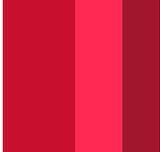


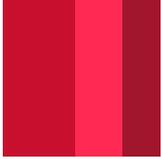
Understanding
and building
workforce
resilience

Build forward better



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Why this research matters

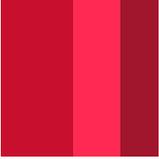
Having come to the fore in recent years, the issue of workforce resilience has now become a pressing board-level concern for many organisations. The shift in working patterns brought about by the pandemic has only intensified this focus.

But what exactly is workforce resilience? How do you build and measure it, and does it really make a difference to business performance?

To face the future with confidence, businesses need to know the answers. We commissioned this research to find them.

This report contains the results of our research. For a more in-depth exploration of what the results mean for your business, read our eGuide:

[Workforce resilience in action: An MHR eGuide to strengthening forward-facing organisations](#)



2

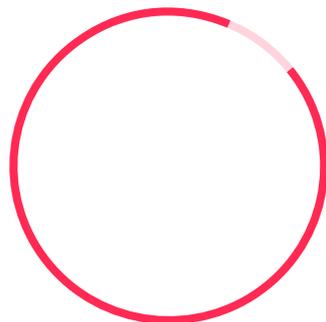
Headline findings

We work in an increasingly unpredictable market, surrounded by accelerated digitisation and faced with shifting employee expectations that disrupt established business models. It is no wonder that workforce resilience is on the boardroom agenda.



93%

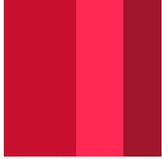
of HR professionals agree that building the right levels of workforce resilience is a top priority for the HR leadership team.



92%

of HR professionals agree that workforce resilience has become a more important issue at board level in recent years.

Workforce resilience continues to rise up the HR agenda as leadership teams look for ways to respond and drive forward with transformation.



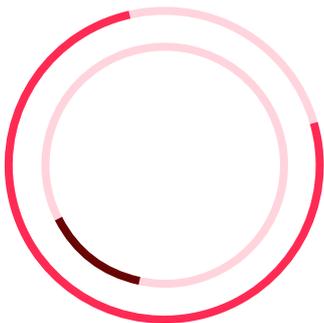
2 Headline findings

Our research revealed clear and direct linkages between levels of workforce resilience and business performance. The most resilient businesses perform significantly better than the least resilient on a range of key metrics, including customer satisfaction, brand reputation, innovation, revenue growth, win-rate and profitability.



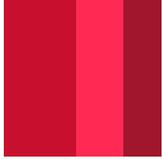
82%

of the most resilient organisations rate very highly for customer satisfaction compared to their competitors, but this is only true for 10% of the least resilient organisations.



76%

of the most resilient organisations rate very highly for brand reputation compared to their competitors, but this is only true for 14% of the least resilient organisations.



2 Headline findings

We also found clear links between levels of workforce resilience and both employee performance (including productivity and quality of work) and employee engagement.



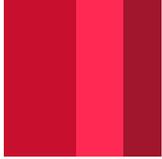
76%

of the most resilient organisations rate very highly for employee engagement compared to just 4% of the least resilient organisations.



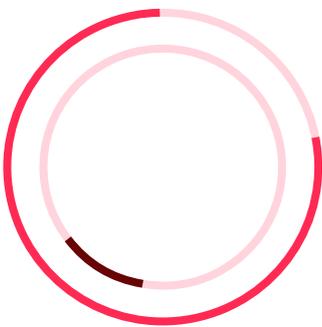
86%

of the most resilient organisations rate very highly for employees having a positive attitude at work compared to 18% of the least resilient organisations.



2 Headline findings

The third stand-out finding of our research is the identification of technology and automation as key enablers of workforce resilience and improved business performance. Companies with high levels of workforce resilience are far more likely to have invested in modern, streamlined, intuitive, cloud-based HR systems.



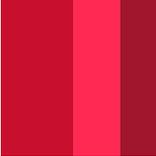
78%

of the most resilient organisations strongly agree that their HR systems are designed around employees and are intuitive, compared to just 12% of the least resilient organisations.



69%

of the most resilient organisations strongly agree that their HR systems are scalable and flexible for quick integration, compared to just 8% of the least resilient organisations.

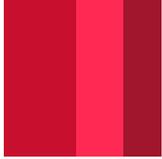


3

What is workforce resilience?

While the term ‘workforce resilience’ is much bandied about these days, its meaning remains highly ambiguous. The word ‘resilience’ tends to conjure up images of stoic individuals battling through a storm against all odds. But is a group of tough individuals rolling with the punches really what we mean by or want from a resilient workforce?

Our research points to a truly resilient workforce being one that can actually thrive in an unpredictable environment, rather than just surviving through gritted teeth.



3 What is workforce resilience?

In our view, a resilient organisation needs to have:



the ability to adapt quickly to changes in external environments (such as digital disruption, economic shocks and new legislation)



the capacity to flex without breaking (for example, scaling up and down, reconfiguring the organisation and reallocating resources in response to new opportunities)



efficiency embedded in every part of the business to ensure it stays competitive



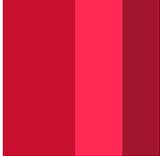
a strong core culture and ethos so that the organisation is able to retain its sense of cohesion and purpose, even while buffeted by external forces and the need for rapid change



engaged and motivated employees, with the right skills and support to work at their best all of the time



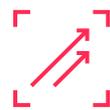
strong leadership that leads by example and with empathy and emotional intelligence, driving a culture of change and instilling resilience in others



4

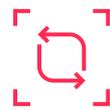
Introducing the Workforce Resilience Index

In order to understand where organisations stand on the spectrum of workforce resilience, we created the Workforce Resilience Index. The index rates organisations by measuring three key areas: organisational resilience, process resilience and employee resilience.



Organisational resilience

The ability of a business to be agile, quickly responding to a changing working environment without easing off the accelerator is critical. This includes how easily workforce skills bases can be flexed; how well teams collaborate regardless of where they are working to encourage innovative thinking; and how quickly a business can become aware of problems or opportunities in order to mitigate or capitalise on them.



Process resilience

Are your HCM processes just static systems of record, or are they true systems of intelligence that drive interaction and productivity? In order to maximise the impact of HR and take the next step in value creation from human capital, resilient systems and processes are required to be intuitive, automated, accessible and intelligent.



Employee resilience

How engaged, fulfilled and empowered employees are has a direct impact on their ability to thrive in a volatile and complex environment, and therefore on their performance. A number of factors drive strong engagement, including strength of leadership, company culture/values, communication, reward and recognition, personal development and accountability.

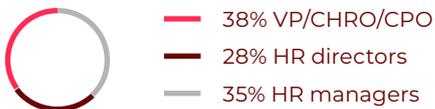
4 Introducing the Workforce Resilience Index

METHODOLOGY

Our research was carried out online with 200 HR professionals (decision-makers) in the UK between 9th and 18th March 2021.

RESPONDENT PROFILE

Job titles



Company size



Location



To assess respondents against each of the three resilience areas, we asked three sets of six questions, where respondents ranked each statement from 0 (strongly disagree) to 100 (strongly agree). Each respondent was then attributed an overall score of 0-100 – their Workforce Resilience Index score.

We then categorised these organisations into four quartiles, ranging from the 'most resilient' to the 'least resilient'.

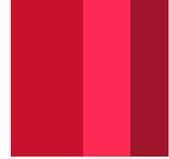
Quartile 1: most resilient – sample size = 49

Quartile 2: medium-high resilience – sample size = 48

Quartile 3: medium-low resilience – sample size = 52

Quartile 4: least resilient – sample size = 51

Note that the quartiles do not have exactly 50 in each due to multiple respondents with the same index scores. The quartiles have been kept as close to 50 as possible.



4 Introducing the Workforce Resilience Index

While instructive in enabling organisations to assess their level of resilience compared to others, the real value of our Workforce Resilience Index comes from its indication of how an organisation's score impacts its business and employee performance. To test this, we evaluated organisational and employee performance of respondents on a number of metrics.

Organisational performance metrics

- Brand reputation
- Win-rate
- Revenue growth
- Profitability
- Innovation
- Customer satisfaction

Employee performance metrics

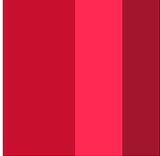
- Employee productivity
- Proactivity
- Problem-solving ability
- Quality of work
- Positive attitude at work
- Level of engagement

To understand if there is a correlation between position on the index and organisational/employee performance, we then looked at this data by workforce resilience quartile.

The final step in our analysis was to look at the underlying HR technology that the organisations rely on, determining whether there is a correlation between technology and workforce resilience. To test this, respondents rated their HR systems on a number of key characteristics.

Underlying technology characteristics

- Streamlined and automated
- Integrated with other platforms
- Designed around the employee and easy to use
- Intelligence built-in with proactive alerts and notifications
- Scalable and flexible
- Accessible by any employee in any location
- Cloud-based



5

What we found

5.1 Workforce resilience is growing in importance

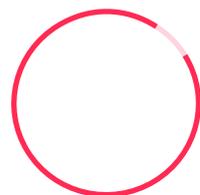
Our research confirmed that workforce resilience is indeed becoming a more important issue in boardrooms.

92% of HR professionals agree that workforce resilience has become a more important issue at board level in recent years.

This is most likely due to the high levels of change and disruption that are so much a feature of today's workplace, with several factors fundamentally reshaping established business models.

The acceleration of digital transformation, an increasingly globalised economy, greater interconnectedness and shifting employee expectations towards work are all forcing businesses to rethink the way they operate. Add to all this an unpredictable economy, and it is clear that businesses need to be able to respond to the unexpected if they are to survive.

Our research also showed that, as HR leadership teams navigate and respond to these changes, workforce resilience is a top priority.



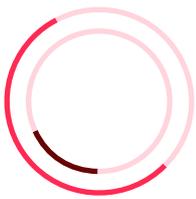
93%

of HR professionals agree that building the right levels of workforce resilience is a top priority for the HR leadership team.



5 What we found

As you would expect, the most resilient organisations in our index have a clearer understanding of the factors that drive a resilient workforce.



55%

of the most resilient organisations strongly agree that they have a clear understanding of the factors that drive a resilient workforce, but this is only true for 18% of the least resilient organisations.

Interestingly, it is smaller organisations that have a clearer understanding than larger ones. This could indicate that the bigger an organisation is, the more challenging it becomes to ensure resilience.



49%

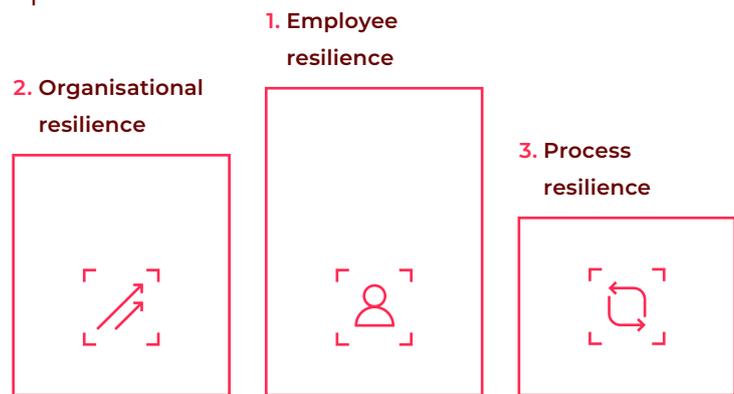
of smaller organisations (100-250 employees) strongly agree that they have a clear understanding of the factors that drive a resilient workforce, compared to 43% of larger organisations (250+ employees).

5 What we found

5.2 Resilience varies by area measured, business size and seniority of role

Employee resilience comes out on top

Across our entire sample base, we found that 'employee resilience' was the highest rated area measured, particularly in terms of employees knowing what is expected of them and being empowered/equipped to perform at their best.



'Process resilience' was the lowest rated area, especially with regard to having straightforward/intuitive processes, automation and the ability for employees to self-serve.

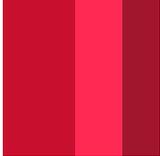
For 'organisational resilience', the lowest rated areas were the ability to quickly and effectively upskill or reskill and scale the workforce up and down, using a fluid mix of permanent and contingent workers.

Smaller businesses are more resilient

We found that smaller organisations (100-250 employees) perceive themselves to be slightly more resilient than larger organisations (250+ employees). This is mainly in the area of process resilience, particularly having more straightforward, automated processes and easier access to workforce management information. Smaller organisations also rate more highly for employee satisfaction and retention.

Senior roles are more positive about their resilience

We also found different perceptions of resilience between higher C-level roles and HR manager roles, with the more senior positions having a more positive view of their own organisation's current situation. This difference was greatest in questions of agility (ability to upskill/reskill, scale quickly or respond to market changes) as well as in perceptions of the level of automation and employee self-service. The more senior roles also had a more positive view on employee satisfaction and retention.



5 What we found

5.3 Workforce resilience improves business performance

Our research demonstrates a clear link between position on the Workforce Resilience Index and company performance, across a number of different measures.

Better financial performance

In terms of key financial metrics, the most resilient organisations are nearly six times more likely than the least resilient organisations to have achieved significantly better revenue growth over the last three years than their competitors, and more than seven times more likely to have a significantly higher level of profitability.

Better reputation

The same is true with reputational measures, with the most resilient organisations more than five times more likely to have a significantly better brand reputation than their competitors in key markets, and more than eight times more likely to have significantly better customer satisfaction.

Greater innovation

The most resilient organisations are also considerably more innovative, with 65% of the most resilient organisations rating as significantly better than the competition, compared to just 10% of the least resilient.

Sales success

They are also likely to be more successful in sales, with 69% of the most resilient organisations assessing their win-rate as significantly better than the competition, compared to just 4% of the least resilient organisations.

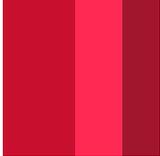
5 What we found

We believe these numbers are likely to reflect the ability of more resilient companies to be more agile and responsive to changes in the market than their less resilient competitors, driving sustained competitive advantage.



% RATED AS SIGNIFICANTLY BETTER THAN THE COMPETITION	MOST RESILIENT (QUARTILE 1)	MEDIUM RESILIENCE (QUARTILES 2 & 3)	LEAST RESILIENT (QUARTILE 4)
Our % revenue growth for the last 3 years	57%	44%	10%
Our level of profitability	61%	44%	8%
Our brand reputation in key market(s)	76%	45%	14%
Our customer satisfaction/Net promoter score	82%	45%	10%
Our level of innovation	65%	45%	10%
Our win-rate in our primary target market(s)	69%	40%	4%

Table 1 “Compared to your peer companies (companies that you consider to be your closest competitors), how would you rate your organisation’s relative position on the following metrics?”



5 What we found

5.4 Workforce resilience improves employee performance

Our research also demonstrates a clear link between position on the Workforce Resilience Index and employee performance, across a number of attributes.

Better productivity

In terms of key financial metrics, the most resilient organisations are nearly six times more likely than the least resilient organisations to have achieved significantly better revenue growth over the last three years compared to their competitors, and more than seven times more likely to have a significantly higher level of profitability.

Higher quality of work

It is not just the quantity of work that improves, but also the quality. The most resilient organisations are five times more likely to rate the quality of employees' work as very strong, compared to the least resilient.

More proactive

Resilient organisations are much more likely to have proactive employees who are able to solve problems. An impressive 76% of the most resilient organisations rate their employees as very proactive, compared to just 14% of the least resilient. It is a similar figure for the ability to solve problems, with 73% of the most resilient organisations rating this as very strong, compared to just 12% of the least resilient organisations.

More positive and engaged

Employees at the most resilient organisations are also much more likely to have a positive attitude at work and be highly engaged. A striking 86% of the most resilient organisations rate their employees very highly for having a positive attitude, compared to 18% of the least resilient. Employee engagement is 19 times more likely to be rated as very strong in the most resilient organisations.

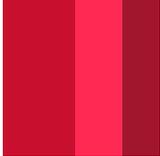
In our view, these results are due to more resilient companies supporting and enabling their employees better, improving their wellbeing and making them feel more engaged and enabled to take control and get things done.

5 What we found



% RATED AS VERY STRONG PERFORMANCE	MOST RESILIENT (QUARTILE 1)	MEDIUM RESILIENCE (QUARTILES 2 & 3)	LEAST RESILIENT (QUARTILE 4)
Productivity	80%	52%	16%
Quality of work	80%	53%	16%
Proactivity	76%	41%	14%
Ability to solve problems	73%	51%	12%
Positive attitude at work	86%	52%	18%
Engagement	76%	40%	4%

Table 2 “Overall, how would you rate employees’ performance on the following metrics in your organisation?”



5 What we found

5.5 Investment in HR technology improves workforce resilience

Another clear link demonstrated by our research is that between position on the Workforce Resilience Index and investments in enabling technology. The most resilient organisations had technology that shared specific features.

More integrated

The most striking result relates to the level of integration between systems. Our research found that the most resilient organisations are 13 times more likely than the least resilient organisations to strongly agree that their HR systems integrate with other platforms.

More intuitive

Another critical difference between the most and least resilient is the extent to which their systems are intuitive to use. 78% of the most resilient organisations strongly agree that their systems are designed around employees and are easy to use, compared to just 12% of the least resilient organisations.

More intelligent

In addition, 71% of the most resilient organisations have systems with intelligence built-in, offering proactive alerts and notifications, compared to just 10% of the least resilient. They are also 4.5 times more likely than the least resilient organisations to have systems that are automated and low complexity.

More agile

In terms of agility, the most resilient organisations are over eight times more likely to have HR systems that are scalable and flexible for quick integration. They are also more than five times more likely to be cloud-based as opposed to on-premise systems.

More accessible

69% of the most resilient organisations strongly agree that their HR systems can be used by all employees, regardless of status or location, compared to just 10% of the least resilient organisations.

5 What we found

Our research clearly shows that a well-integrated, easy-to-use, intelligent, flexible and accessible system takes away the barriers which restrict many businesses from responding quickly to market changes.

% RATED AS STRONGLY AGREE	MOST RESILIENT (QUARTILE 1)	MEDIUM RESILIENCE (QUARTILES 2 & 3)	LEAST RESILIENT (QUARTILE 4)
Integrates with other platforms	78%	46%	6%
Designed around employees and intuitive	78%	43%	12%
Intelligence built in, proactive alerts and notifications	71%	45%	10%
Automated and low complexity	63%	37%	14%
Scalable and flexible for quick integration	69%	49%	8%
Cloud-based as opposed to on-premise	67%	47%	12%
Can be used by all employees	69%	45%	10%

Table 3 “Thinking about the HR system(s) within your organisation, to what extent do you agree or disagree with the following statements?”



6

Key learnings for today's HR leaders

6.1 How a resilient workforce helps organisations to thrive

Having established a strong direct correlation between workforce resilience and organisational success, we believe this positive relationship can be explained on a number of levels.

Organisational resilience: benefits of an agile workforce

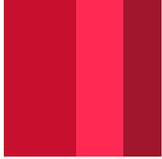
In an unpredictable work environment, workforce agility delivers value by enabling organisations to outperform competitors in responding to new market opportunities or risks. This directly drives revenue growth and market share gains.

Process resilience: benefits of systems of intelligence

Processes that enable greater collaboration, better insight and more informed decision-making deliver organisational value on multiple fronts. Working collaboratively with pertinent insight increases innovation, creates better products and services, and drives more positive customer relationships.

Employee resilience: benefits of empowered and engaged employees

Employees who are empowered to quickly adapt and take ownership in an uncertain and complex environment are able to make a more positive contribution to business outcomes. The more engaged, fulfilled and supported people are, the less likely they are to leave – enabling the business to grow and nurture talent without disruption, while reducing recruitment costs. This is the positive business case/ROI of wellbeing – driving higher productivity, lower absenteeism and lower churn.



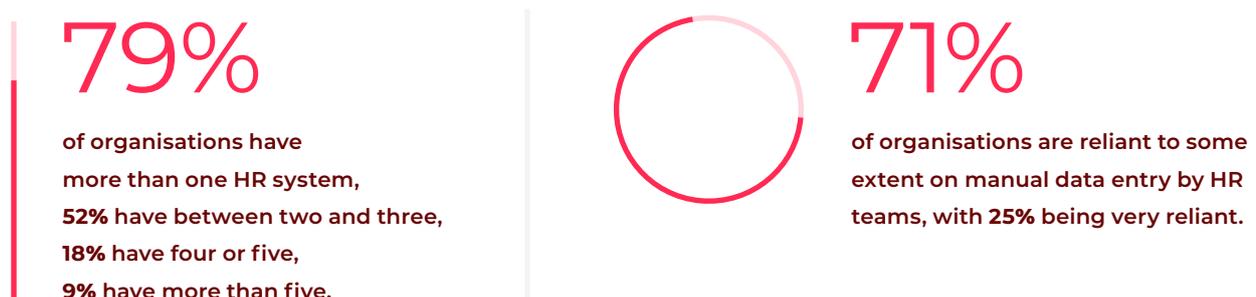
6 Key learnings for today's HR leaders

A truly resilient workforce helps organisations to adapt and flex in response to unpredictable conditions, while retaining robust processes, improving employee engagement and making working practices more productive. These positives are all currently hindered by out-of-date and inflexible HR and payroll processes and practices.

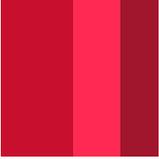
With the right enablement tools and processes in place, organisational leaders can build, support and maintain workforce resilience to ensure that they remain competitive in a constantly changing environment.

6.2 The role of technology in delivering the resilient workforce

Our research has underlined the importance of technology in enabling a resilient workforce. But, despite acknowledging the criticality of workforce resilience, most organisations still use a variety of different systems to manage their HR processes, and are still reliant on manual data entry.



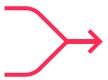
In our view, it is essential in today's work environment that employees are enabled and supported by the right technology. It is clear that a modern HR system that is integrated and agile can and will drive significant changes to both the workforce and the business.



6 Key learnings for today's HR leaders

With an intuitive and easy-to-access platform, featuring the right enablement tools and built-in intelligence, businesses can gain a competitive advantage. Those that choose to ignore advances in underlying technology and enablement tools will soon get left behind, regardless of their resilience in other areas.

Innovative technologies can have a transformative impact on HR and payroll. Automated processes deliver greater efficiency and enable better decision-making. Legacy systems often do the opposite – holding back organisational efficiency, adaptability and creativity. We believe technology can drive significant benefits across four areas in particular.



Streamlining

By simplifying and automating time-consuming processes, businesses can reduce Opex, drive productivity and free up resource to focus on more fulfilling and value-adding activities.



Cohesiveness

Better communication and engagement tools enable better alignment and increased inclusion across a dispersed workforce, resulting in everyone understanding and working towards a common goal.



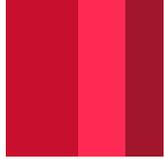
Employee empowerment

Tools that support and enable employees – by giving them control over their interactions and career development – boost engagement, wellbeing and productivity.



Insight

Providing employees and leadership with better visibility and data on the things that matter enables more informed and proactive business decisions.



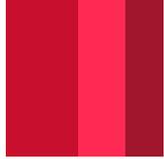
6 Key learnings for today's HR leaders

6.3 In summary

Our research clearly shows that the increased focus on workforce resilience within boardrooms and HR leadership teams is warranted. Workforce resilience has a direct impact on business performance and is essential in enabling organisations to thrive in a rapidly changing, unpredictable world.

Crucially, our research also shows the positive impact that workforce resilience has on the wellbeing of an organisation's employees. Employees in highly resilient organisations are more engaged. They are more proactive and better able to solve problems. And they are more productive, delivering a higher quality of work. This is what makes resilient organisations better placed to thrive through uncertainty and, ultimately, makes them a much more fulfilling place to work.

But people alone cannot achieve this. Our research confirms the essential role that technology plays in today's workplaces. Companies with high levels of workforce resilience are far more likely to have invested in modern, streamlined, intuitive, cloud-based HR systems – enabling their workforce to engage, flex, adapt and drive continual improvement.



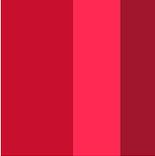
6 Key learnings for today's HR leaders

6.4 What next?

The message to HR and business leaders is clear. If you are not investing in the systems, processes and policies that build greater workforce resilience, your competitors probably are. Take action now or risk being left behind.

But what action? Our research also shows that many organisations still do not have a clear understanding of the factors that drive a resilient workforce.

To gain this understanding and discover how you can increase your organisation's workforce resilience, download our eGuide, 'Workforce resilience in action: An MHR eGuide to strengthening forward-facing organisations'.



7

About MHR

7.1 Innovators for over 35 years

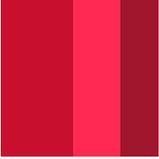
MHR is a specialist provider of HR, payroll, analytics and engagement software and services. Founded in the 1980s, MHR thrives on helping organisations of all shapes and sizes to strengthen their core – their people. MHR combines the stability, expertise and proven methodologies of a long-established provider, with the innovative, forward-thinking vision of an agile, growing business – providing a winning partnership for our customers.

Across the fields of talent management, HR, payroll and business analytics, over 1,000 companies – from SMEs to large multinationals – rely on us to help them drive performance and build workforce resilience.

98% customer loyalty

1000+ customers

50% of employees with over 10 years' service



7 About MHR

7.2 Introducing People First from MHR

For organisations wanting to build greater workforce resilience and streamline their HR and payroll processes, People First is the most intuitive, fully integrated, mobile-first HR and payroll platform available.

It connects and streamlines everything: HR, payroll, recruitment, talent and performance management, learning and development, HR analytics, workforce management, employee engagement and internal communications.

- People First fast tracks efficiency and escalates productivity.
- It builds a more connected, engaged and resilient workforce.
- It's a single, integrated platform that delivers an intuitively-easy mobile and desktop user experience.
- People First simply enables easier processes that result in better outcomes.



Build forward better

MHR International Group is a global software and consultancy company specialising in HR, payroll, employee engagement, learning and analytics, and artificial intelligence services. Our portfolio includes iTrent, People First and MHR Analytics. We maximise employee engagement, generate better data insights and improve efficiencies for over 1,000 companies, ranging from SMEs to large multinational corporates across both public and private sectors.

To find out how we can help you build forward better, just get in touch.

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