

PREPARED BY HUMANIFY HR

WORKPLACE CULTURE TRENDS FOR 2023

*A guide to assist leaders, managers and HR practitioners
on the key workplace trends for the year ahead*

This is the **PICTURE** of work for 2023
Purpose, **I**ndividualisation, **C**are, **T**echnology,
Unlearning, **R**ecession, **E**nergy.

WELCOME

The past few years will be known as one of the greatest 'live' experiments of work in human history. 2023 is a year that will enable both people and organisations to capitalise on what they have learned about how we work.



This guide has been prepared to help leaders, managers and HR practitioners plan for the year ahead. It provides a **PICTURE** of work for 2023:

WELCOME

Purpose: There will be a need to find creative ways to connect people to the purpose of their organisations, as people want work with purpose and meaning.

Individualisation: Personalising the employee experience to meet the individual needs of employees will be key.

Care: Finding ways to demonstrate to employees that they are genuinely cared for will be important, as people want to work with organisations and other people that care about them.

Technology: There will be an increased need to prioritise the 'human' element of digitising work.

Unlearning: Leaders will need to be able to continue to rethink and unlearn previous ways of working to remain relevant in a complex and constantly evolving world.

Recession: Organisations will need to recession-proof HR programs and initiatives and support employees who may experience financial hardship.

Energy: Energy is the currency of the new work economy and organisations will need to find ways to help their people build and maintain energy so they can perform at their best.

THE WAY WE WORK HAS CHANGED

2020 will be known as the year the way we live and work changed forever. Since then, we've seen significant changes in the way employers approach employee wellbeing, flexible work and attracting and retaining talent in a competitive marketplace. In 2021 many employers settled into new ways of working that they imagined at the time would only be for an interim period. Some organisations not only survived the transition but thrived with improved levels of employee engagement as people were empowered to work flexibly and as a result experienced the benefits of increased productivity and profit. In 2022 the pandemic continued, and high-performing organisations were actively reimagining work with the understanding that the interim arrangements put in place during the pandemic were now the 'new normal' – and we were not going back to the way things used to be. The past few years have been one of the most significant 'live' experiments of work in human history.



WORKFORCE TRENDS - 2023

The 'live' work experiment over the past few years provides some important learnings for both employers and employees. It would be impossible to experience such an event and not learn and grow from it. As you take steps to plan your approach to leading your workplaces through 2023, at Humanify HR Consulting we have developed this guide by drawing on what we are observing working with our clients and the best available workplace research. The key workplace culture trends for 2023 that people leaders and HR practitioners for are:

Purpose: There will be a need to find creative ways to connect people to the purpose of their organisations, as people want work with purpose and meaning.

Individualisation: Personalising the employee experience to meet the individual needs of employees will be key.

Care: Finding ways to demonstrate to employees that they are genuinely cared for will be important, as people want to work with organisations and other people that care about them.

Technology There will be an increased need to prioritise the 'human' element of digitising work.

Unlearning: Leaders will need to be able to rethink and unlearn to remain relevant in a complex and constantly evolving world.

Recession: Organisations will need to find ways to recession-proof HR programs and initiatives and support employees who may experience financial hardship.



Energy: Energy is the currency of the new work economy and organisations will need to find ways to help their people build and maintain energy.

PURPOSE

The pandemic put into laser focus what was important to people, and equally what was unimportant. The limited nature of time became very relevant, as people faced the prospect of questions around their own mortality if they were exposed to COVID-19. For many people, it became immediately obvious to them that work was taking up too much time in their lives. Particularly if that work did not provide them with purpose or meaning, the result for many was to join the 'Great Resignation'. People all over the world left jobs in unprecedented numbers to take up alternative employment in the search for work that provided them with more purpose and meaning.

So, what does this all mean for workplace culture as we approach 2023? It means you need to be taking a very deliberate approach to refining the narrative around the purpose of your organisation in a way that people can connect with. This will ensure you have a strong foundation to maintain employee engagement and motivate performance throughout the year, as people will be intrinsically connected to the purpose and meaning your organisation brings to both their work and lives.

Recommendations:

- Review the purpose of your organisation to ensure the narrative is clear, concise, and easy for people to understand and connect with.
- Consider how people connect with your organisation so you can identify opportunities to improve the strength of the connection between your



people and the purpose of your organisation.

- Ensure you are regularly communicating the purpose of your organisation and embedding it into performance, rewards and wellbeing programs to reinforce the meaning for all your people.
- Listen to employee feedback on your purpose and be prepared to make changes if it will enable people to better connect with the purpose of your organisation.



INDIVIDUALISATION

The one-size-fits all approach to developing workplace strategies and initiatives is well and truly out in 2023. We will continue to see a shift to personalisation of the employee experience. To achieve this, it will be important that HR strategy is developed that factors in the importance of individualisation of experience in employee engagement, diversity, rewards, development, and wellbeing.



There will be a requirement to deep dive into demographic data across your organisation, relying on strong people analytics to inform a nuanced development of people strategies catering to individual needs. HR strategy will need to be designed to cater for varying employee needs, experiences, and expectations. It will be important to listen and acknowledge the individual needs of people. This will be critical in engaging and retaining talent, as those employers who seek to understand the personal nature of employee experience will have an advantage in the competitive market for skilled workers.

Recommendations:

- Review current HR initiatives and programs to ensure they are flexible and can be tailored to meet individual needs.
- Ensure your people analytics function and capability is well-developed – not having the right people data and investing in this area will cost your business.
- Provide mechanisms and channels for employees to provide feedback on what is important to them in the employee experience – and act on it.

CARE

Arguably one of the most important trends for 2023 will be on employee wellbeing to extend to 'care'. The concept of 'care' is more than just wellbeing, it is an emotion or feeling that people experience when someone else demonstrates compassion, concern and empathy towards them as a person.

Put simply, people want to work for organisations and people that care about them. We are observing this theme coming through strongly and consistently



in the work we do to support our clients, regardless of sector or location.

The new workplace currency of care will feature as a high priority on the way leaders engage with their people. This will place additional load on managers and leaders to lead their people in authentic, emotionally intelligent and empathetic ways, showing their people the level of care they now expect in a post-COVID world. Ensuring appropriate investment in leadership development will be critical so they are able to live up to the expectations of their people in these areas. Seeking guidance from an external coach who can help them with strategies to ensure they are able to maintain the level of emotional energy that will be required from leaders who genuinely care about their people.

Recommendations:

- Consider how your leadership teams are currently engaging with their people to ensure that a culture of care can be embedded right across your organisation.
- Reward leaders and employees who demonstrate care behaviours towards others.
- Ensure leaders have the appropriate support, either through leadership development activities or tailored coaching that will enable them to keep their 'own cups full' as they focus on meeting the elevated expectations of care their people will have of them.



TECHNOLOGY

Throughout 2023, advancements in technology will continue to alter the way work is structured and carried out. People will continue to become more interested in the way data is being managed and stored as they directly experience the real impacts and consequences of increased incidents of cyber-crime.

The 'human' element as companies progress towards a more digital agenda will be under added scrutiny and revaluation. Moving to a digital economy certainly makes economic sense, but people will be questioning whether we have invested enough time considering the human impacts of the digital world we have created.

Automation of transactional processes will displace traditional roles – requiring the reskilling of many workers who will be impacted by these shifts. The pace of these changes will reveal for many organisations how underprepared they are for the future of work, particularly if they have not been actively investing in reskilling their workforces in preparation for this expected disruption.

Recommendations:

- Consider whether your digital strategy caters for the human element of the transition to digital.
- Review your privacy, cyber-security and data collection policies and processes to ensure that employee information is safe and secure.
- Engage with employees about the skills required for the future of work, through open and transparent conversations. What we find with many of our clients, is that there is not enough dialogue taking place between managers and employees about the skills that are required for the future.



- Develop an understanding directly from employees about the skills they believe will be required and capability gaps that currently exist. Ensure you bring employees into problem solving and co-design solutions.
- Build the required skills to ensure your workforce is future-fit through appropriate workforce planning that identifies priority skills. It will be important to invest accordingly in the right areas by following a structured and targeted approach, as you build your workforce for the future.

UNLEARNING

In 2023, the process of unlearning will feature heavily in our workplaces. Rethinking will continue to be an essential skill for employees at all levels, particularly those who occupy leadership positions. It will become clear that fixed perceptions may not always be relevant or helpful. We know that the world we operate in is expected to become more complex. This requires leaders to develop deep cognitive skills that enable them to observe patterns in problems as they emerge, but to recognise that the solution may not always be immediately clear. Being open, consultative, curious and courageous will all be key attributes of future-ready leaders as they engage in decision-making in our increasingly complex world.

Experts in their fields will be those who acknowledge that they don't know everything and are constantly unlearning outdated ways of working in their fields of expertise. For example, an expert in the field of organisational psychology – Adam Grant recognises the importance of 'unlearning':

"It takes curiosity to learn. It takes courage to unlearn. Learning requires the humility to admit what you don't know today. Unlearning requires the integrity to admit that you were wrong yesterday. Learning is how you evolve. Unlearning is how you keep up as the world evolves"



Recommendations:

- Consider the structure of the way work gets done in your organisation and if you are providing time and space for people to rethink to generate more well-considered decisions and outcomes.
- Assess whether it is safe for leaders specifically to unlearn – seek to understand whether your workplace culture provides the psychological safety for leaders to admit they don't know something, or if are they made to feel shame or fear if they admit to needing to rethink or unlearn.
- Build a learning culture for employees at all levels to embrace rethinking, unlearning and developing and acquiring new skills.

RECESSION

Predictions indicate the strong possibility of a global recession throughout 2023 and into 2024. In Australia, economists believe a recession could trigger widespread displacement of workers. This displacement will take place as businesses are no longer in a financially viable position to employ and/or invest in developing people. As a result, we will see people lose their jobs or even worse, remain in jobs where they are not being invested in by their employers due to budget restrictions. This will see a de-skilling of Australian workers – at a time when it is key that we are actively investing in our people, so our economy and workers remain competitive in a globalised workforce. There is a high-risk that if we experience a recession as predicted, it will put Australia further behind when it comes to developing and upskilling our people for the future of work.

As the recession constricts budgets, it will require organisations and people to do more with less. As workers step into this challenge to do more to assist their



employers, it will add to the energy deficit that is already being experienced due to widespread burnout as we emerge from the pandemic. Potential changes to workplace relations laws that seek to restrict the employment of casualised workers have the potential to increase regulatory burden on the way organisations manage flexible working. This will be seen by businesses as a potential disincentive to engage workers and add further pressure to overall business viability. This will be a critical time, not only for organisations operating here in Australia but right across the world.

Recommendations:

- Ensure your wellbeing programs cover off financial wellbeing and provide support, tools and resources for people experiencing financial distress.
- Recession-proof learning and development programs, by introducing training options that are low-cost to your suite of development options – for example, mentoring, coaching and peer-learning.
- Ensure your existing workplace relations framework is compliant and flexible when it comes to employing people on a permanent, fixed term or casual basis.



ENERGY

Energy is the new economy. People will be exploring new ways to build and maintain energy, as the pandemic experience continues to contribute to worldwide burnout levels. There will be a need for organisations to play a role to support their people, which may look like increasing existing physical and mental health wellbeing offerings and/or adjusting patterns of work to enable people to regain energy who have been experiencing burnout.

The Microsoft Work Trends Index (September 2022) found that:

- Microsoft Teams meetings had increased for the average user by 153% since the start of the pandemic, with the trend continuing to rise;
- 42% of users multi-task whilst in a meeting, by sending an email or teams messages (this doesn't include other activities like reading emails, web activity or browsing);
- 87% of users report that they are more productive at work; and
- Only 12% of leaders say they have full confidence that their teams are productive.

This data demonstrates that people are working more than at the start of the pandemic. What it additionally demonstrates is that leaders are still concerned about how productive their people are and are experiencing what Microsoft have termed 'productivity paranoia'. In 2023 we will continue to see experimentation on how to make hybrid work for organisations, as it is evident that many leaders are still concerned about the impacts this style of working is having on productivity.



Recommendations:

- Ensure your wellbeing programs provide tools and strategies for people to build and conserve energy, including burnout awareness and prevention.
- Invest in leadership development programs that equip people leaders with the skills they need to effectively manage hybrid workers.
- For managers and leaders, it is important to clarify work so you can focus on what is getting done as opposed how it is being performed to reduce the 'productivity paranoia' identified in the Microsoft Work Trends Index.



ABOUT HUMANIFY HR CONSULTING

Humanify HR Consulting Pty Ltd is a specialist HR consultancy firm that works with the Australian Public Service (APS), private sector and not-for-profit organisations as a leading provider of workplace relations, leadership and culture and HR consulting services.

We strive to create workplace cultures that support more productive humans at work, healthier humans in our communities and more successful organisations who are achieving their goals.

Our HR specialists have deep expertise in the APS, not-for-profit and private sector.

ABOUT OUR FOUNDER

Sarah Queenan is the Founder and Managing Director of Humanify HR Consulting and her focus is on providing a high-quality service that aims to put a more 'human' approach into the delivery of HR. As a former senior public servant and HR leader operating in the private sector, Sarah has a wealth of experience in developing and implementing organisation-wide wellbeing strategies and initiatives. She has a unique understanding of how organisations work, including the cultural, political and regulatory environments the APS operates within. Sarah is a trained lawyer, with qualifications in psychology, coaching and Human Resources.

WORK WITH US

Humanify HR Consulting offers clients the benefit of providing HR consulting services to support your organisation prepare and respond to the workplace trends of 2023. We work in partnership with you to establish a clear pathway and strategy to guide your approach. Partnering with HR specialists from



Humanify HR Consulting will provide you with the benefit of:

- Knowing you are working with experienced HR specialists
- Drawing on our technical expertise in workplace wellbeing and burnout
- Partnering with an organisation that understands your operating environment and context

Get in contact with our team at hello@humanifyhr.com.au to see how we can assist and arrange next steps.



Copyright and Disclaimer

Humanify HR Consulting Pty Ltd developed this guide.

This guide is for general information only and is not intended as advice on any of the matters discussed in the guide. No reader should rely on the material in the guide as a basis for decision as to whether to act or not act in relation to a specific matter affecting them but should consult a professional advisor.

The copyright of this guide is vested in Humanify HR Consulting Pty Ltd.

