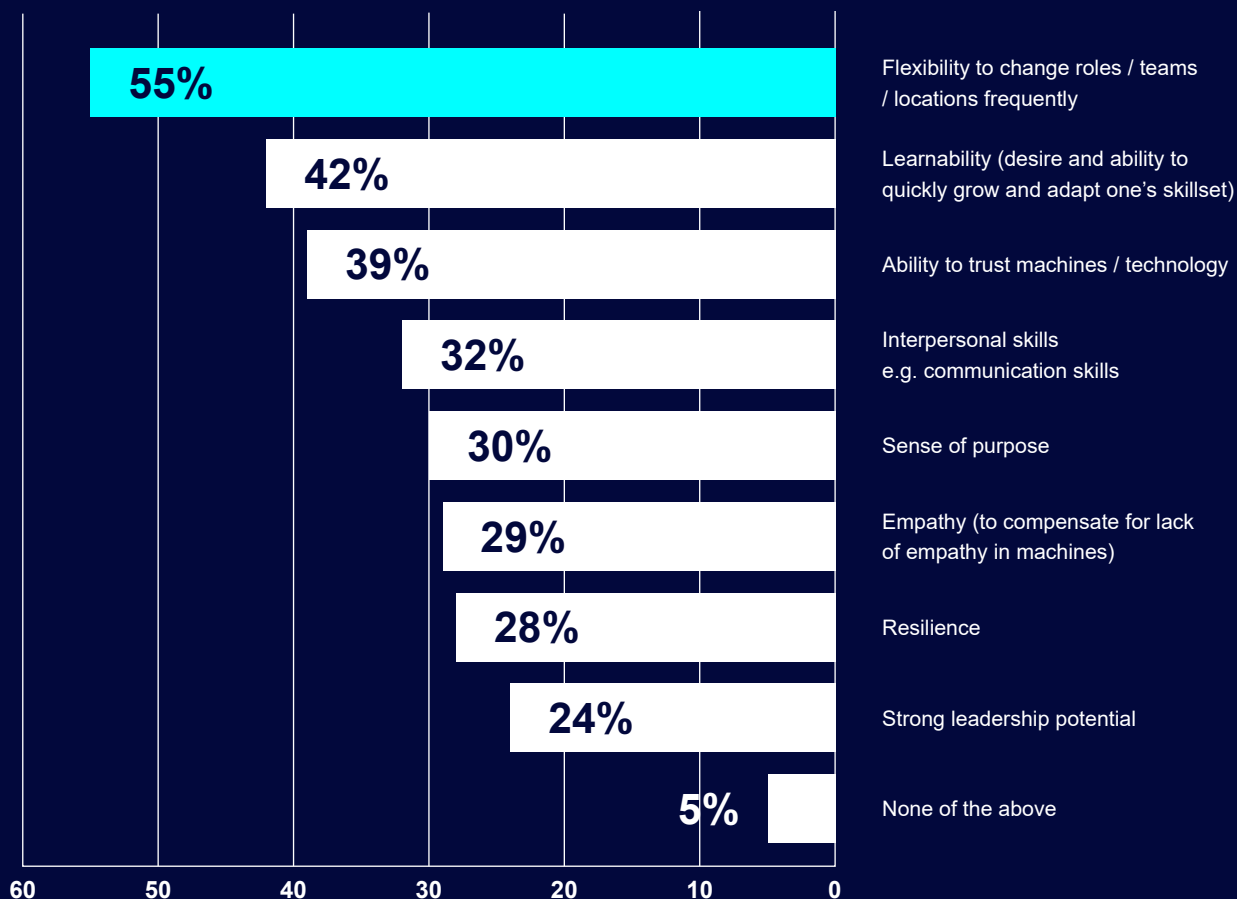
Skill	Percentage
Technical / specialist skills	46%
IT skills	42%
Innovation	30%
Management skills	29%
Client / customer management skills	27%
Leadership skills	26%
Project management skills / ability to work simultaneously on multiple projects	25%
UX / UI (user experience or user interface) skills	16%
Sales / marketing skills	13%
Creativity	9%
Other	3%
None of the above	8%

Employees also feel that they will need a range of soft skills to thrive in a hybrid workforce, particularly the ability to adapt easily to change, quickly learn new skills and trust machines and technology.

> **Almost half (46%) feel they need to develop their technical skills...and 30% need to work on their creative and innovative thinking.**

Qualities needed in a hybrid workforce

What do you see as the most important qualities that workers will need to have within a hybrid workforce?

Quality	%
Flexibility to change roles / teams / locations frequently	55%
Learnability (desire and ability to quickly grow and adapt one's skillset)	42%
Ability to trust machines / technology	39%
Interpersonal skills e.g. communication skills	32%
Sense of purpose	30%
Empathy (to compensate for lack of empathy in machines)	29%
Resilience	28%
Strong leadership potential	24%
None of the above	5%

More than half (60%) of employees believe that AI and machine learning makes human learnability a more pressing priority for them and their organisations, and 63% predict that mindset will become more important than qualifications in getting a job in the future. Encouragingly, business leaders are acutely aware of the need to upskill workers to be effective in a hybrid workforce environment: 91% say improving learnability at all levels of their organisation is important in maximising the benefits of a hybrid workforce and 88% believe that upskilling employees in new areas and emerging job categories is essential.

What is 'learnability'?

At Capita, we define learnability as 'the ability to adapt and respond to changing business needs by proactively developing oneself to remain productive'.

Redefining 'work' in a hybrid workforce

The Human to Hybrid study explored the impact that the shift to a hybrid workforce will have on attitudes towards the concept of 'work' among employees and business leaders.

In line with the overall sentiment of cautious optimism in regard to the Human to Hybrid transition, 51% of employees predict that work will take on a deeper purpose and meaning over the next ten years. Linked to this, there is a feeling that widespread adoption of AI and automation will significantly alter how people approach work and the behaviours they will need to display in order to progress. More than half (56%) of employees expect that they will focus more on being exceptional and individual, rather than becoming more submissive and machine-like. Clearly, there is a recognition that, as AI and technology take on the bulk of repetitive and mundane tasks, employees will be freed up to focus on more creative and cognitive-based work.

Indeed, the majority of employees believe that AI and machines will continue to play a supporting role to human workers, rather than assuming control. This extends to how organisations will recruit talent into the workforce, with 60% of employees predicting that humans will hire machines, versus 40% who expect to see machines hiring people within the next ten years.

Not only is the balance of power expected to remain in the hands of human workers, employees expect to assume more control of their own working lives and careers. The research indicates that people are likely to take greater ownership of their own development and training over the next ten years, enabled by their employer and facilitated by AI and automation. 59% of employees expect to take full responsibility for their own learning and development as their organisation moves to a hybrid resourcing model.

The research revealed that business leaders are even more positive, or perhaps idealistic, about the impact that technology, AI and automation will have on our working lives, with 75% predicting that work purpose and meaning will become more important over the next decade. The majority (52%) of business leaders feel that work will become more associated with fun, rather than simply being seen as a necessity of life (48%), as employee experience improves through better use of digital and data, and workers take on more flexible, interesting and rewarding work, supported by technology. Likewise, business leaders feel that people will have far more choice over the type of work they do and the organisations they work for.

On the whole, the research shows that business leaders believe that the emergence of a hybrid workforce will further blur the lines between people's working lives and non-working lives.

The majority (53%) of business leaders think that workers will increasingly share more about their personal lives with their employers in order to receive a more personalised employee experience.

Interestingly, employees are more reticent in this regard, with 58% indicating that they will actively look to keep some separation between their work and personal lives.

> **" " The majority (53%) of business leaders think that workers will increasingly share more about their personal lives with their employers in order to receive a more personalised employee experience.**

> **" " Interestingly, employees are more reticent in this regard, with 58% indicating that they will actively look to keep some separation between their work and personal lives.**

Business leader perspective:
Likely scenarios for next ten years

In a hybrid workforce, which of the following scenarios
do you see as being most likely over the next ten years
for the majority of employees in your organisation?

Statement A	Agree more with Statement…		Statement B
Work purpose and meaning will be more important	75%	25%	Work will become more a temporary transaction with little personal attachment
Work will be more of a necessity of life	48%	52%	Work will be associated with fun
Work will be freely chosen	53%	47%	Work will be taken up out of job insecurity rather than choice
Deliberately hold back parts of themselves at work in effort to separate work and personal selves (data rebels)	47%	53%	Actively share everything about themselves at work to get the best possible experiences (data divas)
Employees will focus on being exceptional and individual	59%	41%	Employees will become more submissive and machine-like
Employees will take full responsibility for their own learning and development	50%	50%	Employees will rely on organisations to manage their learning and development
Employees would prefer to work a three-day week and retire at 80	48%	52%	Employees would prefer to work a five-day week and retire at 65
Machines will hire people	41%	59%	People will hire machines
Natural churn / turnover of employees will increase	46%	54%	Natural churn / turnover of employees will slow down

Employee perspective: Likely scenarios for next then years

In a hybrid workforce, which of the following scenarios do you see as being most likely over the next ten years for the majority of employees in your organisation?

Statement A	Agree more with Statement…		Statement B
Work purpose and meaning will be more important	51%	49%	Work will become more a temporary transaction with little personal attachment
Work will be more of a necessity of life	67%	33%	Work will be associated with fun
Work will be freely chosen	41%	59%	Work will be taken up out of job insecurity rather than choice
Deliberately hold back parts of myself at work in effort to separate work and personal selves	58%	42%	Actively share everything about myself at work to get the best possible experiences
Focus on being exceptional and individual	56%	44%	May become more submissive and machine-like
Will take full responsibility for my own learning and development	59%	41%	Will rely on employer to manage my learning and development
I would prefer to work a three-day week and retire at 80	34%	66%	I would prefer to work a five-day week and retire at 65
Machines will hire people	40%	60%	People will hire machines
More people will voluntarily leave our organisation and go elsewhere	57%	43%	Fewer people will voluntarily leave our organisation and go elsewhere

Conclusion: Unleashing the power of a hybrid workforce

Organisations are under enormous pressure to manage the shift to a hybrid workforce effectively, and they need to act quickly. Business and HR leaders need to create their vision of a hybrid workforce that will enable their organisations to succeed in the future. They can then develop the strategies to achieve this vision, applying the three strategic levers of the Human to Hybrid transition — Digital, Data and People. By taking such a considered approach, they can build the workforce (and the technology, insight, processes and structures) they need to succeed in tomorrow's marketplace.

As this report has shown, employees are acutely aware of the changes that we will see in the shape, structure and function of human workforces over the coming years and, for the most part, they are cautiously optimistic about them. However, in many instances, they either feel their employers are not being open and honest with them about their future plans or, worse, they doubt that their organisations have clear or robust plans in place to manage the transition. Employees simply won't put up with this.

Employers must engage with their people around the changing shape and nature of work, starting a conversation, welcoming input and being as transparent as possible. Success on the journey to a hybrid workforce will depend on an organisation's ability to engage, excite and motivate its people, taking into account each individual's drivers, fears and needs.

Employers must deliver highly personalised experiences for their employees, whatever their age, attitude or digital competency, and equip them with the skills, technology, tools and confidence to adapt to and thrive in new working environments.

> " Employees are acutely aware of the changes that we will see in the shape, structure and function of human workforces... in many instances, they either feel their employers are not being open and honest with them about their future plans or, worse, they doubt that their organisations have clear or robust plans in place to manage the transition.

Organisations that effectively manage this transition to a hybrid workforce over the next five years will not only succeed in building and retaining a highly skilled, agile and engaged workforce but they will also become highly attractive to prospective employees who want to work for organisations that can provide them with the learning and development, variety of work and inclusive cultures that they value so highly.

Ultimately, those business and HR leaders that can effectively manage, motivate and upskill their people will enable their organisations to unlock the true potential of a hybrid workforce: where technology supports, enables and empowers people to reach their full potential, driving creativity, innovation and growth.

" **Employers must deliver highly personalised experiences for their employees, whatever their age, attitude or digital competency, and equip them with the skills, technology, tools and confidence to adapt to and thrive.**

The Capita perspective

Jessica Holt,
Director of Consulting & Professional Services – Talent Acquisition,
Capita People Solutions

Something that has not been explored in detail before, and is what's most striking about these findings, is the extent to which employees feel that their employers aren't communicating openly about the future of work, and the consequent negative impact this is having on engagement. The perceived lack of transparency and dialogue is leading to feelings of mistrust, uncertainty and fear, when many employees are actually hungry to embrace change and to take advantage of the many new opportunities that will arise within a hybrid workforce. Employers are missing a huge opportunity here to excite and motivate their workforce around the journey from Human to Hybrid.

The problem ultimately lies with the lack of any real clarity around how the future world of work will evolve, which in turn is exposing their struggle to define the shape, skills and structure of the workforce they need to thrive in a digitally optimised, AI – and automation-led environment.

Having said this, we can see from the research that business leaders are fully aware that they will be increasingly deploying AI and automation to undertake repetitive and administrative tasks and, as a result, will need to re-shape their workforce strategy and resourcing models. Not only that, they know they will need to re-think how they deploy talent, the types of roles and work their employees undertake, and how they   prepare their people for these monumental changes.

Being aware of this is all well and good but, as the research has revealed, there is lack of understanding around the skills and competencies they will need, and how they will engage with workers.

As a result, many employers are opting to not communicate at all with their workforce about their digital transformation agendas, putting themselves on a one-way road to poor engagement, low levels of motivation and staff retention, and reduced performance.

> " **Working alongside AI, employees will be required to take on more creative, analytical and objective tasks and this means that they need to develop these skills and adopt a whole new approach to work.**

Even when employers are stepping up their efforts to prepare their workers for the future, they are meeting serious challenges. Learning and development, identified by both business leaders and employees as absolutely critical to a smooth Human to Hybrid transition, is still struggling to engage employees and deliver the skills and agility required in the future. Most of the focus has been on 'hard', technical skills, aimed at ensuring a higher level of digital competency across the workforce. Undoubtedly, digital skills are important, but 'softer' skills are just as important in the shift to a hybrid workforce, if not more so.

Working alongside AI, employees will be required to take on more creative, analytical and objective tasks and this means that they need to develop these skills and adopt a whole new approach to work.

In today's world, there is far greater emphasis on potential as opposed to experience: learnability, adaptability and mindset will become just as valuable as qualifications.

Within DevOps, where once the sole criteria for recruitment was hard, technical skills, we're now seeing people with Arts-based degrees being brought in. When AI-based algorithms can develop code with significantly more accuracy and speed than a person, what DevOps teams actually need is innovative and creative skills to complement the work of machines. Similarly, within cyber security, we're seeing people with a musical background, rather than any scientific pedigree, being deployed based on their ability to spot patterns and trends within data. Human skills and creativity are the crucial layer on top of technology.

> **" However, the statistic that should ring alarm bells for HR leaders is that only 15% of workers view their employers as excelling at delivering personalised experiences for all workers.**

Aside from learnability and skills, there is also a massive cultural element in the shift to a hybrid workforce. We are moving towards an agile, fluid working environment, where people will work alongside virtual workers, in a variety of roles, with far less face-to-face interaction with other people. This change will require considerable thought and preparation from employers.

As we enter the age of the multi-generational workforce, employers need to cater for employees at both ends of this spectrum and all those in between, to enable an enjoyable and engaging work culture. However, the statistic that should ring alarm bells for HR leaders is that only 15% of workers view their employers as excelling at delivering personalised experiences for all workers.

Of course, with the speed and scale of change, employers don't need to have all of the answers when it comes to the future of work. What employees do expect, however, is transparency, and an open dialogue.

Employers need to communicate a commitment to supporting all employees, irrespective of their age, attitudes or skills, in adapting to the hybrid workforce, and to demonstrate this through enhanced employee experiences and encouraging people to get involved in the planning process.

This is a major reason why, at Capita, we have decided to appoint two employee directors to our Board of Directors. The research shows that employers have a clear mandate to transition their workforces into the future, and the onus is on businesses and HR departments, in particular, to accelerate this journey.

> **" In today's world, there is far greater emphasis on potential as opposed to experience: learnability, adaptability and mindset will become just as valuable as qualifications.**

Ray Brown,
Sales Director – Learning and Development,
Capita People Solutions

As digital transformation ramps up across all industries, we're seeing a small number of forward-thinking organisations developing a much clearer picture of the type of workforce they will need in the future. Business and HR leaders are mapping current and future skills requirements against digital transformation strategies and using this as the starting point for all talent acquisition and learning programmes.

Of course, as the research shows, the majority of organisations have not yet got to this stage on the Human to Hybrid journey, but this is very much the way things will evolve over the coming years.

Without the right approach and interventions, businesses are facing a number of different dynamics within the workforce that could come together to create a perfect storm. Firstly, there is genuine concern and fear among a section of the workforce about the future and their own prospects within it. Most employees are open to change and willing to learn new skills and adapt their approach to stay relevant, but they simply don't know how to go about it and they aren't getting the support they need from their employers. Married to this is the increased understanding of mental health and wellbeing. Organisations are increasingly aware of the need to protect and support the workforce around mental health and to ensure employees have the resilience and skills to cope with uncertainty.

It's vital, therefore, that business and HR leaders engage their people around the future of work, to allay their concerns and, most importantly, to educate them about the potential benefits of working within a hybrid workforce.

Employers need to position these changes as an ongoing journey over the next five or ten years, or longer, something that people can approach in a considered and methodical way, rather than it being a single moment in time when they will cease to be relevant or useful.

Without doubt, learning is absolutely crucial to preparing the workforce for the future. Almost every job that exists today will change dramatically over the next ten years, and that means we all need to develop new skills and take on new roles. As a result, the way learning is delivered will evolve to become more effective and responsive to the needs of the business and the individual.

Already, we're seeing a move towards more self-driven learning, where learning is delivered at the right time, in the right way, according to the specific needs of each employee. Digital-led, on-demand delivery has a big role to play in driving better learning experiences, particularly among millennials and Gen Zs. But digital will also be blended with face-to-face learning to great effect.

> **" Employers need to position these changes as an ongoing journey over the next five or ten years, or longer, something that people can approach in a considered and methodical way, rather than it being a single moment in time when they will cease to be useful.**

An example of this is where learners arrive in a classroom having already acquired a certain amount of knowledge on the given subject in advance, through digital learning. The face-to-face session can therefore be applied to acquiring and practising specific skills relating to that subject. It's a more efficient, effective use of learning time.

> **" Learning is now taking centre stage within most smart organisations. Learning strategies are dovetailing into business strategies and workforce skills and agility are being discussed at the most senior levels.**

We will also see multi-modal learning emerge, all designed around the specific preferences of the individual employee.

In a classroom of 20 people, we will see learning being delivered in a multitude of ways – whether visual, oral, written, discussion-based or scenario-driven. Everybody will be consuming the same content, but they will be absorbing the information in the way that is most appropriate for them.

Organisations will need to develop higher-calibre skills and talent across every area of the workforce. Whereas once some employees could focus on executing specific tasks in isolation, all workers will need to have a much greater understanding of the impact of their work on the wider business and the customer. They will need to know how and when to intervene when technology or automation fails, and be able to take data-driven decisions on their own. We have clients who talk about the need for every worker in the future to operate at a skill level at least two rungs higher than they currently do.

Learning is now taking centre stage within most smart organisations. Learning strategies are dovetailing into business strategies and workforce skills and agility are being discussed at the most senior levels.

Enlightened CEOs are stressing the importance of embedding a culture of learning within the workforce and they are looking to L&D teams to deliver it. The result is that the L&D function is being viewed in a far more strategic way than it was five years ago.

More and more businesses are looking to recruit HR Directors and Chief People Officers with a background in learning, and encouragingly many Chief Learning Officers are now being appointed at board level.

At a broader level, organisations are waking up to the need to adopt a people-first culture, putting employees alongside customers at the centre of their digital transformation programmes. These businesses recognise that it is people, rather than technology and AI, that will deliver game-changing differentiation within the hybrid workforce.

Of course, efforts to transform experience across all areas of the employee lifecycle will take time but there is most definitely now a widespread acceptance that businesses will come to compete on their ability to find, recruit, develop and reward the very best people.

> **" More and more businesses are looking to recruit HR Directors and Chief People Officers with a background in learning, and encouragingly many Chief Learning Officers are now being appointed at board level.**

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