

2021
Business
Impact and
Workforce
Trends
Report



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INDUSTRIES REPRESENTED

For those of us in the people business, this past year has been about as exhilarating as it has been exhausting. From protecting employee health to keeping teams connected to driving diversity, equity and inclusion, it has certainly been a time that none of us will forget.

As the pandemic stretches into a second year and uncertainty lingers around what the post-pandemic workplace will look like, we wondered what plans companies are making, what challenges they are dealing with right now, and what they are anticipating for the future.

ICC conducted its original Business Impact and Workforce Trends survey in the fall of 2020. Much has happened in the world and in business since then, so we followed up with a similar survey in June, 2021. The participating companies represented a wide range of industries. The 20 most frequently represented industries included:



Advertising/PR



Engineering & Construction



Insurance



Agriculture



Entertainment



Legal



Architecture Services



Financial



Manufacturing



Automotive Supplies



Food & Beverage



Non-For-Profit



Computer Software



Government



Professional Services/Consulting



Education



Healthcare



Retail



Travel



Utilities

Of our survey respondents:

- 30% are small companies with 100 or less full-time employees
- 34% have 101-500 employees
- 9% have 501-1000 employees
- 19% have 1,001-5,000 employees
- 8% have more than 5,000 employees

The number of work locations also varies across survey participants:

- 27% have just one location
- 25% have 2 to 5 locations
- 13% have 6 to 10 locations
- 35% have more than 10 locations

We asked these companies about remote work, current challenges, impact of the COVID-19 pandemic and priorities for the future. Here are the highlights of the survey results.

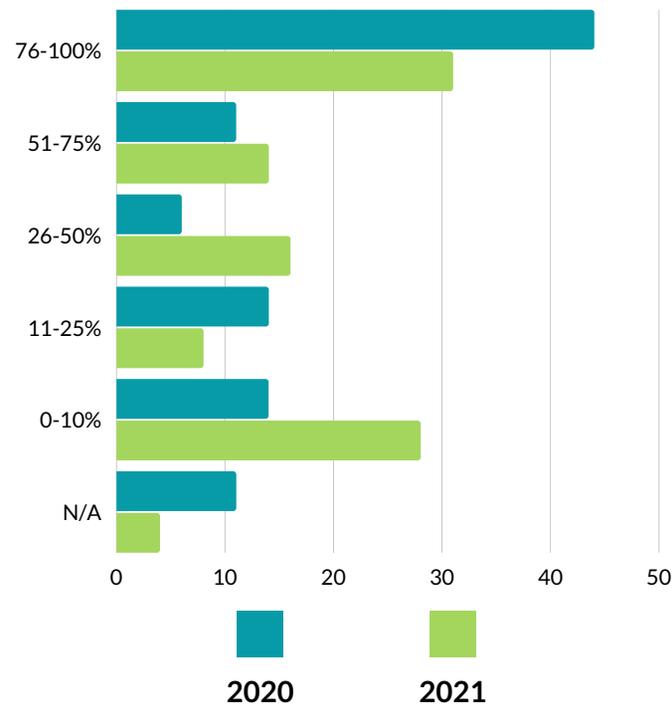
REMOTE WORK

More extensive remote work may well be one of the greatest legacies of the pandemic, although the jury is still out on the extent to which remote work will stick in the long run.

The survey results suggest that while a lot of employees are still working remotely, more of them are now working in a company office. Overall, 45% of our respondents indicate that half or more of their employees are working remotely, a drop from (continued)

nine months ago when 55% of respondents said that half or more of their employees were working remotely. Conversely, 28% of respondents note that only 0 to 10% of employees were working remotely compared with 14% last fall. Clearly, there has been some movement back to the office.

Figure 1: What percentage of your employees are working remotely?



MANAGEMENT CHALLENGES

Employee engagement and competition for talent are the biggest challenges for leaders at the moment. "Improving employee engagement" ranks as the number one challenge (56%), followed closely by "Attracting and hiring talent" (51%) and "Retaining key talent" (46%). This is a shift from last fall, when only 26% of respondents selected "Attracting and hiring talent," and "Retaining key talent" didn't even make the top ten. Along this same theme, "Conducting downsizing, layoffs, and/or furloughs" was important for 18% of companies last fall but is not a top-ten challenge in 2021.

Other challenges that directly reflect the COVID-19 pandemic experience stood out in the fall of 2020 and are still important to survey respondents in 2021. These include challenges around resiliency and adapting to change as well as managing remote teams/workers.

"45% of respondents indicate that half or more of their employees are working remotely."

TOP 10 MANAGEMENT CHALLENGES IN 2021



Nearly all (90%) of the companies in our survey currently indicate that they are actively working to address these key challenges. Eighty-three percent are creating solutions internally and thirty-two percent are partnering with external firms for solutions (respondents could select more than one option on how they are approaching their challenges).

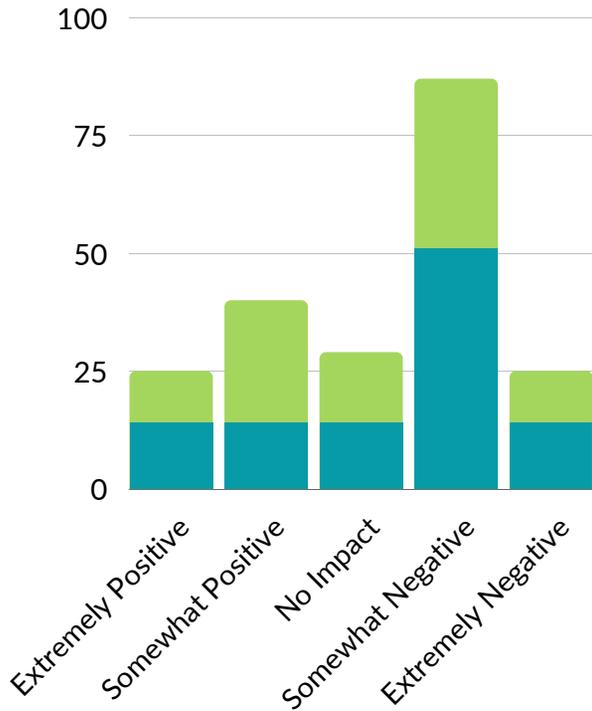
COVID-19'S IMPACT ON REVENUES AND OPERATIONS

While the COVID-19 pandemic disrupted and hurt many companies' operations and revenues, the impact turned out not to be as bad as some had feared. As of Fall 2020, 65% of our respondents believed that the pandemic would have an "extremely negative" or "somewhat negative" impact on 2020 revenues, and only 22% believed the pandemic would have an "extremely positive" or "somewhat positive" impact. As it turned out, 47% report that the impact on 2020 revenues was negative and 38% report that it was positive. See Figure 2 on Page 4).

Rank	2021	2020
1	Improving employee engagement (56%)	Managing remote teams/workers (71%)
2	Attracting and hiring new talent (51%)	Resiliency during times of change (50%)
3	Retaining key talent (46%)	Maintaining productivity on team (47%)
4	Resiliency during times of change (43%)	Improving employee engagement (34%)
5	Managing remote teams/workers (40%)	Communicating effectively with teams (32%)
6	Communicating effectively with teams (39%)	Adapting to change (32%)
7	Adapting to change (37%)	Producing business results (26%)
8	Ensuring employee health and well-being (34%)	Attracting and hiring new talent (26%)
9	Developing direct reports (30%)	Ensuring employee health and well-being (24%)
10	Maintaining productivity on team (27%)	Conducting downsizing, layoffs, and/or furloughs (18%)

56% of survey respondents say improving employee engagement has been their biggest challenge in 2021

Figure 2: COVID will have/had a(n) _____ impact on my organization's 2020 revenues.



The outlook for 2021 is fairly bright. More than half (56%) of survey respondents predict that company revenue will increase in 2021, 64% anticipate an increase in headcount, and 48% expect business operations to increase.

Figure 3: Compared to 2020, my organization's 2021 revenues are:

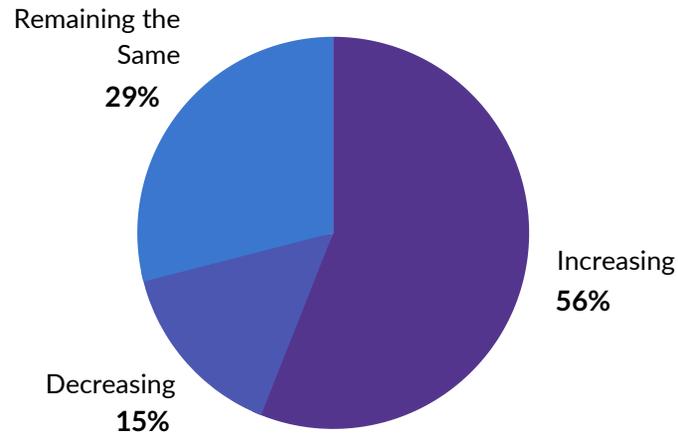
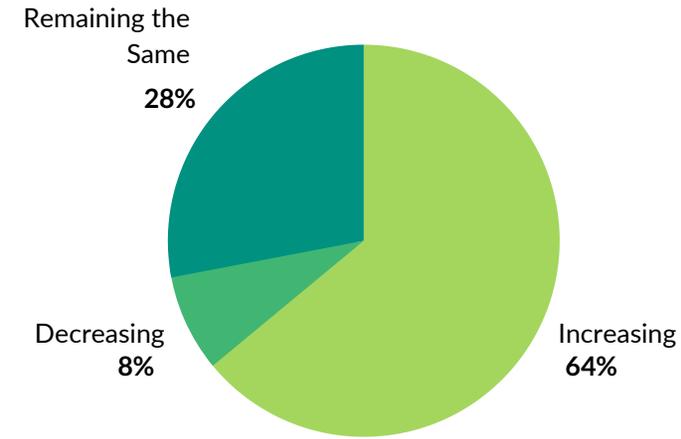


Figure 4: In the remainder of 2021, my organization anticipates _____ headcount.



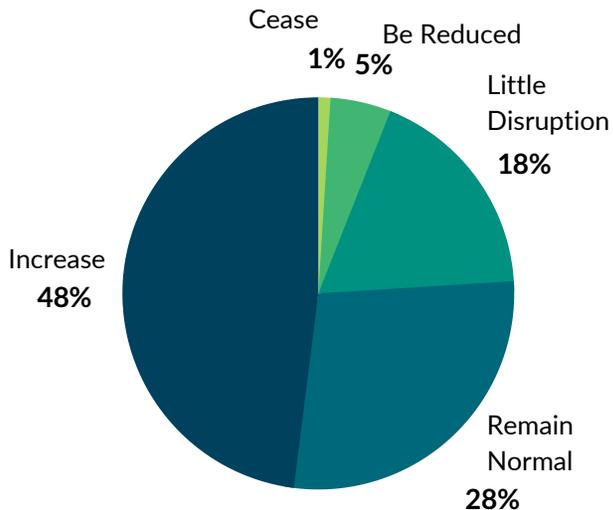
% of Survey Respondents



TOP
3

PEOPLE PRIORITIES FOR
2021

Figure 5: In 2021 we anticipate business operations will _____.



LOOKING FORWARD

Supporting the growth that most companies are anticipating in 2021 is paramount in leaders' minds as they look forward. "Attracting and hiring new talent" is the number one priority for our survey respondents (49%), followed closely by "Retaining key talent" (47%). Both of these priorities jumped in ranking from the Fall 2020 survey results.

We also see companies placing stronger emphasis on diversity, equity and inclusion now than they did last fall. In the Fall 2020 survey, only 16% selected "Diversity, equity and inclusion" as a top 3 priority compared with 31% in 2021.

Rank	2021	2020
1	Attracting and hiring new talent (49%)	Managing remote teams/workers (71%)
2	Retaining key talent (47%)	Resiliency during times of change (41%)
3	Improving employee engagement (34%)	Maintaining productivity on team (41%)
4	Diversity, equity and inclusion (31%)	Retaining key talent (32%)
5	Communicating effectively with teams (28%)	Adapting to change (27%)
6	Maintaining productivity levels (27%)	Producing Business Results (24%)
7	Producing business results within team (22%)	Improving employee engagement (24%)
8	Ensuring employee health and well-being (21%)	Attracting and hiring new talent (18%)
9	Resiliency during times of change (19%)	Communicating effectively with team (16%)
10	Adapting to change (18%)	Diversity and inclusion (16%)
		Ensuring employee health and well-being (16%)

CONTACT US



(855) 865-4400



**U.S. Headquarters:
Denver, CO**



Info@Innovateicc.com



www.InnovateICC.com