Changing Success Criteria in the Reshaped World of Work

What Will Be Important and Why?

Where people meet potential

In this report:

– Recent seismic change has shifted which behaviors are crucial at work

– Our research from over 10,000 assessments shows which seven core competencies were key in the last 10 years

– Work will not stop being disruptive and fast-moving

– Looking ahead, we anticipate seven new critical success competencies

– Utilize these new critical competencies to hire and develop future-ready people and boost organizational success

RESEARCH REPORT
by Dan Hughes, Director of International R&D

Key Competencies for the Successful Employee of the Future

The world of work is constantly evolving, and in the past year change has been exponential. From the digital disruption brought by the '4th Industrial Revolution'[1] to the seismic impact of the pandemic, bringing a likely permanent shift to more remote working and an increased focus on wellbeing and resilience. Against this backdrop, there is now also a long overdue focus on the need for genuine commitment to building diverse and inclusive organizations.

How will these changes impact what is needed to be successful at work? After decades of researching work behavior and performance, psychologists and behavioral scientists have a good understanding of the constellation of work competencies that can enable job success. However, this evolution means that over time certain competencies become more apparent, and others become less of a focus. To understand more, PSI's Research and Development team has analyzed essential competencies from the last decade and compared them to predicted key competencies for the years ahead.

More than 10,000 360 feedback assessments from around the world were analyzed to understand which competencies were most often selected as key for a large variety of roles. We identified seven competencies which appeared most often in these 360 feedback assessments:

Top Competencies over the last decade

1 Coaching and Developing Others

2 Results Focus

3 Customer Focus

4 Teamwork

5 Proactive Communication

6 Organizing and Prioritizing

7 Interpersonal Sensitivity

One key conclusion stands out: **five of the seven competencies that were deemed essential in the past decade reflect people-focused aspects of performance,** while only two competencies, Results Focus and Organizing and Prioritizing, relate more to task-focused success factors. This strong focus on relational aspects most likely reflects the substantial growth in collaboration and cross-functional project teams we have seen in the last 20 years. *Research* has reported that collaborative working can now typically make up 80% of an employee's work activities. Over the last few years, however, there has been increased *recognition* about the potential risks of over-collaboration. Of course, this has been particularly noticeable in the last year with the dramatic shift to remote working, and concerns and complaints about the detrimental impact of continuous, back-to-back video meetings and Zoom fatigue on personal productivity and wellbeing.

So, looking ahead to the future world of work, what will change? Which competencies might we see emerge and come to the forefront for talent assessment and development? Predicting the future is always fraught with difficulty and the dramatic events of last year have certainly shown that. The work context can change very quickly. However, based on the extensive analysis into the Future of Work skills for 2025 conducted by the *World Economic Forum* and the emerging themes we have seen over the last 12 months during the pandemic, here are our top seven contenders. **We anticipate these seven key competencies will rise to prominence globally for managers and individual contributors in the post-pandemic world of work:**

Top Competencies for the next decade

1 Critical Thinking

2 Learning Agility

3 Digital Dexterity

4 Building Relationships

5 Embracing Diversity

6 Resilience

7 Change Orientation

Comparing the two lists of top competencies, it is noteworthy that the new list for the next decade appears to place less emphasis on people-oriented competencies that were so key over the last decade. However, the social aspects of work performance will continue to be important. It is just that, to deal with the continuous disruption and change we are likely to see in the world of work, people will need to be able to cope and adapt in many different ways to be effective; and this requires a balance of different personal and interpersonal competencies. For example, if an individual is not dealing effectively with pressure themselves, then they will struggle to support or lead others. This is much like the principle of airline safety: always put your own oxygen mask on first before helping others.

These new top seven competencies signify openness and flexibility in how we think, harness digitalization, connect with others, and manage our own well-being. Together, they provide a robust foundation for people to adapt positively to change, ambiguity, and complexity – enabling them to go from surviving to thriving at work.

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A deep dive into the new
Critical Success Competencies

1 Critical Thinking

According to the WEF Future of Jobs report, critical thinking and analysis is the skill area with the most increasing demand from organizations. Faced with complex and ambiguous problems, managers need to be able to appraise data and information from a range of sources, quickly understand what is essential for decision-making, and objectively question ideas and assumptions.

2 Learning Agility

In this rapidly changing work context, it is less effective to rely on strategies and approaches that have worked in the past. To be effective now, people must critically and objectively evaluate their experiences, and apply their learnings to new situations and opportunities.

3 Digital Dexterity

The pace of technology adoption and disruption is expected to continue to accelerate, with rising interest in artificial intelligence and robotics as an example. Employees need to be able to grasp and leverage new technologies rapidly, either through personal learning or by empowering others to achieve innovations and efficiencies.

4 Building Relationships

With more automation, the jobs that remain will increasingly focus on areas that human employees can perform better than machines, such as Emotional Intelligence and social skills. With remote working likely to remain a key way of collaborating for many professional roles, there is a lasting need for employees to be proactive in how they communicate and collaborate. Employees therefore need to be able to connect easily with others in both virtual and face-to-face contexts, gain trust quickly, and maintain effective relationships.

5 Embracing Diversity

There is now good evidence[2] that more diverse organizations achieve better business performance. Managers and individual contributors need to seek out and actively include diverse individuals and perspectives to successfully create ideas and solve business challenges. Alongside this, they need to ensure that people are treated fairly regardless of background and be willing to advocate and act where this is not happening.

2 www.mckinsey.com/featured-insights/diversity-and-inclusion/diversity-wins-how-inclusion-matters#

6 Resilience

The recent pressures on employee well-being and mental health have highlighted the importance of building personal resilience (alongside supportive leadership and organizational climate). People need to be able to cope with setbacks and change and bounce back from these effectively.

7 Change Orientation

The rise of digitalization and automation is changing job requirements, organizational structures, and market needs. Employees ultimately need to maintain a positive attitude towards change in work activities, skill requirements, and organizational structures by embracing the change and appreciating the opportunities that it presents.

None of us can be sure what the future will bring. However, it is clear that the work context will continue to be fluid, disruptive and fast moving. If individuals can demonstrate these seven competencies, alongside other essential role competencies, then they will offer a robust foundation for successful performance across a wide range of jobs globally as we emerge from the pandemic. Organizations should consider keeping these competencies in the forefront of their minds as they update and evolve their talent acquisition and development processes, to help build a future-ready workforce.

Contact us to ensure you are hiring for success with essential competencies for your roles.

Top Competencies
for success at work

Last decade		Next decade
Coaching and Developing Others	1	Critical Thinking
Results Focus	2	Learning Agility
Customer Focus	3	Digital Dexterity
Teamwork	4	Building Relationships
Proactive Communication	5	Embracing Diversity
Organizing and Prioritizing	6	Resilience
Interpersonal Sensitivity	7	Change Orientation

" Success today requires the *agility* and *drive* to constantly rethink, reinvigorate, react, and reinvent. "

Bill Gates

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