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Human Resource Executive®

The Disney Dream

With another banner year expected for the Walt Disney Co., CHRO Jayne Parker reflects on how the company's HR team is helping the organization continue to make magic.

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Opening Doors for Lower-Wage Workers
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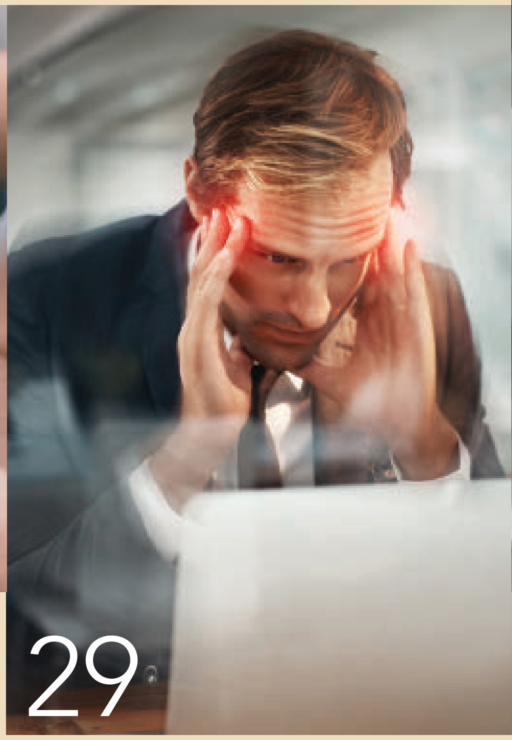
January/February 2019

Human Resource Executive®

COVER STORY



Cover photo by Jessica Sterling

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Columns

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Letters

Sharing the Blame

I read your article ("Ghosting: A Scary New Trend?" November 2018), and it's a bit unfair to put all the blame of ghosting on employees or job seekers. The issue is just as much, or even more, with hiring managers and recruiters, who never get back to job seekers after phone and in-person interviews or never respond to an email.

It may be that companies don't get back to recruiters so they can't get back to job seekers. That's wrong, too. But as job seekers, we keep all options open because we need to. Ghosting is wrong, but let's not put the only blame for this on job seekers.

I run several job-support groups in New Jersey, and I'm a career counselor for workers age 45 and older through Rutgers University, so I feel confident in what I'm writing. I also have been in transition before.

This phenomenon is no different than how it was in the late '90s (when the internet was just starting out). But now they have a name for it ... .

Kenneth Lang
KML Consultants
Wayne, N.J.

Defining the Gig Economy

As founder of the Professional Independent Consultants of America, I disagree with Peter Cappelli's assertion that the gig economy is shrinking ("What Happened to That Gig Economy?" November 2018).

As with any statistics, it's important to look closely at what's behind the numbers. Who was surveyed? What was the sample size? Who's publishing the data? And, most importantly, does it reflect the whole picture?

In this case, the *2017 Contingent Worker Survey* on which Cappelli bases his view is only one piece of a much larger puzzle. It's like looking through a 1-inch tube to assess the weather—you're not seeing the whole horizon.

First, how does one define "gig economy"? Surely, it includes people driving part-time for Uber and Lyft, but does it also include full-time freelancers like writers and designers? And what about knowledge workers such as self-employed accountants, consultants and attorneys?

Second, most gig-economy workers (no matter how you define them) don't consider themselves contingent workers. Indeed, most have never even heard the term. In the case of self-employed professionals like our members, they are "solopreneurs" and small businesses. This is a large segment of the workforce that is almost certainly not reflected in the *Contingent Worker Survey*.

To get a complete picture of what's really going on with the American workforce, you need to also look at what's going on with sole proprietorships, LLCs and S-corps. Are those numbers growing or shrinking? And do demographics also play a part, as baby boomers shun traditional retirement to work part-time on their own terms?

More importantly, from an HR perspective, does it really matter how you define the gig economy or whether or not it's growing or shrinking? What matters is how to find and engage the best talent at the right time in a sensible way so a company can achieve its purpose.

Liz Steblay
Founder and Chief Advocate
Professional Independent Consultants of America
San Francisco

Discrimination and Dyslexia

I read your article "Decoding Discrimination" (November 2018) and agree with the concerns of AI screening, which also might filter out overachievers who learn differently. I hope the topic of dyslexic learners will be part of future articles.

Employers should start educating themselves on the dyslexia workforce. These high achievers would probably slip through the AI-screening process, and that would be a major loss for a company. Most people don't understand dyslexia, which is typically "mislabeled" as a learning disability but really is a learning "superpower" because [people who have dyslexia] operate, analyze, process and work much differently than the average person. Our son has some degree of dyslexia and is extremely bright. If you don't know much about dyslexia, Google it and you will see a who's-who of super-high achievers who have this gift: Richard Branson, Barbara Corcoran, Charles Schwab, Steven Spielberg and Magic Johnson.

Even though they are high achievers, [people with dyslexia] are sometimes misunderstood as "non-team players" because they are independent thinkers. You won't find a dyslexic person following the crowd!

Just thought I'd share some thoughts and hope the HR world starts to discuss and embrace [this different type of worker].

David Hein
Strategic Account Executive
FirstPoint Information Resources
Atlanta

Send comments to Letters to the Editor, *Human Resource Executive®*, 747 Dresher Road, Horsham, PA 19044; fax to (215) 784-0275, or email to hreletters@lrp.com. Letters must contain the author's name, address and phone number.

Quoteworthy

"At its core, recruiting today is no different than recruiting decades ago. If we break it all down, we have jobs on one side, we have candidates on the other side and we need to find ways to match those two pools."

—Tim Sackett, *Recruiting Trends & Talent Tech LIVE! presenter*

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DIRECT RESPONSE

Worldata
List Sales
(561) 393-8200 or
(800) 331-8102

Salina DeJesus
Reprints
(215) 784-0910, ext. 6386
sdejesus@lrp.com

CIRCULATION

Christopher Martin

ADVERTISING HEADQUARTERS

Tim Jordan
Associate Publisher
Ste. 500, 747 Dresher Rd.
Horsham, PA 19044
(215) 784-0910, ext. 6550
tjordan@lrp.com

Amy Olimpo
Regional Sales Manager
(215) 784-0910, ext. 6365
aolimpo@lrp.com

Joe Kirschen
Regional Sales Manager
(215) 784-0910, ext. 6295
jkirschen@lrp.com

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Send payments to:
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Dept. 150F
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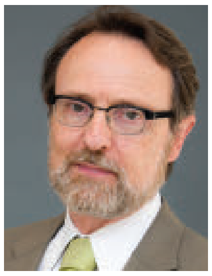
Talent Management

By Peter Cappelli/Talent Management Columnist



How CHROs, CEOs See the Future

IBM recently came out with a report on its survey of more than 2,000 global CHROs. (Full disclosure: I'm one of the report's co-authors). Among the findings are that the biggest change they are planning for their function is rethinking performance management, and the most important opportunity they see for information technology is the development of individualized learning plans.

Some of the most important results concern the differences between how CHROs see the world versus how CEOs from the same set of companies see it. For example, CHROs are more likely than CEOs to see their leadership as inclusive, collegial and solicitous of input. CHROs are also more likely to think the company does agile or fast prototyping—a difference that is harder to understand because that is a question of fact. While neither group is particularly likely to report that their company invests in its employees' skills, CEOs are even less likely than CHROs (10 percent versus 15 percent, respectively) to agree.

Looking to the future, 65 percent of CEOs versus 57 percent of CHROs believe that people skills will represent a challenge, as will changing demographics (37 percent versus 28 percent for CEOs and CHROs, respectively). It's certainly possible that the CEO is more plugged into a public-policy community that worries about these issues even if they turn out not to be big concerns for individual companies.

But the biggest differences in the report had to do with future plans, with the CEOs thinking there would be more need to rearrange teams, hire for new skills and train than did the CHROs.

This all relates to the debate about why we aren't seeing more progress in HR investments and practices. One of the arguments we often hear is that the constraint is with top leadership—they just aren't aware of or interested in workforce issues. The evidence above suggests otherwise: CEOs are, at least on these issues, more concerned about workforce challenges than CHROs. They also seem more persuaded that some investments are needed.

Presumably, this is good news if you are in human resources. It means that there may be an audience in the CEO who is reasonably receptive to the notion that workforce issues are important and that change is warranted.

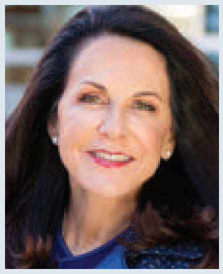
I suppose another way to look at all this, though, is to focus on the CHRO responses. How could it be that CHROs are less concerned about these issues than CEOs? One view might be that these areas really aren't that important, and the CHRO has better insights on them than the CEO. Another possibility is that CHROs just don't want to take these issues on. If you are running the HR function, of course, there are already a ton of things to do and big constraints on your resources and time. It is certainly easier to keep things running as they are. Maybe there's a lack of ambition at play.

It's certainly true that the lack of receptivity to people-management issues in the executive suite over the last generation has been a big hurdle, but maybe that has changed. Maybe we are holding back change now by assuming efforts to address HR concerns will be shot down.

Peter Cappelli is the George W. Taylor Professor of Management and director of the Center for Human Resources at the Wharton School of the University of Pennsylvania in Philadelphia. Send questions or comments to hreletters@lrp.com.

HR Leadership

By Eva Sage-Gavin/HR Leadership Columnist



Reinvent. Renew. Repeat.

Just as constant change is now a norm for us as individuals, so too can we build teams and organizations that are resilient, adaptive and able to disrupt themselves to compete and stay relevant. But as HR leaders, how do we make it safe to leave the security of the known business, challenge the dominant culture, and both surface and nurture disruptive innovation?

A successful CEO recently shared how she leapfrogged into new lines of business. She explained it as making it safe to co-exist in three business horizons at once. In the first, the focus was on transforming the existing business for agility and efficiency. The second was on growth and expansion (e.g., through penetrating adjacent or new markets), and the third centered on creating and scaling new businesses, which were given the freedom to disrupt and replace the existing business. She made it clear that, without unleashing people to co-create these new approaches for reinvention, they wouldn't be successful. Full stop.

So how do we best unleash this full potential of our teams? I am seeing leaders create networks of responsive teams, seamlessly assembled around customer and stakeholder needs and able to dissolve and re-form swiftly without losing team or individual strengths. They are tapping into talent on demand—inside and outside their core organizations—to flexibly connect the right skills to the point of need.

One thing they seem to have in common is the ability to fully embrace technology. By automating lower-value activities and empowering people with technology enablers like cognitive assistants, wearables, computer simulations and data visualization, they are creating time and space for people to innovate. They are developing leaders who use tech to sense and respond to changes.

Another successful way I've seen organizations grow is through the development of talent ecosystems, even if that means joining forces with competitors. Organizations can combine complementary products, offers and capabilities to deliver more compelling customer propositions and speed industry innovation.

Spawning new businesses alongside the old also requires a culture that fosters innovation. We need to hire new talent using screening tools designed to bring in creative and innovative candidates, then reward innovative efforts by tying performance-management systems to the individuals and teams driving them. And we need to create more modular operating models, with different cultures, talent systems and processes optimized for the new business that are distinct from those that support legacy businesses. Eventually, an organization's existing business will mature and be fully replaced with the new one.

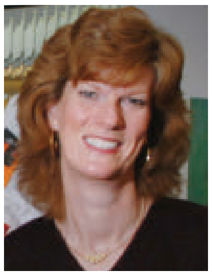
Another word of wisdom from that successful CEO? Carefully pace people investments to determine when, where and how fast to reshape culture and talent as you make this transition. As HR leaders, we'll need to build career paths and skills to help our people evolve and adapt to support the new business as it grows and replaces the only business they might ever have known.

In the end, our success as leaders will be defined based on how well we help people reinvent, renew and repeat to ready themselves for the challenges that lie ahead.

Eva Sage-Gavin is a former CHRO with more than three decades of experience in Fortune 500 corporations. She currently serves as the senior managing director for Accenture's global talent and organization consulting practice and as a technology board director. Send questions or comments to hreletters@lrp.com.

Benefits

By Carol Harnett/Benefits Columnist



Addressing the Overtreatment Epidemic

I didn't intend to write this column—but then I found myself unexpectedly on an outpatient-surgery table. (Let me cut to the chase: I have nothing to worry about.)

My dermatologist recently biopsied a small mole on my thigh that looked subtly different from my last exam. It turned out to be a dysplastic nevus with clear margins—essentially a pigmented skin lesion that exists somewhere in the gray zone between a benign mole and melanoma.

My dermatologist referred my case to a dermatologic surgeon for a second excision before she even spoke with me. In fact, she never told me the outcome of the biopsy. Instead, her resident gave me the results—clearly assuming I would simply listen and then move forward with the treatment recommendation.

It turns out I'm more curious than the average patient and read the research before acting on her advice. I found that the risks were extremely low that my nevus would ever become malignant melanoma. And, since I religiously have regular skin exams, any changes would be caught in the early stages.

My surgeon said the research indicated this procedure wasn't necessary but, despite his strong misgivings, believed we should respect my dermatologist's opinion.

You may be wondering why this well-informed patient didn't protest. And so am I. Maybe it's challenging to take a strong stand while speaking with a person of authority when you're half-dressed. Perhaps I was worn down from over a week of arguing. Regardless, I caved and am writing this with 16 sutures and an ice bag on my lap.

To address overtreatment and the associated medical costs, we can't simply shift more costs onto our employees, hoping they'll question how they spend their healthcare dollars. Patients can't easily discern the difference between over- and undertreatment.

A 2017 research study published in *PLOS One* on overtreatment in the U.S. indicated that, on average, physicians believed 20.6 percent of all medical care was unnecessary. Twenty-seven percent perceived that at least 30 percent to 45 percent of overall medical care is unnecessary.

Almost 85 percent of the surveyed physicians said the reason for overtreatment was fear of malpractice suits, yet only 2 percent to 3 percent of patients pursue litigation, and paid claims have declined sharply recently.

Nearly 60 percent of doctors said patients demand unnecessary treatment. More than 70 percent conceded physicians are more likely to perform unnecessary procedures when they profit from them, while only 9.2 percent said that their own financial security was a factor.

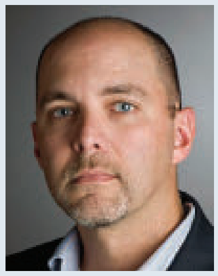
To stem overtreatment, the doctors offered several recommendations: train residents on appropriateness criteria, ease access to patient records, develop more practice guidelines and minimize fee-for-service bonus pay (while increasing base salaries).

I will add a final recommendation: We have to encourage open discourse among physicians—and find a way to reward them for it. Otherwise, every day, employees like me will find themselves on surgical tables even though safer, less costly options exist.

Carol Harnett is a widely respected consultant, speaker and writer in the field of employee benefits. Follow her on Twitter via @carolharnett and on her video blog, The Work.Love.Play.Daily. Send questions or comments to hreletters@lrp.com.

Inside HR Tech

By Steve Boese/Inside HR Tech Columnist



Using Tech for Talent Decisions

In preparing for a recent HR-tech presentation, I referenced two highly recommended books: *How Not to Be Wrong: The Power of Mathematical Thinking* by Jordan Ellberg and *Prediction Machines: The Simple Economics of Artificial Intelligence* by Ajay Agrawal, Joshua Gans and Avi Goldfarb. While neither is "about" HR—or even the workplace—both provide some excellent frameworks to help HR leaders get better at making talent decisions.

Rethink Data

How Not to Be Wrong opens with an extremely interesting tale from World War II. As air warfare gained prominence, military leaders were tasked with examining damaged planes that returned to base following missions to determine where and in what amount to apply protective armor. The data showed almost twice as much damage to planes' fuselage compared to other areas, specifically the engine compartments, which generally had little damage. They concluded more armor was needed on the fuselage.

But mathematician Abraham Wald came to the opposite conclusion. The armor, Wald said, should go where the bullet holes aren't—specifically, on the engines. Wald realized that planes that got hit in the engines didn't come back, but those that sustained damage to the fuselage generally could make it safely back.

Raw data, even in substantial amounts and of good quality, are not usually sufficient to help us gain insight. In the example above, the placement and number of bullet holes was not insight. It was simply information that required human traits—curiosity, intuition and willingness to ask different questions of the data—before it could lead to insight.

Defining AI

Prediction Machines describes how modern technologies are supplementing human thinking. Myriad HR tools now focus on the question: "How good of a fit is the candidate for the opening?"

Since these tools make this prediction faster and more at scale than a recruiter reviewing resumes or phone-interview logs could, it doesn't matter how large the haystack of candidates gets. This had been a challenge with previous technologies that generated large volumes of candidates but did little to help HR leaders find the best fit. In fact, you could argue only now does it make sense to try and generate the largest pool possible for every job.

Humans are More Important than Ever

Years ago, programmers who sought to develop a world-class computer chess program fed the program results of thousands of games played by top-level human chess grandmasters so it could "learn" to play at that level. However, it kept sacrificing its own queen early on, usually leading to a quick defeat by a human opponent.

The problem? Apparently at the grandmaster level of chess, the strategic sacrifice of one's own queen is often a precursor to victory. At that level, one's chess skills are so advanced that a seemingly bad move is actually a strategic play that can become a winning one. But the computer had not yet developed enough high-level "thinking" about chess to understand that.

The role of people in the AI age, I believe, will be elevated. But in order for HR professionals to remain relevant, they will need a deep understanding of how to harness these tools.

Dive into the books I mentioned for more details on these ideas. It's also not too early to make your plans to join us for the HR Tech Conference Oct. 1 through Oct. 4 in Las Vegas, where all the HR-technology innovations to help you and your organization make better talent decisions will be on display.

Steve Boese is a co-chair of HRE*'s HR Technology Conference & Exposition®. He can be emailed at sboese@lrp.com. Send questions or comments to hreletters@lrp.com.*

The Latest News & Trends in Human Resources

HR News

Top Story

Big Changes are Coming to HR in 2019

In 2019, experts say, HR professionals will experience blockbuster challenges and technology so intelligent that it will make texting seem ancient.

Jeff Griffin, CEO and president at JP Griffin Group, a national employee-benefits-consulting firm, believes that many of the tools will be aimed at controlling benefits costs.

"Specialty pharmaceutical vendors will push co-pay-assistance programs to bring down their drug costs to the expense level of generics," he says, adding that pharmacy-benefit managers will track program utilization. "Insurance companies, big employers and even CVS Health/Aetna are talking about capturing rebates, pushing them back to the employee level at the point of sale."

Griffin expects other changes to occur involving gold-plated, high-cost plans. Given that the 40 percent excise tax on such plans was delayed until 2020, employers will be able to pay more of the employee healthcare cost this year.

As a cost-controlling strategy, telemedicine will be embedded in more benefits plans, he adds. A platform called HealthJoy, he says, helps workers schedule telemedicine visits, identify the least expensive facilities for tests and reminds them via text to fill prescriptions for chronic conditions like high blood pressure.

Another target will be student loans, experts say. The HR function in 2019 will explore how it can help employees pay off this debt, especially since it prevents some from participating in 401(k) retirement plans, says Bill Gimbel, president of LaSalle Benefits, an insurance-brokerage and benefits-consulting firm.

Meanwhile, healthcare administrators are getting smarter about collecting their fees, which may reduce the number of employees enrolled in high-deductible health plans. Gimbel knows of at least one OB/GYN practice that places pregnant women on a payment plan to ensure it receives full payment throughout their pregnancy.

Also on the healthcare front, more apps can leverage big datasets to deliver unique experiences, says Dan McMahon, principal on the center for health innovation team at Mercer.

"The next phase of the game is applying geo-fencing [virtual perimeters] to the healthcare journey," he says, citing an example of an employee using an app at a hospital emergency room to find a nearby urgent-care facility that's cheaper and has less of a wait.

Other technologies will serve as one-stop shops for measuring human capital, McMahon says, with apps to help HR link employee-engagement rates with performance metrics.

Co-bots may also be introduced this year to perform tactical, repetitive and structured tasks, says Ross Sedgewick, digital workplace and team collaboration expert at Unify, which provides communications and collaboration solutions. These bots could "attend" meetings and take notes, giving workers more time to engage in human tasks like innovation and problem-solving.

On the people side, expect more C-suite collaboration, says Chris Havrilla, vice president of HR technology and solution-provider strategy at Bersin, Deloitte Consulting.

Havrilla says leaders have stayed in their silos—73 percent of respondents to Deloitte's *2018 Human Capital Trends* report found their C-suite leaders rarely, if ever, work together strategically—but that "coming together will be critical [considering] the complexity of issues they're facing today."

—Carol Patton

Why Combining Strategies Can Reduce Your Healthcare Spend

Employers and employees can breathe (a little) easier about this year's healthcare costs. According to a new actuarial analysis by Aon, 2019 premiums for medical and pharmacy plans are expected to increase by 3.5 percent, the same as 2018.

"We see employers really attacking the healthcare problem," says Stephen Caulk, a senior vice president at Aon. "While some are focusing on plan-design changes, our data show the pace has slowed from prior years, and they're moving toward other ways to mitigate costs."

Caulk points to employers providing workers with data that offer more transparency in the healthcare-delivery system so they can make smart decisions based on both cost and quality. Other options include Centers of Excellence for high-cost treatments or surgeries; programs to help employees manage chronic conditions; pharmacy coalitions; and integrated delivery models like accountable-care organizations to improve care-delivery effectiveness.

These strategies can meaningfully impact costs, Caulk says, as well as enable organizations to engage with community providers to negotiate better prices and enhance quality of care.

In the near future, he says, HR professionals will especially be challenged by gene therapy and personalized medicine, which separates people into groups and treats them based on predicted response or risk of disease.

Meanwhile, employers are exploring all options for mitigating healthcare costs. Based on the *Large Employers' 2019 Healthcare Strategy and Plan Design Survey*, conducted by the National Business Group on Health, 23 percent of the 170 respondents currently purchase their drugs through a coalition. Also, more are offering concierge services to help people navigate the complex healthcare system, says Brian Marcotte, president and CEO at NBGH.

More changes involve full replacement of consumer-directed health plans. While 39 percent of large employers currently offer them, he says, that number will shrink to 30 percent this year, partly due to low unemployment and the war for talent.

As employers focus on delivery systems to curb costs, negotiating with health systems is another option.

"When health systems negotiate with insurers, they think they're negotiating with a big, bad health-insurance company," Marcotte says. "To have an employer look at a provider in the community in the eye, [it] creates a different dynamic. By talking about some of their challenges with healthcare, they're making it real for the health system, which is one of the most powerful things employers can do."

Likewise, virtual tools or services will form the next major wave in healthcare delivery. More than half of survey participants—51 percent—identified implementing more virtual-care solutions as their top healthcare initiative in 2019.

"If virtual care is not part of your healthcare strategy, your healthcare strategy is not complete today," says Marcotte, adding it's especially growing in emotional- and behavioral-health services, and condition management. However, the utilization rate of virtual care is low, hovering around 9 percent, mainly because employees aren't comfortable with it yet, says Tracy Watts, senior partner in Mercer's healthcare business.

Other growth areas include purchasing enhanced services to detect and eliminate fraud, waste and abuse. Based on responses to the *Mercer National Survey of Employer-Sponsored Health Plans 2018*, 6 percent of midsize and large employers and 18 percent of those with 20,000 or more workers have taken this step, while many more are considering it.

The survey also revealed that the average total health-benefit cost per employee is expected to climb to 4.4 percent this year, partly due to the estimated 50 new specialty drugs hitting the market each year over the next five years.

"HR has been working really hard at not just managing or shifting costs, but helping people be healthier while driving lower costs and delivering better value," Watts says. "At a time when the labor market is so tight, anything employers can do to create more awareness and help people live their lives better is what a culture of health is all about."

—Carol Patton

What's Holding Back Worker Salaries?

The U.S. economy is humming, unemployment has fallen to a 50-year low and employers are reaping a hefty influx of cash thanks to the Tax Cuts and Jobs Act. Yet employees aren't seeing the kinds of increases in their paychecks they might have expected.

Salary-increase budgets are projected to remain barely above inflation levels, rising to 2.9 percent in 2019, compared to 2.8 percent last year, according to the *2018/2019 U.S. Compensation Planning Survey* from Mercer. Studies from Willis Towers Watson and Aon uncovered similar findings, with both projecting salary-increase budgets will inch up to 3.1 percent from 3 percent in 2018.

Laury Sejen, managing director of rewards consulting at Willis Towers Watson, says even a meek improvement is a good sign.

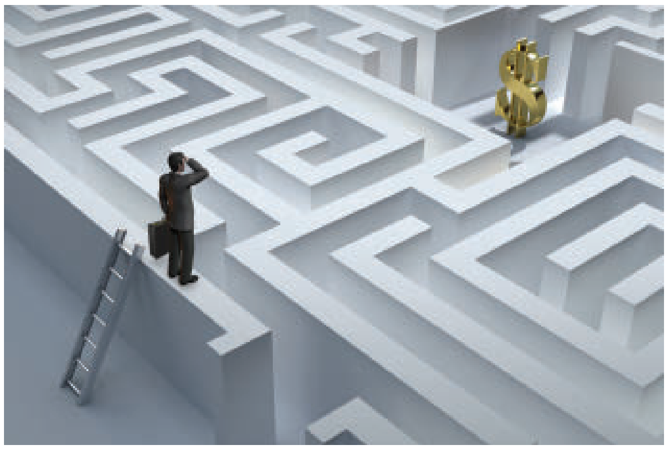
"After 10 years of 3 percent, the move to 3.1 means we are finally getting unstuck," says Sejen. "We just need to be careful about how that finding is reflected in headlines because one-tenth of 1 percent for most people after tax is barely going to be noticeable in their paycheck."

While the average worker may not notice much of a difference, Sejen points out that an increase of even a fraction of a percent represents "hundreds of millions of dollars, even in a midsize company." With the economy fully recovered from the recession and corporate profits at an all-time high, however, employees are becoming increasingly dissatisfied with their pay, according to Lauren Mason, a principal with Mercer.

"Many employees feel they have to fight for a raise that is commensurate with their worth," says Mason. "That can be demoralizing, and we see that coming through our engagement surveys, where satisfaction with compensation has declined significantly as the economy has improved."

Indeed, employee perception of fair pay has fallen from 57 percent to 52 percent over the last five years, according to a Mercer Sirota analysis of employee-satisfaction data from approximately 1 million employees. Workers are likely to grow even more disgruntled as the findings of Aon's *2018 U.S. Salary Increase* survey come to light. While base-pay budgets are expected to increase to 3.1 percent this year, variable pay—such as incentive or sign-on bonuses and special-recognition awards—is expected to experience its largest drop since 2010, bringing total cash compensation down from 15.5 percent to 15.2 percent.

"Employers are viewing compensation holistically and are taking from variable pay to increase salaries," says Ken Abosch, broad-based compensation leader at Aon. "Ultimately, they are putting more behind an initial higher salary to be more attractive in recruiting talent, rather than focusing on the promise of a large bonus in the future. That approach, in turn, leads to less total earning opportunity."



Why are organizations so hesitant to increase their overall labor spend, particularly in a red-hot economy? Salary increases represent longtime, fixed-cost, non-reversible expenditures, Mason explains, which gives employers pause about pulling the trigger in case the current economic conditions change.

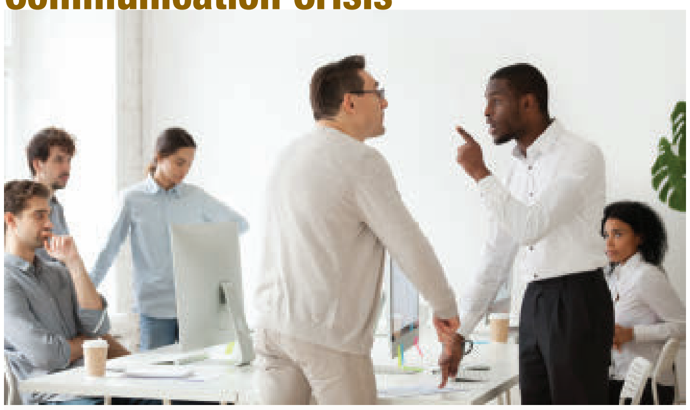
Sejen recommends organizations look at how they define their critical workforce segments with an eye toward "getting the best increase possible for those segments."

Likewise, Mason says, a strategic-planning process is needed for determining compensation budgets. That entails looking at market competitiveness and pay equity, as well as how the business needs to transform in the future.

Mason says HR leaders must get their CFOs onboard and take a "strategic approach to driving the desired outcomes around attracting and retaining the workforce they need to deliver business results."

—*Julie Cook Ramirez*

Communication Crisis



According to a survey from leadership-training company VitalSmarts, if you are incapable of keeping your cool or you clam up, you're hurting your team. The survey of 1,334 people revealed that one in three managers can't handle high-stakes/high-pressure situations—and more than 60 percent of employees would consider leaving if they had an unpredictable leader.

Respondents said when their managers are under stress:

53% are closed-minded and controlling rather than open and curious;

45% are emotional and upset rather than calm and in control;

45% ignore and reject rather than listen or understand;

37% are avoidant rather than direct; and

30% are more devious and deceitful rather than transparent.

—*Danielle Westermann King*

Facebook Unveils New Career Portal

Facebook jumped into the learning market in a big way with the recent launch of Learn with Facebook, a big step toward the social-networking giant's stated goal of equipping 1 million business owners in the U.S. with digital skills by 2020.

Learn with Facebook is a career-development portal that offers free courses in both hard and soft skills. It's aimed at people hoping to re-enter the workforce after a period of absence, as well as those wishing to acquire skills that will help them compete for entry-level jobs in the digital economy, says Fatima Saliu, Facebook's head of policy marketing.

"We're facing a major skills gap in this country, and Learn with Facebook is our attempt to address that," she says.

Learn with Facebook is a direct move into LinkedIn's territory, although Facebook representatives denied that they were seeking to compete directly with the business-focused social network.

The courses currently available on Learn with Facebook include tutorials on digital marketing, resume writing and job interviewing. Facebook is working with the Goodwill Community Foundation to develop course material and adapt it to the needs of local communities, says Saliu. "Our goal is to provide accessible, relevant content to entry-level job seekers," she says.

Facebook is also enhancing its Jobs on Facebook services by allowing businesses to share their job postings on Facebook groups as well as on their own pages and newsfeeds. The company says more than 1 million people have found jobs via Facebook since it launched the service in 2017.

Facebook is also making updates to its Mentorship tool. Facebook group members will now be able to share information on what they're offering or looking for, making it easier for others to connect with them on their own, rather than going through a group administrator first, says Michelle Mederos, Facebook Mentorship product designer.

Facebook groups have enabled people working in high-stress, low-prestige occupations, such as certified nursing assistant, to obtain mentoring and support, adds Seth Movsovitz, founder of a Facebook group called CNAs Only.

—*Andrew R. McIlvaine*

Strengthening the HR-Digital Connection

At first glance, the connection between the emerging role of chief digital officer and HR would seem tenuous, at best.

Yet, employers that have CDOs in their organizations say the relationship between the two entities is a natural fit, as the CDO is often far from a "techie," usually possessing a combination of tech- and people-savvy skill sets.

"CDOs are change agents assigned with transforming analogue companies into digital ones," says Gillian Brooks, a postdoctoral career development fellow in marketing and co-author of a new report on CDOs from the University of Oxford's Saïd School of Business. "Their focus isn't purely technological, but cultural as well. The title hardly scratches the surface of what a CDO does, which is what makes filling the role tricky."

Brooks, who co-authored the report with Michael Smets, associate professor in management and organization studies at Saïd, says the CDO role has typically been created by large, established companies who feel both threatened from digital disruption in their markets and excited by the opportunities that new technologies can offer.

Brooks explains that, as more and more tasks are digitized, not only is existing talent freed up, there is a clear need for new talent as well.

"Here, CDOs and CHROs should work hand in hand to make sure the organization attracts the right kind of talent and upskills existing talent in relevant ways to make the most of digitization," she says.

CDOs are not entirely new, but they are growing in number. For example, a 2016 study from PwC found that 19 percent of 2,500 large global companies reported having a CDO in place, up from just 6 percent in 2015.

Whether an organization has a chief digital officer or not, companies must make digital a priority, says Bhushan Sethi, joint global and U.S. financial services practice leader at PwC.

"Those who don't will not survive long-term," says Sethi. "It's that important."

Unfortunately, he adds, some organizations just don't quite know how to do it. Many companies have a lot of work to do in terms of workforce planning, and use of data and digital are big parts of that. Some have staff who aren't fully prepared to embrace the latest tools and technology that will help the organization thrive, such as AI and machine learning, which means that there is a great deal of upskilling to do.

Among other things, PwC's approach involves creating a tool called the Digital Fitness app, which drives staff to a personalized curriculum that enables them to upskill in the areas where they have the most growing to do.

Joe Atkinson, PwC's CDO, says he connects with HR to achieve organizational goals, explaining that digitizing an organization requires both great technology and great talent.

"Our objective to digitize PwC is focused on how we equip our people to respond to the market's expectations for delivering greater value in a more tech-enabled way," Atkinson says. "Said another way, you can't 'tech-enable' your way to a digital future; it requires talent equipped with the digital skills and agility to compete in an ever-changing business environment."

And that requires providing PwC people with leading tools—things like AI, data visualization and automation—and also the skills to leverage those technologies for the benefit of its people and, ultimately, its clients.

To demonstrate the need for a close relationship between the CDO and HR, PwC created the role of digital talent leader because, Atkinson says, neither the CDO nor the CHRO can do it alone.

"Together, the vision for a digital organization becomes achievable," he says.

Sarah McEneaney, PwC's digital talent leader, reports to Atkinson but also sits on the firm's People Leadership Team under the chief people officer. She works closely with the business in the design, rollout and iteration of what the company is doing to align its talent strategy with its digital one—ensuring stakeholder engagement and a change-management approach that allows for decision speed.

A solid partnership between the CDO and HR can revolutionize the way an organization manages its people, says Mercer Chief People Officer Marcelo Modica. Through technology, he says, companies are moving from rich analytics to predictive analytics by gaining new insights and studying networks in ways they previously could not. For instance, digital teams and HR are collaborating in the use of data to improve employee retention.

"Companies are also using chatbots to help employees and managers get quicker access to information they need," he says, adding that some companies are automating their people-reporting processes, reducing the time it takes to generate some reports from days to mere minutes.

"This allows their employees to focus on higher-value tasks," he says.

PwC's Atkinson says the HR-technology environment is among the most complex of the functional-technology areas supporting large organizations. As a complex global organization with a business that relies entirely on optimizing talent, creating a thoughtful and disciplined path toward tech-enabling and empowering the HR team is a critical component of PwC's digital strategy.

"I spend a great deal of time together with our chief people officer," he says. "What we're doing to digitize our business affects every element of our talent lifecycle, so executing side by side is critical.

"Digital is at the heart of the evolution of HR," Atkinson adds, "and HR is at the heart of digital."

—Tom Starner

Navigating a Candidate's Market

In a recent survey of more than 1,000 job seekers, Addison Group found that compensation was the driving factor motivating the majority (60 percent) of respondents to look for a new job.
Other key findings include:

- 65% are confident in taking full advantage of the candidate's market;
- 54% negotiated a higher salary with their current employer in the last year;
- nearly 40% report their employer knows they are job hunting;
- and almost 75% are confident in their ability to secure a new job quickly.

—*Michael J. O'Brien*

Upcoming Events

April 24–26 ***Human Resource Executive®* Health & Benefits Leadership Conference, ARIA Resort & Casino, Las Vegas.** A strategic event focused on healthcare, wellness, benefits and more. It's where HR professionals gain innovative strategies and practical takeaways aimed at attracting and retaining talent, improving employee wellbeing and engagement, and increasing worker productivity. Session topics cover healthcare, wellness, retirement, work/family, voluntary benefits and technology. For more information: LRP Media Group at www.BenefitsConf.com.

May 6–8 WorldatWork 2019 Total Rewards Conference & Exhibition, Rosen Shingle Creek, Orlando, Fla. This conference will have three days packed with what's new in compensation and total rewards now, and what's on the horizon. It will spark attendees' creative thinking to help discover innovative solutions. For more information: WorldatWork at www.worldatwork.org/events/2019-total-rewards-conference-and-exhibition.

May 19–22 ATD International Conference & Expo, Walter E. Washington Convention Center, Washington. This conference is for talent-development professionals and will provide the knowledge, strategies and solutions needed to effectively train and develop talent. Attendees will gain insight into the latest trends, best practices and new solutions for designing, delivering, implementing and measuring learning programs. For more information: ATD at https://atdconference.td.org.

June 23–26 SHRM19 Annual Conference & Exposition, Las Vegas Convention Center, Las Vegas. This conference will provide a broad range of topics, including making organizations more compliant, cutting-edge trends that will impact workplaces in the next few years, building a strategic talent-management plan to increase engagement and retention, and more. Attendees will gain the tools and resources needed to implement successful HR practices. For more information: Society for Human Resource Management at http://annual.shrm.org/about.

Aug. 12–15 34th Annual FDR Training, Philadelphia Marriott Downtown, Philadelphia. Now in its 34th year, FDR Training has been the federal community's most authoritative training event focusing on the areas of EEO, HR, LR, alternative-dispute resolution, legal compliance and much more. Each year, thousands of federal professionals gather to get in-depth, in-person guidance on current issues affecting agencies from the nation's most respected federal experts. FDR also provides attendees the unique opportunity to interact with government leaders, industry experts and peers from across the nation. For more information: LRP Media Group at www.FDRtraining.com.

Aug. 20–23 National Ergonomics Conference & ErgoExpo, Paris Las Vegas Hotel, Las Vegas. A solid ergonomics program is a smart investment, not a company expense! Whether building a new program or strengthening an existing one, ErgoExpo is an opportunity to learn how ergonomics can reduce turnover, decrease absenteeism and improve morale at organizations. Whatever the company size, industry or budget, attendees will explore more than 50 sessions, delivering education and product knowledge in the hottest and most pressing topics in ergonomics. For more information: LRP Media Group at www.ErgoExpo.com.

What Sexual Harassment is Costing Employers

New research out of the University of Massachusetts Amherst Center for Employment Equity—based on an analysis of more than 46,000 harassment claims sent to the Equal Employment Opportunity Commission and state Fair Employment Practices Agencies from 2012 through 2016—found that 65 percent of employees who filed sexual-harassment complaints lost their jobs within a year, while 68 percent reported retaliation by their employer.

Of course, the data set being studied here precedes the re-emergence of the #MeToo Movement in 2017.

Don Tomaskovic-Devey, professor of sociology at UMass Amherst, founding director of CEE and a co-author of the study, says his contacts at the EEOC and at the California Fair Employment Practice Commission report that complaints are up in 2017 and 2018.

"That suggests to me that employees are feeling empowered, but it doesn't tell me that employer behavior has changed," he says.

Of the 27 percent of cases that resulted in a benefit for the plaintiffs, researchers report, redress was typically unsubstantial. The most common benefit—and the result of 23 percent of total charges that proceed through the agencies' processed cases—was financial compensation. However, the average settlement of $24,700 (with a median amount of $10,000) is unlikely to make up for the economic cost of job loss.

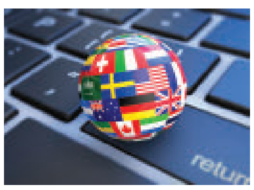
The analysis also suggests employers could be doing more, with just 12 percent of the total charges leading to managerial agreements to change workplace practices.

—David Shadovitz

Which Countries are the Best at Attracting Talent?

For the fifth consecutive year, Switzerland clinched the top spot on the *World Talent Ranking*, a global survey on fostering and attracting talent.

The top-10 list produced by IMD Business School includes Canada but not the U.S. Denmark and Norway were ranked second and third, respectively.



While the U.S. didn't crack the top 10, it did climb four places to rank 12th. The U.K. slid two spots to 23rd. Canada was the only non-European country to feature among the top 10.

The ranking is based on countries' performance in investment and development, appeal and readiness, which include performance in education, apprenticeships, training, language skills, cost of living, quality of life, remuneration and tax rates.

High-ranking countries generally share "high levels of investment in public education and a high quality of life, which allow them both to develop local human capital and to attract highly skilled professionals from abroad," says Arturo Bris, director of the IMD World Competitiveness Center.

View the complete rankings at www.imd.org.

—Michael J. O'Brien

Can Mood Tracking Solve Engagement Problems?

Are your employees happy?

Surveys have long been the go-to for HR leaders seeking answers to that age-old question, though many acknowledge that annual, or even more frequent, requests for feedback are hindered by their inability to deliver real-time results. That's a gap mood tracking looks to fill.

Last year, meQuilibrium, which offers science- and tech-based resilience training and solutions, launched its Mood Tracker, an app-based program enabling both workers and their employers to get a handle on engagement, based on individual employee mood.

Employees can set a reminder that prompts them to check in daily, registering how they feel in one or more areas: motivation, focus and stress level. They are then able to track how their mood changes over a 30-day period and also see how it compares to the total population that uses Mood Tracker.

Neal Bruce, senior vice president of product strategy at meQuilibrium, says understanding your own feelings is a "core practice for individual resilience." Beyond helping employees acknowledge their own mood, the tool also encourages them to take action based on their feelings. In December, meQuilibrium rolled out an integrated chatbot feature that delivers custom responses based on users' current mood and previous interactions.

"For example, if you are having a great day, it may ask you, 'What are you grateful for?' And when you are having a bad day, it may remind you about what you are grateful for to help bring you additional perspective," Bruce says.

In addition to the new chatbot, the company will this year add a reporting feature for clients with 50 or more employees using the service. Leaders will be able to explore mood/engagement levels and get suggestions based on group needs, such as stress-reduction development for teams with high levels of reported stress.

Mood tracking isn't an entirely new concept. Aon launched its Mood Ring solution about six years ago in response to flaws in the standard annual-survey approach, says Ken Oehler, global culture and engagement practice leader.

"We started doing research and noticed that most organizations looked at [employee feedback] as something the company *did* to employees; there was too much focus on moving the survey score, with a lack of control for the individuals," he says.

Like FitBit helps users see their daily physical activity, Aon's Mood Ring app enabled users to log and track their changing mood. The company has since moved away from the app model and has integrated the approach into its survey platforms.

Taking the emotional temperature of employees frequently—such as after a major project or an organizational change—is a cornerstone of its solutions, Oehler says.

"Just like after you take an Uber, you get something in the app that says, 'How did we do?' " he says. "You have to have much more continuous dialogue. If something just happened, you have to say, 'Tell us about this experience.' "

A report released last year by Aon, *Evolve to Continuous Dialogue*, based on a survey of 1,500 HR professionals in 46 countries, explored current and future practices for measuring and improving employee experience. Among the areas where Aon saw the biggest increases in continuous-dialogue models was employee engagement; in 2017, only 11 percent of organizations were measuring employee engagement more than once a year, a figure that grew to 21 percent by last year and which the firm predicted will jump to 41 percent by 2020.

"Someone could become engaged or disengaged throughout the day or hour to hour, depending on what's happening," Oehler says. "So we wanted to help people understand why that is, when it happens, when they're most engaged and what they can learn to have more control over their own engagement."

To that end, Aon's survey solutions deliver individual feedback based on users' engagement responses. Employees can see how they compare to benchmarks and receive coaching about how to become more engaged.

Managers have the ability to draw insights from employees' engagement reports, though the information is anonymous. Despite that, he notes, continuous-dialogue models such as Aon's have actually enhanced communication among employees and their supervisors.

Enhancing communication among team members and managers is also at the heart of Team Mood, based in France.

Founder Nicolas Deverge says he was working as an agility coach when he noticed a common theme among clients that poor employee morale didn't necessarily stem from bad relationships among employees and their managers—but, rather, from poor communication.

"TeamMood is a way to improve this communication, simply by getting daily feedback from the teammates," he says. "It started from the observation that managers who asked individuals how they were have better relationships [with their employees]."

Employees are encouraged to register their mood daily on the site, as well as provide supporting comments, which Deverge says add a needed level of qualitative data. Managers receive all of the data blinded and can compare insights for different teams, departments or customizable groups, such as by experience level or location.

After six months of use, the average participation rate, Deverge says, is about 60 percent. Most customers use the tool proactively, to head off potential issues—and it can also help team members see and celebrate successes.

"It reinforces the bonds between teammates and their managers," he says. "By improving this, it improves retention and then engagement—thus, productivity, even if it is not the main goal."

—Jen Colletta

Are Your Employees Leaving? Here's How to Stop Them

Record unemployment and soaring job growth have produced an HR conundrum: Employees are changing jobs at a record pace. The country's rate of total workplace turnover recently hit an all-time high—a whopping 19.3 percent—rising nearly a full percentage point from 2017 and more than 3.5 percentage points since 2014, based on a recent survey by Salary.com.

Not surprisingly, the industry with the highest turnover is hospitality (31.8 percent), followed by healthcare (20.4 percent), and manufacturing and distribution (20 percent).

Greg Wolf, managing principal for the Compdata survey and consulting practice at Salary.com, says he'd be "shocked" if turnover slowed in the coming years, as the issue is so widespread.

"More employers are understanding they need to get a handle on this if they're going to remain viable," says Wolf, adding that some are still catching up after slowing down pay increases and cutting benefits during the economic downturn.

Focus on Culture, Managers and Rewards

One approach for reducing turnover is to maximize total rewards, says Larry Inks, clinical associate professor of management and HR at Fisher College of Business at Ohio State University.

Inks says he knows of at least one company that gives employees a free tattoo—or the cash equivalent—every year. He says HR must focus on employees' needs and why they stay to build the company's brand and convince workers that the "grass is still greener on their side of the fence."

Then, publicize these rewards on social media or in company newsletters, he says, adding that employers must also make them so compelling that employees boast about them.

While salary bumps can be effective, not every organization has that option. Besides, Inks says, pay raises have a short shelf life as an employee-retention strategy. He believes turnover is more likely the result of a company's inferior culture, weak management or offering similar rewards and recognition to both top and weaker performers.

"It's like martial arts: If you have to think about when you need to do this, you're not good enough," Inks adds. "[Maximizing rewards] should come natural … and be an essential part of your culture."

Money isn't Everything

Mary Ann Sardone, leader of Mercer's North America workforce rewards practice, says many of her clients are experiencing high turnover and could benefit from better defining advancement opportunities.

"Companies are really trying to develop programs and provide information that help employees explore [internal] career options," she says.

HR leaders must also question the competitiveness of the company's basic compensation and benefits. Some are simply following the pack, she says, instead of strategically investing where the talent pool must grow or be retained.

Other organizations are modernizing their wellbeing-benefits portfolios, such as with student-loan repayments and coverage for fertility treatments.

"To be successful, really get to the heart of employees' needs," Sardone says, "and then act on it before they walk out the door."

—Carol Patton

Cover Story

The Disney Dream

Investing in employees remains top of mind for the Walt Disney Co., especially as it undergoes major transformations.

BY JEN COLLETTA

JESSICA STERLING

Jayne Parker never intended to have a decades-long tenure working with the Walt Disney Co.

In the late 1980s, Parker was building a career as a consultant in organizational development and structural design when a headhunter came calling to recruit her for a "large entertainment company in Central Florida." A native Floridian, she knew what that meant.

Parker joined Disney in 1988, tasked with leading training programs that shared with corporate leaders Disney's secrets to success for people management and guest services—which ultimately laid the groundwork for the creation of the company's Disney Institute. Two years later, she was asked to develop a global-leadership program.

"Every couple of years," Parker says, "I was tapped on the shoulder by someone who said, 'We'd like you to go do this.' I was having a lot of fun, and I gained so much admiration and respect for the brand—who we are, what we do and how we do it."

Before she knew it, Parker had spent 20 years in the company's theme parks and resorts unit, holding titles such as director and vice president of organization improvement and head of HR for the division. In 2009, she was given her biggest assignment yet: executive vice president and CHRO for the entire Walt Disney Co. (Disney ranked 33rd on the 2019 *Nation's 100 Largest Employers* list, which can be found on pages 17 and 18.)

The internal mobility and deep alignment with the company values that Parker herself experienced are among the priorities Disney has for its entire 200,000-strong employee population, a workforce that has seen tremendous changes in recent years.

With a new CEO in the forecast a few years down the line and the company about to complete its largest acquisition to date, the pace of transformation doesn't appear to be letting up.

"This is a place where our HR leaders are getting to do work in the next few years that is truly once-in-a-lifetime," says Parker.

Ongoing Evolutions

How Disney's HR team tackles future change is largely predicated on an internal change that was ushered in just over five years ago. Prior to that time, HR operations were segmented by Disney's business units—a format that often led to overlap.

For instance, HR representatives from the theme-park division would be at the same MBA-recruiting event as HR professionals from other Disney units, like Walt Disney Studios and ESPN.

"We were competing with ourselves," she says. "We had to present Disney as one company with many opportunities in order for graduates to understand that they can have a very interesting and varied career path at the Walt Disney Co."

In 2013, Disney launched its Centers of Excellence, covering seven HR focuses, ranging from talent acquisition to diversity. In what became known as the AND Model, each head of HR would maintain his or her position while also taking the helm of a Center of Excellence.

Since her background included time as a head of HR for a business unit, Parker says, she had the unique perspective of being able to understand the individualized HR needs of the units. The day-to-day of overseeing the 100,000-plus mostly frontline and largely unionized workers in the theme parks and resorts, for instance, differed drastically from the HR needs of the company's studio division. However, commonalities also existed, and leadership had to carefully consider both during the centralization.

Talent acquisition is one area that has seen significant impacts from the shift. The talent-acquisition center offers recruiting support across all divisions, while a single technology platform was designed to facilitate online applications companywide—demonstrating brand continuity and showing candidates the opportunities for internal mobility, while streamlining processes internally.

"We had different talent-acquisition practices [among the business units]," Parker says. "Now, we work from common platforms and, whether you work in the Center of Excellence or in a business segment, you have access to the same information and the same candidates, which has really helped us."

Being able to continuously evolve has been key—Parker notes there have barely been six months without a change to at least one of the centers. More than five years removed from the centralization, she adds, heads of HR at the business units are more often suggesting things they think can be done commonly, bringing more into the fold of the Centers of Excellence.

The collaboration demonstrated through the development of the COE model mirrors that of another recent evolution: a strategic reorganization of the business units announced in March 2018. The new format consolidated direct-to-consumer services, technology and international media operations into a single, worldwide business, into which elements of media networks and studio entertainment also moved. Meanwhile, parks and resorts and consumer-products operations also combined.

The concept was conceived by CEO Bob Iger, who worked with the executive team to refine it. When the move was unveiled, Iger said in a press statement that the effort aimed to strategically position "our businesses for the future, creating a more effective global framework to serve consumers worldwide, increase growth and maximize shareholder value."

Shortly after announcing the reorganization, Iger attended a town hall Parker was hosting, answering questions from global HR employees.

"[Iger] wanted the whole HR team worldwide to hear from the CEO about his hopes, his dreams and his objectives for the reorganization," Parker says. "Every single person in the company was in some way impacted by this organizational change so, in order for it to be successful, we felt we needed everyone at Disney to understand why this change was necessary and how it impacted them."

Change management is nothing new for a company that has undergone as many transitions as Disney. However, Bill Capodagli, management consultant and author of *The Disney Way: Harnessing the Management Secrets of Disney in Your Company,* observes there are certain core values that have always driven the organization's work.

In particular, he says, the organization has upheld "the underlying values that Walt instilled in his company decades ago—innovation, quality, storytelling, mutual respect and trust. I tell my clients that, when values are deeply rooted in a company, they rarely change; in fact, the organization changes in order to protect their values."

Investing in Employees

That idea is evinced through a highly impactful employee benefit that launched last year.

In August, the company announced the creation of Disney Aspire, a groundbreaking education-assistance program open to its 80,000 hourly workers. Employees can access a wide range of degrees and certifications—all cost-free. With a $150 million investment in the program's first five years, Disney is paying all tuition upfront and reimbursing employees for books and other fees. The educational programs, offered at a vast network of schools in both online and in-class formats, do not need to relate to employees' current work at Disney.

Conceived by HR—and quickly approved by Iger, who proposed doubling its initial budget—Disney Aspire was developed with a long-range focus for employees, Parker says.

"In reality, all of those 80,000 people are not always going to work for the Walt Disney Co., so we can have a higher purpose—equipping our employees to be successful and helping them create the futures they want," she says.

Disney partnered with Guild Education to design and operate the program. Guild CEO Rachel Carlson says, compared to some companies the organization works with, which may only have a handful of key job titles, Disney's hundreds of positions posed a unique but exciting challenge, as they sought to create opportunities to suit a range of interests at all education levels.

"That meant we had to work together as a team to think about the diverse needs of that broad employee base," Carlson says. The depth and breadth of the employee population is among the reasons Disney Aspire is so comprehensive—employees can pursue college and post-grad degrees, GED, vocational training, English-language learning and more.

To help students navigate the complexities of returning to school, Guild offers personalized coaching throughout the journey—from selecting a school and program to filing the application all the way through to degree completion.

"We believe our coaching model is paramount to the success" of participants, Carlson says.

In rolling out the program, Parker fielded many questions from employees who thought the initiative was too good to be true. Once those notions were dispelled, she says, she spent many an evening reviewing reports that contained firsthand reactions from workers about Disney Aspire, which she described as an emotional experience.

"I'm so proud of the impact this is having—not necessarily the impact it will have on the company, but it's the impact this will have on our employees' lives," Parker says.

Since Disney Aspire launched, more than 23,000 eligible employees have created accounts, expressing interest in taking advantage of the program.

The first employee to enroll recently completed a trade certification, and students have applied to and enrolled in the entire span of program offerings. On the college level, there has been strong participation in courses focused on organizational leadership, cybersecurity, business, communications and finance.

Carlson says the early indicators are "tremendous."

"We've seen unmatched enthusiasm amongst Disney employees for this program," she says. "We'll know we're successful as we start to see graduates earn diplomas and channel their learning into career advancement and increased economic opportunity—at Disney or beyond."

Capodagli says he advises clients that they can't attain Disney-caliber customer service—it consistently ranks at the top of global lists for corporate reputation—without employee satisfaction. And one of the best ways to achieve that is by providing ongoing learning opportunities.

"If you watch a group of 3- or 4-year-olds on the playground, their joy and excitement for discovering new things is contagious," he says. "In the adult world of work, continuous learning experiences can serve to rekindle the exuberance of youth."

Education is also at the heart of another Disney initiative, CODE: Rosie—which stands for Creating Opportunities for Diverse Engineers and is a reference to World War II icon Rosie the Riveter. Launched in 2016, the program teaches women across the company how to code, with no tech background needed. Participants undergo three months of education and then a year of real-world experience. The company holds the participants' jobs for them in case they want to return after completing the program, though most decide to funnel into coding jobs at Disney, Parker says.

Twelve women participated in the pilot and 20 are enrolled in the second round, which kicked off in April.

"People can see a bright future for themselves, and that's because of their relationship with the Walt Disney Co.," Parker adds. "That's what's made this possible."

Looking Forward

The focus on diversity embedded in CODE: Rosie will continue to be at the heart of Disney's work in the coming years, Parker says.

"In order for us be successful, we believe our employees have to reflect the audiences we're here to serve, and our audiences are very diverse," she says.

To that end, Parker helped the company achieve gender equality in its global workforce and appointed the company's first chief diversity officer in 2011. The HR centralization, she adds, also has helped the company focus on diversity in its hiring practices, as applicant data are more readily available across the company.

Developing diverse leaders from within the ranks has also been a priority, with a range of mentorship and development programs targeting high-potentials for executive leadership.

On the leadership front, the company is facing a significant shift as it prepares for the 2021 retirement of Iger, CEO since 2005.

Though Parker didn't share details of a timeline for identifying Iger's successor, she cites the importance of the company's leadership-development focus and its culture that encourages talent movement.

"One of Disney's strengths is growing talent and helping people see their career opportunities across divisions," Parker says. "Employees can make a career that encompasses incredibly different experiences, which is motivating developmentally and is also the greatest form of stability for future succession-planning."

Capodagli predicts a leader with a long-range focus similar to Iger's would be critical to continuity.

"The biggest unknown," he adds, "is whether or not Bob's successor will follow in his footsteps as a long-term strategist and values-driven leader."

Another change coming down the pike is Disney's acquisition of 21st Century Fox. The deal was inked last summer and received EU regulatory approval in the fall, at which time Iger said he was optimistic it will close before June 2019. It's the largest acquisition yet for Disney, which already has a string of major acquisitions under its belt: Marvel, Lucasfilm and BAMTECH Media, among many others.

"We're a company where the idea of looking to expand opportunities for growth through acquisitions is just part of our DNA," Parker says. "We have created an expertise in HR of working through what happens pre-announcement of an acquisition, after the announcement and—maybe most important—have developed expertise in the integration work that's required after the close of these acquisitions."

Parker says such work requires a deep understanding of the business rationale for the acquisition, one that acknowledges it's not just motivated by intellectual property.

"We have to make sure we study the companies we're acquiring and appreciate what's made them so successful," she says. "In doing so, we can understand what they've done better than we have, learn from their strengths and apply that to our businesses."

Steering the Disney workforce through to the other side of the acquisition will be among the tasks facing HR in the coming years. Navigating a rapidly shifting marketplace—for instance, Disney is gearing up for the launch of its own streaming service later this year—will also take center stage, Parker says.

"How and where consumers and viewers want to be entertained is changing, and that's an opportunity for us in HR to help our business executives make those shifts, to make sure we're the best competitor in a changing landscape," Parker says, noting that, with 30 years at Disney now in the rearview mirror, her experience has shown her that the greatest challenges she faced in her roles have also been the most fulfilling experiences. "I've had a chance to do the work I've dreamed of doing."

Send questions or comments about this story to hreletters@lrp.com.

TOP 100

HRE's annual ranking of the nation's largest employers

Editor's note: The Top 100 list features corporate employers only. Government agencies, temporary-staffing firms and nonprofit organizations are not included. Employment figures reflect the most current workforce numbers available. Information was supplied by each company. Supplemental information was obtained from D&B Hoovers.

Rank 2019	Rank 2018	Company	Employees 2019	Employees 2018	HR Officer	Title	Reports to	Oversees Labor	Primary Business
1	1	Walmart Inc.	2,300,000	2,300,000	Jacqui Canney	exec. v.p., global people	pres. & CEO	yes	retail
2	2	Amazon.com Inc.	610,000	541,900	Beth Galetti	sr. v.p., HR	chmn. & CEO	yes	online retail
3	3	Kroger Co.	460,000	450,000	Tim Massa	sr. v.p.	CEO	yes	supermarkets & food manufacturing
4	4	United Parcel Service Inc.	454,000	434,000	Teri Plummer McClure	chief HR officer & sr. v.p., labor	CEO	yes	global logistics
5	6	FedEx Corp.	425,000	400,000	Judy Edge	corp. v.p., HR	chmn. & CEO	yes	transportation, e-commerce & business services
6	8	Walgreens Boots Alliance Inc.	415,000	385,000	Kathleen Wilson-Thompson	exec. v.p. & global chief HR officer	exec. v. chmn. & CEO	yes	drugstore retail chain
7	7	The Home Depot Inc.	400,000	400,000	Tim Hourigan	exec. v.p., HR	chmn., CEO & pres.	yes	home-improvement retail
8	9	IBM Corp.	366,000	377,000	Diane Gherson	sr. v.p., HR	chmn., pres. & CEO	yes	cognitive computing & cloud services, consulting services & solutions
9	11	Starbucks Coffee Co.	350,000	330,000	Lucy Helm	chief partner officer	CEO	no	specialty retail
10	12	Target Corp.	350,000	323,000	Stephanie Lundquist	exec. v.p. & chief HR officer	CEO	n/a	retail
11	21	CVS Health	300,000	245,000	Lisa G. Bisaccia	exec. v.p. & chief HR officer	pres. & CEO	yes	healthcare services
12	13	General Electric Co.	300,000	300,000	Raghu Krishnamoorthy	chief HR officer	chmn. & CEO	yes	high-tech industrial company
13	14	Lowe's Cos. Inc.	290,000	290,000	Jennifer Weber	exec. v.p., HR	pres. & CEO	yes	home-improvement retail
14	26	UnitedHealth Group	285,000	225,000	Ellen Wilson	office of the chief exec. & exec. v.p., human capital	CEO	yes	health benefits, services, technology & information
15	15	Albertsons Cos.	275,900	275,900	Andrew Scoggin	exec. v.p., HR, labor relations, comm., public affairs & gov't affairs	CEO	yes	grocery retail
16	20	Cognizant	274,200	256,100	James Lennox	exec. v.p. & chief people officer	pres.	no	information technology, consulting & business-process-outsourcing services
17	17	Aramark Corp.	270,000	270,000	Lynn B. McKee	exec. v.p., HR	chmn., pres. & CEO	yes	food service, facilities management & uniforms
18	19	AT&T	269,300	256,800	William A. Blase Jr.	sr. exec. v.p., HR	chmn. & CEO	yes	telecommunications & entertainment
19	16	Wells Fargo & Co.	265,000	271,000	David Galloreese	HR dir.	pres. & CEO	n/a	financial services
20	18	PepsiCo Inc.	263,000	264,000	Ruth Fattori	exec. v.p., HR & chief HR officer	CEO	yes	food & beverage
21	23	JPMorgan Chase	250,000	240,000	Robin Leopold	exec. v.p. & head, HR	chmn. & CEO	yes	financial services
22	22	HCA	249,000	240,000	John M. Steele	sr. v.p. & chief HR officer	chmn. & CEO	yes	healthcare services
23	24	The TJX Cos. Inc.	249,000	235,000	Amy Fardella	exec. v.p. & chief HR officer	CEO & pres.	yes	off-price retail
24	25	Costco Wholesale Corp.	242,900	226,700	Patrick Callans	sr. v.p.	exec. v.p.	yes	membership-warehouse retailer
25	10	McDonald's Corp.	235,000	375,000	David Fairhurst	exec. v.p. & chief people officer	CEO	no	restaurants
26	30	United Technologies Corp.	233,700	204,900	Elizabeth B. Amato	exec. v.p. & chief HR officer	chmn. & CEO	yes	aerospace, defense & commercial-building products
27	63	Synnex Corp.	225,000	105,500	Debra LaTourette	sr. v.p., HR North America	pres. & CEO	yes	business-process services
28	35	Dollar Tree Inc.	206,500	176,800	Betty Click	chief HR officer	CEO	yes	discount retail
29	28	Citigroup Inc.	206,000	211,000	Sara Wechter	head, HR	CEO	no	banking—financial services
30	29	Bank of America Corp.	200,000	209,000	Sheri Bronstein	global HR exec.	CEO	yes	financial services
31	31	Ford Motor Co.	200,000	203,000	Kiersten Robinson	group v.p. & chief HR officer	pres. & CEO	no	automotive
32	34	Jabil	200,000	180,000	Bruce A. Johnson	sr. v.p. & chief HR officer	CEO	yes	electronics design, production & product-management services
33	32	The Walt Disney Co.	199,000	195,000	Jayne Parker	sr. exec. v.p. & chief HR officer	chmn. & CEO	n/a	family entertainment
34	33	Publix Super Markets Inc.	197,000	188,000	Marcy Benton	v.p., HR	CEO	yes	grocery retail
35	27	General Motors Co.	180,000	220,000	Kim Brycz	sr. v.p., global HR	CEO	yes	automotive manufacturer
36	5	Marriott International Inc.	177,000	408,500	David A. Rodriguez	exec. v.p. & global chief HR officer	pres. & CEO	yes	hospitality
37	36	Darden Restaurants Inc.	175,000	175,000	Sarah King	chief HR officer	CEO	yes	restaurant
38	37	Hilton	168,000	163,200	Matthew W. Schuyler	chief HR officer & exec. v.p.	pres. & CEO	yes	hospitality
39	41	Lear Corp.	165,000	155,000	Thomas A. DiDonato	sr. v.p., HR	CEO & pres.	yes	automotive supply
40	39	Comcast Corp.	164,000	159,000	William Strahan	exec. v.p., HR	pres. & CEO	yes	entertainment, information & communications products & services
41	38	Verizon Communications Inc.	155,400	160,100	Marc Reed	exec. v.p. & chief admin. officer	chmn. & CEO	yes	wireline & wireless networks & communications services
42	42	Cargill	155,000	150,000	LeighAnne Baker	chief HR officer & corp. sr. v.p.	chmn. & CEO	yes	food, agricultural, financial & industrial products & services
43	44	Dell Technologies	145,000	140,000	Steve Price	chief HR officer	CEO	yes	information-technology-solutions provider
44	43	The Boeing Co.	142,000	142,000	Heidi B. Capozzi	sr. v.p., HR	chmn., pres. & CEO	yes	aerospace manufacturing & services
45	45	Kohl's	140,000	140,000	Marc Chini	sr. exec. v.p. & chief people officer	CEO	yes	retail
46	48	Oracle Corp.	137,000	138,000	Joyce Westerdahl	exec. v.p., HR	CEO	n/a	integrated-cloud applications & platform services
47	54	Johnson & Johnson	136,000	126,500	Peter Fasolo	exec. v.p. & chief HR officer	CEO	yes	healthcare products & manufacturing
48	49	Gap Inc.	135,000	135,000	Brent Hyder	exec. v.p. & chief people officer	pres. & CEO	yes	specialty apparel retail
49	53	Dollar General Corp.	134,000	127,000	Bob Ravener	exec. v.p. & chief people officer	CEO	n/a	discount retail
50	61	Microsoft Corp.	134,000	120,000	Kathleen Hogan	exec. v.p. & chief people officer	CEO	yes	technology

TOP 100

Rank 2019	Rank 2018	Company	Employees 2019	Employees 2018	HR Officer	Title	Reports to	Oversees Labor	Primary Business
51	56	Apple Inc.	132,000	123,000	Deirdre O'Brien	v.p., people	CEO	yes	computer technology
52	50	ABM Industries Inc.	130,000	130,000	Andrew Block	chief HR officer	CEO	yes	facility services
53	40	DXC Technology Co.	130,000	155,000	Jo Mason	chief HR officer	chmn., pres. & CEO	yes	IT services
54	46	Macy's Inc.	130,000	140,000	Danielle Kirgan	chief HR officer	CEO	yes	retail
55	55	Best Buy Co. Inc.	125,000	125,000	Kamy Scarlett	chief HR officer	CEO	yes	retail—consumer technology & services
56	57	Tyson Foods Inc.	121,000	122,000	Mary Oleksiuk	exec. v.p. & chief HR officer	pres. & CEO	yes	food
57	-	Carnival Corp.	120,000	-	Jerry Montgomery	chief HR officer	CEO	no	leisure & travel
58	59	Johnson Controls Inc.	120,000	120,000	Lynn Minella	exec. v.p. & chief HR officer	chmn. & CEO	yes	manufacturing
59	60	Koch Industries Inc.	120,000	120,000	Walt Malone	corp. dir., HR	pres. & COO	yes	refining, chemicals, biofuels & ingredients; forest & consumer products; fertilizers; polymers & fibers; process & pollution-control equipment & technologies; electronic components; commodity trading; minerals; energy; ranching; glass; & investments
60	52	Tenet Healthcare	115,000	130,000	Sandi Karrmann	sr. v.p. & chief HR officer	chmn. & CEO	yes	healthcare services
61	70	H-E-B	110,000	100,000	Tina James	chief people officer	COO	no	retail
62	51	Honeywell	110,000	130,000	Mark James	sr. v.p., HR, security & comm.	chmn. & CEO	yes	aerospace products & services; control technologies for buildings & industry; & performance materials globally
63	64	Intel Corp.	106,600	104,600	Matthew M. Smith	sr. v.p. & chief HR officer	CEO	no	technology
64	72	General Dynamics Corp.	105,600	99,500	Kimberly A. Kuryea	sr. v.p., HR & admin.	CEO	no	business aviation; combat vehicles, weapons systems & munitions; IT services; C4ISR (command, control, communications, computers, intelligence, surveillance & reconnaissance) solutions; & shipbuilding & ship repair
65	65	Alorica Inc.	100,000	100,000	Tania King	chief employee exp. & legal officer	chmn. & CEO	yes	customer-experience-solutions provider
66	66	American Airlines Group Inc.	100,000	100,000	Elise Eberwein	exec. v.p., people & comm.	CEO	no	air transportation
67	67	Brinker International Inc.	100,000	100,000	Rick Badgley	chief admin. officer	CEO & pres.	no	owns, operates & franchises restaurants
68	69	Enterprise Holdings	100,000	100,000	Shelley Roither	v.p., HR	exec. v.p. & COO	yes	total mobility provider offering transportation solutions, including car rental, carsharing, vanpooling, car sales, truck rental, online ride-matching & affiliated fleet-management services
69	85	H&R Block	100,000	90,000	Tiffany Scalzitti Monroe	chief people officer	CEO	no	tax preparation
70	73	Lockheed Martin Corp.	100,000	97,000	Patricia L. Lewis	sr. v.p., HR	chmn., pres. & CEO	yes	global security & aerospace
71	71	Mars Inc.	100,000	100,000	Eric Minvielle	v.p., people & organization	CEO & office of the pres.	no	global pet care, confectionery & food business
72	76	Abbott	99,000	94,000	Stephen Fussell	exec. v.p., HR	chmn. & CEO	yes	healthcare
73	75	Eaton	98,000	96,000	Ernest W. Marshall Jr.	exec. v.p. & chief HR officer	CEO	yes	power management
74	62	J. C. Penney Co. Inc.	98,000	106,000	Brynn Evanson	exec. v.p., HR	CEO	no	department-store retail
75	83	XPO Logistics Inc.	98,000	91,000	Meghan Henson	chief HR officer	CEO	yes	global logistics
76	74	Caterpillar Inc.	96,700	96,700	Cheryl Johnson	chief HR officer	CEO	yes	construction & mining equipment, diesel & natural gas engines, industrial gas turbines & diesel-electric locomotives; financial, remanufacturing & rail services
77	68	Community Health Systems Inc.	95,000	100,000	James M. (Matt) Hayes	sr. v.p. & chief HR officer	chmn. & CEO	yes	operator of acute-care hospitals
78	81	Charter Communications	94,000	91,000	Paul Marchand	exec. v.p. & chief HR officer	sr. exec. v.p.	yes	telecommunications services
79	78	L Brands Inc.	93,200	93,600	Shelley Milano	chief HR officer	CEO	yes	specialty retail
80	77	The Procter & Gamble Co.	93,000	94,000	Tracey Grabowski	chief HR officer	chmn., pres. & CEO	yes	consumer products
81	80	Whirlpool Corp.	92,000	93,000	David Binkley	sr. v.p., global HR	CEO	yes	manufacturer of home appliances
82	84	3M Co.	91,000	90,000	Kristen Ludgate	sr. v.p., HR	CEO	yes	manufacturing
83	90	AutoZone Inc.	90,000	87,000	Rick Smith	sr. v.p., HR	pres., chmn. & CEO	no	auto-parts retailer
84	82	Pfizer Inc.	90,000	91,000	Dawn Rogers	exec. v.p.	CEO	no	healthcare, pharmaceuticals & consumer healthcare
85	88	United Airlines	89,800	88,500	Kate Gebo	exec. v.p., HR & labor relations	CEO	yes	air transportation
86	47	Sears Holdings Corp.	89,000	140,000	Julie Ainsworth	chief people officer	n/a	n/a	retail
87	89	AECOM	87,000	87,000	Mary E. Finch	exec. v.p. & chief HR officer	chmn. & CEO	yes	fully integrated global-infrastructure firm
88	92	Hy-Vee Inc.	85,000	85,000	Sheila Laing	exec. v.p. & chief admin. officer	n/a	n/a	grocery retail
89	-	Northrop Grumman Corp.	85,000	-	Denise Peppard	corp. v.p. & chief HR officer	n/a	yes	global security
90	-	Tenneco Inc.	85,000	-	Kaled Awada	sr. v.p. & chief HR officer	CEO	n/a	automotive-parts provider for the OE market & aftermarket
91	79	Conduent Inc.	84,000	93,000	Jeffrey Friedel	chief people officer	CEO	n/a	business-process-services provider
92	98	Emerson	84,000	76,500	James E. Jones	v.p., HR & chief ethics officer	COO	yes	technology, engineering & manufacturing
93	93	Universal Health Services Inc.	83,000	81,000	Geraldine Johnson Geckle	sr. v.p., HR	pres.	yes	hospital management
94	96	Philip Morris International	81,000	80,000	Charles Bendotti	sr. v.p., people & culture	CEO	n/a	tobacco company
95	95	Delta Air Lines Inc.	80,000	80,000	Joanne Smith	exec. v.p. & chief HR officer	CEO	yes	air transportation
96	86	Mondelēz International Inc.	80,000	90,000	Paulette Alviti	exec. v.p. & chief HR officer	chmn. & CEO	n/a	food industry
97	-	McKesson Corp.	78,000	-	Jorge L. Figueredo	exec. v.p. & chief HR officer	CEO	yes	healthcare services & IT
98	94	Brookdale Senior Living	75,600	80,000	Cedric Coco	exec. v.p. & chief people officer	CEO	yes	senior care
99	-	O'Reilly Automotive Inc.	75,300	-	Jonathan Andrews	v.p., HR & training	n/a	n/a	auto-parts retailer
100	100	Cisco Systems Inc.	74,200	73,700	Francine Katsoudas	exec. v.p. & chief people officer	CEO	no	IT—networking & telecommunications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David Shadovitz is Editor-in-Chief and Co-Publisher of *Human Resource Executive*® and HRExecutive.com, the leading magazine and website for executives in the human resource profession. He also serves as Vice President of Editorial for the LRP Magazine Group, publisher of *Human Resource Executive*®. David is a recipient of several editorial awards and has been inducted as a Fellow into the National Academy of Human Resources.

Program Advisor

Jennifer Benz is CEO and Founder of Benz Communications. She has been on the leading edge of employee-benefits communication for 15 years — starting with early-adopter consumer-driven health plans and now with innovative wellness and social media strategies. Jen's work has been recognized by the International Association of Business Communicators and the Profit-Sharing Council of America.

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Purpose: How Living for What Matters Most Changes Everything
Vic Strecher, University of Michigan
Professor and Author of Life on Purpose

Main Stage Events




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Becky Cantieri, Chief People Officer, SurveyMonkey
Shannon Ellis, Senior Director of Human Resources, Patagonia
Sarah Lecuna, Global Benefits Leader, Intuit
Moderator: *Jennifer Benz, CEO and Founder, Benz Communications*

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Julie Krause, Benefits Manager – U.S. Wellness, Microsoft

Jaclyn Wainwright, Chief Executive Officer, AiR Healthcare Solutions

Moderator: *Carol Harnett, Healthcare and Employee Benefits Consultant; President, Council for Disability Awareness; Benefits Columnist,* Human Resource Executive®

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MJ Shaar, Wellness and Motivational Speaker

Tackling the Financial Woes of Your Lower-Wage Workers

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Brandi Newman, Assistant Vice President of Human Resources, Atrium Health

Bruce Sherman, Medical Director for Population Health Management, Conduent HR Services

Gregor Teusch, Head of Rewards and Employee Experience, Lowe's Corp.

Moderator: *Ilyce Glink, Financial Journalist; Founder/CEO, Best Money Moves LLC*

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Navigating the many HR-technology choices available can be both a challenge and opportunity for HR leaders. BY REBECCA WETTEMANN

Measuring the ROI of Tech

Remember the good old days, when technology choices delivered clear benefits? It was easy to decide that moving from time cards to time clocks would pay for itself by reducing buddy punching and payroll errors or that transitioning from paper-based to electronic benefits administration would cut costs and increase efficiency. Then things got more complicated.

As HR managers look to technology to streamline operations, support data-driven decision-making and ensure compliance, software vendors have increased the pace of innovation—as well as the complexity of their solutions. As I pointed out during a breakout session I conducted ("Measuring the ROI Impact of HCM Investments: What Factors Matter?") at the most recent HR Tech Conference, this can make understanding the potential return on investment of HR, payroll and other applications a challenge—particularly when organizations are considering an upgrade. The ROI challenge is compounded by the pressure on HR executives and HRIS managers to meet the growing number of demands and regulatory requirements with limited resources. With a laundry list of potential initiatives across the employee lifecycle—from recruiting to onboarding to benefits to talent and succession—prioritizing projects based on business impact and ensuring those projects deliver are moving targets.

Over the past 15-plus years, I've been analyzing the return on investment from HR-technology projects, and Nucleus Research has published hundreds of case studies on the actual ROI companies have achieved from their HCM-technology initiatives. If we look at the past few years of data, we find the projects delivering the greatest ROI are those that automate payroll, core HR, and time and attendance functions. These areas are followed in bottom-line impact by benefits-administration and scheduling automation, with talent acquisition and talent management coming in third.

While those categories can be helpful in framing your high-level goals in terms of potential value, in reality, the technology checklist and budget are often more nuanced. To be successful with technology, HR and business managers need to understand the relative benefits of projects in their own specific organizations, weigh vendors' timelines and budgets, and ensure the investments they make today will support—or at least unencumber—their future goals for innovation.

Understanding Benefits

When working with HR and HRIS managers on evaluating their potential HR-tech initiatives, I encourage them to rate each project on five key factors, from a scale of 1 to 5, to identify which projects are likely to deliver the greatest ROI. This is helpful for prioritizing projects and focusing adoption efforts but also for taking some of the politics and emotion out of the budgeting process; a numbers-based approach can help compare apples to oranges and reduce subjectivity.

The first two—and the most important—are:

- Breadth. The more people, applications or processes a technology project touches, the greater the potential return.
- Repeatability. The greater the frequency of use of a technology solution, the greater the potential return.

Breadth and repeatability go hand in hand when we think about the benefits of a project that automates payroll or time and attendance: They touch every employee (breadth) at least once per pay period (repeatability). Other factors are:

- Risk. The greater the potential of a project to reduce risk, the greater the potential return.
- Collaboration. The greater the ability of an application or project to support collaboration, the greater the potential return.
- Knowledge. The more a project or application has the potential to disseminate knowledge, the greater the potential return.

Deployment Matters

While understanding the benefits of different HRIS initiatives is important, so is understanding the potential cost and achievability of those benefits—and the relative costs and risks of different potential vendors' approaches. I've seen a few key factors that really make a difference in both the relative cost and time-to-value of projects.

The first is cloud. Our data show cloud-technology projects deliver 3.2 times the ROI of on-premise ones. This is because of the lower initial cost and faster time-to-value, but also the ability to deliver greater value over time without the cost and disruption associated with traditional on-premise HCM deployments. Think about it this way: In the past, a deployment might take 12 to 18 months or more before users would ever access the software, let alone see benefit. Even if a vendor delivered an upgrade every year or two, many companies would delay those upgrades because of their cost and disruption, even if they delivered significant benefit. Today, with most cloud vendors delivering innovations on a quarterly or more frequent basis, with upgrades that are relatively seamless, companies can achieve greater benefit or make needed changes to an application without a big consulting bill or the cost of running parallel systems to avoid business disruption.

Another innovation impacting time-to-value, cost and risk—which is also cloud-related—is the availability of implementation wizards. Designed to automate much of the configuration of an HR solution to meet a specific business' needs—based on the data and best practices captured by vendors through other organizations' cloud deployments—these wizards can automate up to 80 percent of the coding, customization and configuration associated with a deployment. This reduces consulting costs (which can often account for 20 percent to 30 percent of deployment costs), risk and ongoing costs because there's less customization to support. The implementation wizards provided by many cloud vendors have an important practical impact as well: Because they are based on best practices, they can be an impetus for changing existing processes. Rather than debating how much customization is warranted to support "the way we've always done things," managers can use the wizards as the standard for new processes, treating deviations as exceptions to be considered rather than requirements.

The third important deployment consideration is usability. More usable applications reduce training time, accelerate adoption and increase employee engagement, particularly in self-service areas such as scheduling, benefits, and talent and performance management. We're seeing usability innovations in mobile, embedded analytics, and personalized or role-based views as important factors driving adoption and ROI. As workforce entrants' expectations for employers increase, usability can support recruiting and engagement as well.

Looking Ahead

As organizations look to HR technology to go beyond just reducing costs to increase efficiency and optimize returns from their overall labor investment, there are a few key areas where technology vendors are investing that are worth considering:

• Collaboration. In the past two years, we've seen many HR-technology leaders invest in embedded collaboration and content management within their solutions—both organically and through partnerships. Collaboration can increase the breadth and repeatability of HR applications and provide a wealth of unstructured data for analysis in areas such as talent and performance management.

• Embedded analytics. With basic backward-looking reporting becoming table stakes for any HR application, vendors are investing in predictive and prescriptive analytics to help HR and line-of-business managers better understand workforce performance, predict cost and disruption factors such as absenteeism and flight risk, and make data-driven decisions in real or near-real time.

• Artificial intelligence and machine learning. While we are in the early days of the development and adoption of embedded AI and ML, the use of AI to extend, automate and enhance the HR function has great potential benefit. Look for immediate applications in areas such as talent acquisition and a broader impact over time in talent management and workforce scheduling and optimization.

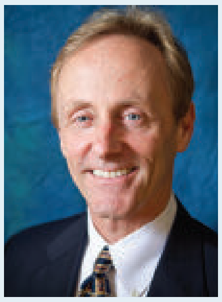
• Engagement and philanthropy. With half of employees believing it is important or very important to work for an employer that is aligned with their social views and principles, look to HR solutions to bring outside philanthropy into the overall employee-engagement picture. Whether it's enabling scheduling of group or company volunteerism, integrating giving into payroll options, or tracking and measuring skills learned outside the workplace in internal talent and skills profiles, savvy HR professionals will leverage the capabilities of technology to support philanthropy-related employee engagement.

Making sense of the complexities of HR technology is one of the challenges facing HR and business leaders. It can also be a great opportunity—as the effective use of technology can be a competitive advantage for talent acquisition, engagement and ongoing optimization. Using breadth and repeatability (and the other factors) as your guide, taking advantage of the cloud to drive faster time-to-value and flexibility, and embracing analytics and AI as an extension and enhancement (not an exit) for HR can help build the profile and leadership skills of your HR and HRIS team.

Rebecca Wettemann is vice president of research at Nucleus Research, where she is responsible for directing and managing the company's industry-leading quantitative-research team.

The HR Technology Conference will be held Oct. 1 though Oct. 4 at the Venetian in Las Vegas. Go to www.hrtechconference.com to learn more.

By Josh Bersin/HR Technology



Bracing for the HR-Tech Typhoon

These last few months have been a whirlwind. I recently wrapped up a global roadshow during which I talked with HR and vendor executives in Paris, Moscow, Amsterdam and Romania. In September, I had the honor of participating in the 2018 HR Technology Conference in Las Vegas—probably the best conference yet. Buyers were knowledgeable and tech-savvy but eager for more information, and vendors had impressive innovations to discuss and demonstrate.

All these conversations formed a clear forecast: A typhoon is about to hit the HR-tech market. In a typhoon, thermal energy comes together, resulting in a swirling cyclone that sucks everything into its path.

According to research by Sierra-Cedar, HR-technology spending increased by 10 percent in 2018. This is a very high number, considering that HR-tech spending is well over $40 billion globally. And according to CB Insights, in the last two years, $12 billion of new investment capital entered the market, most of which went to start-ups and growth-focused vendors.

To give you a sense of the coming disruption, I'm now tracking more than 1,400 global HR-tech companies—most of which range from start-ups to midsize vendors selling solutions to HR departments around the world. Almost two-thirds of these companies are less than three years old, and most are focused on new segments of the market, such as advanced use of AI, cognitive technologies or the redesign of talent and HR applications.

Why all the growth? It's quite simple: The global economy continues to grow; companies are looking for new tools to attract, recruit, engage and manage people in new ways; and organizations are operating in a more digital way, changing how we manage people. Companies are also changing the way they pay people, implementing new solutions for wellbeing and team management, and purchasing even more powerful tools for analytics and detailed reporting.

Underlying these factors is a desperate need to improve the employee experience. Every executive I talk with is trying to find ways to make the work experience simpler, healthier and more engaging. Consequently, technology vendors are attempting to make their tools become invisible to users by fitting functionality into the flow of employees' day-to-day work.

We also have some new user-interface paradigms to embrace. Today, voice recognition, chatbots, nudges, augmented analytics and location awareness are standard features, again raising buyer and user expectations and prompting new vendors to enter the market.

Where is this all going? Can the innovation and buying frenzy continue?

Certainly, there are real challenges ahead. First, it's harder than ever to figure out what to buy. On average, large HR departments now have as many as 11 systems of record, and L&D departments may work with 22 different vendors. CHROs are very confused as to what to invest in, which tells me there is a market consolidation ahead.

Second, due to market churn, corporate buyers must accept the fact that some technology purchases may be useful for only a few years. The tools could become outdated due to more innovation, or the vendors could be acquired or fail. The purchase of short-lived technology can pose a career risk to executives involved, to say nothing of the problems a technology switch brings to managers, employees and the business itself.

Third, technology disruption is putting new stress on IT departments. Big IT vendors such as Google, Microsoft, Facebook, Salesforce and LinkedIn are pouring money into the HR-tech market. Since corporate IT departments are already doing business with one or more of these companies, HR executives need to be very current on their offerings and understand how they may complement or replace specialized expensive HR tools in place or being considered.

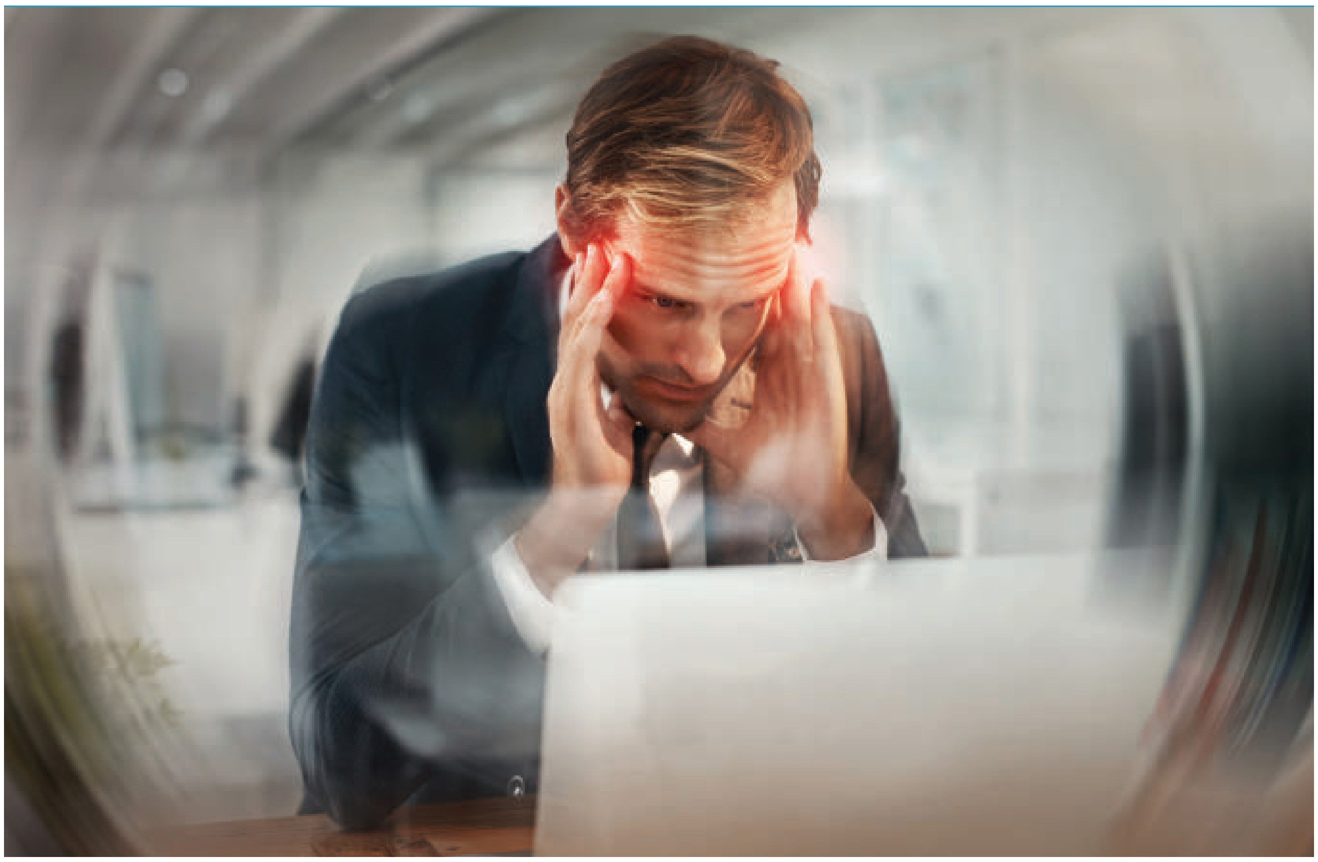
Finally, we need new forms of integration. I believe platforms such as Microsoft Teams, Office 365, G-Suite and Slack are going to be transformational in work productivity, so HR tools must behave more like plugins to these platforms and less like standalone systems.

More than ever, it's important that executives involved in technology strategy and purchasing take the time to understand the market. Success will depend on ensuring the tools acquired are mature, likely to scale and built on an architecture that fits into the new world of IT. Those who are aware of the market's disruptions and associated trends can harness the technology typhoon and keep their companies moving ahead.

Josh Bersin is a world-known industry analyst and founder of Bersin by Deloitte. He speaks and writes extensively about corporate HR, talent management, recruiting, leadership, technology and the intersection of work and life. Send questions or comments to hreletters@lrp.com.

On the Front Lines of Recruiting

Use these three tips to reduce the building burdens of the recruiting field. BY ALYSSA DVER



U.S. Air Force recruiters recently told me that their jobs were more stressful than being deployed. I laughed but was sternly reprimanded, as they were serious.

Thankfully, this was important preparation for the keynote I was later to give to their squadron. Unlike any of the other presentations I delivered in the past, this experience really raised my awareness about what makes recruiting so stressful.

In my former life as a marketing executive, I worked with recruiters as a candidate and hiring manager, but I also had experience marketing technology to them. In that capacity, I delved into the operational and emotional needs of recruiters and found that, like most intermediary roles, there are many different stakeholder motivations to manage.

Luckily, managing motivation was something I have been fascinated with since college. To support both personal and professional interests, I perpetually read, interviewed, surveyed and studied anything I could find on the subject of decision-making and confidence. When my oldest son was diagnosed with a serious neurological condition, my maternal motivation thrust me into the emerging brain-science world to help me understand how I could help him.

In this foray of data and case-study evidence, I confirmed that confidence wasn't just something you are born with or are just lucky to get. There is no doubt you can control your own and other people's confidence—and you can decide and learn how to do this at any time in your life.

Alyssa Dver

That discovery led me to co-found and lead the American Confidence Institute. These days, I speak frequently to different groups about how the brain works and impacts our behaviors. Through our research, we know that any time someone's values are compromised, it challenges confidence and outcomes—including during the recruiting process.

Many people, including some in the Air Force, find themselves being brand ambassadors—aka, recruiters. With this important responsibility, the job requires super sales skills to find candidates, engage them and keep them in the pipeline until the final accept. Recruiters need superior networking skills, complete comfort in small talk and the ability to let the repetitive "no" roll off their backs. Moreover, recruiters need confidence to know they can successfully do a notoriously undervalued job. They require a hard skin yet a soft touch to survive. (I'll be speaking on this topic at the upcoming Recruiting Trends & Talent Tech LIVE! in February.)

With that in mind, I offered the U.S. Air Force recruiters three neuro-based tips that rang home for them—and I hope will for you too:

Never lose sight of the people you help to find great opportunities.

You rarely know the real back story of why people are applying for new jobs. Inevitably, there's a reason why they're looking for something better. This is also true for passive candidates. Everyone is open to finding a better job, they just don't want to admit why—to recruiters or even to themselves. If they do, it becomes a vulnerability that a potential employer could use in negotiations. Additionally, candidates can't emotionally afford to open that door and reckon that things aren't perfect now; it's usually easier to push that to the back of their heads than consider any type of change.

Regardless of the reason, recruiters are facilitating mutually beneficial matches for candidates and employers. They are helping both sides win and, when their work is done well, can truly enrich everyone's lives. Recruiters give career-saving gifts: Candidates get gainful employment, and employers get a valuable teammate.

People can be difficult to deal with because new jobs are scary.

Even if it is a desired transition, a new job triggers a whole bunch of neurotransmissions that spike stress hormones and behaviors. Perhaps more than any other situation, interviewing pokes at someone's primary emotional fears: failure, regret and rejection. This kicks their confidence in a way that puts them into a state that I call "Caveman Mode." It happens because the danger sensor in the brain (the amygdala) alerts the brainstem (the main part of the brain that cavemen had!) to potential incoming emotional harm.

The brainstem is responsible for all autonomic functions, such as breathing, sweating, heart beating, etc. The brainstem is very dictatorial—it thinks for you. "You" aren't in control of your resulting behaviors; you are, at best, reacting. You may lash out, blurt out or otherwise freak out. It is difficult to think clearly because you're in a panic state—even if it doesn't show on the outside. On the inside, your brain is in anxious autopilot while your behaviors and body just follow orders.

In this state of mind, people aren't always nice or smart. They may be difficult to deal with and frustrate you, which, in turn, causes your own brain to freak out. The tension is noticeable and transferable. Realizing this, recruiters can be more empathetic and help candidates minimize their new-job fright. When recruiters keep cool and calm, they transmit that to candidates, even over the phone and through email. Candidates are then more likely to stay in control of their own brains and subsequent behaviors.

Confidence is infectious and sells better than any pitch, promise or potential reward.

Thanks to mirror neurons in our brains, we're able to learn by observing the world around us. A baby learns to talk and walk by using mirror neurons to imitate others. We learn most of our social skills this way. We also learn about confidence—and we absorb it. When you are in the presence of someone who is truly confident (not overconfident, cocky or otherwise arrogant), you typically feel more confident yourself. The confident person is genuinely interested in you—not him or herself. He or she projects a state of calm and cool. Our mirror neurons soak that up and direct our own brains to follow suit.

Even with a perfect pitch and all the right strategies and moves, recruiters may not engage a candidate. They might get their attention but will lose it if candidates feel the recruiters are pushing something that they don't honestly believe in—including themselves.

For recruiters to truly engage someone else, they must not only stand for the brand and make win-win job matches, but also be confident in themselves. Recruiters need to fundamentally know that what they're doing is helpful to other people—not just their quota. They need to seek the resulting reward for them—not just their commission. And they need to first trust themselves as recruiters—before candidates will trust them.

Gaining authentic confidence may seem questionably hard to accomplish. At ACI, we work with all kinds of people from all walks of work and life—which has illustrated that everyone needs more confidence. And with a will, there is a very clear and doable way.

Recruiting is not always easy or well-received, largely because so many people are frustrated, scared and scarred by past recruiting experiences. Great recruiters can make the difference—they have the fortunate opportunity to infect confidence into everyone they interact with by giving them great jobs or employees.

Alyssa Dver is chief confidence officer and co-founder of the American Confidence Institute and the author of six books, including Kickass Confidence: Own Your Brain. Up Your Game.

Dver will lead a session titled "Why Should They Apply? How to Scientifically Give Candidates Confidence" at the upcoming Recruiting Trends & Talent Tech LIVE!, being held Feb. 20 through Feb. 22 at Ceasars Palace in Las Vegas. Go to www.recruitingtrendsconf.com for more information.

By Tim Sackett

Not All Recruiting Trends Are Created Equal

I'm super excited to speak at Recruiting Trends & Talent Tech LIVE!, being held Feb. 20 through Feb. 22 in Las Vegas. In fact, I'll be speaking on my birthday (I'll be 27-ish!), so you have to come to Vegas and buy me a drink. In fact, this isn't confirmed yet, but conference owner LRP Media Group is seriously considering changing the name of this year's conference to Tim's Ultimate Birthday Bash & Recruiting Stuff!

(Doesn't that sound completely awesome? I want to do one of those foam dance parties!)

What am I actually going to talk about? The trends in recruiting and talent-acquisition technology that we should be paying attention to—and a few that we shouldn't.

Recruiting: Now the Most Important Function

In my new book, *The Talent Fix*, my buddy Kris Dunn wrote: "Tim Sackett has done 10,000 sh*tty HR-tech software demos, so you don't have to!" He's only slightly off on the number (it's probably more like 1,000). I'm a complete geek for recruiting tech, and I'm constantly working with my own recruiting-tech stack, so I speak as a practitioner. I also speak as a leader who has to figure out how to make my team more effective and efficient while working with a limited budget.

One of the trends I'll definitely address is what recruiting technology is worth your money and what is probably worth waiting on. We all know that the recruiting-technology space is moving so fast that it's causing all of us, even those who geek out about it, massive amounts of confusion. Should we automate this part of our funnel? Should we be using chatbots? Where should we focus AI integration in the stack? What's on the horizon that we need to keep our eye on? The list of questions in my own mind is endless.

I'm not one to try and over-complicate recruiting and recruiting processes. It's not like we're trying to launch a space shuttle. At its core, recruiting today is no different than recruiting decades ago. If we break it all down, we have jobs on one side, we have candidates on the other side and we need to find ways to match those two pools.

The difference that's causing the most commotion right now is historically low unemployment, which has put talent acquisition at the forefront of most business-strategy conversations. In about a decade, recruiting has gone from a function in HR to maybe the single most important function in any business. I haven't met with a CEO or COO of an organization in five years where recruiting wasn't the No. 1 topic he or she wanted to discuss.

Evolution of the TA Leader

When I think about trends in talent acquisition, one of the biggest that no one is talking about is the evolution of the talent-acquisition leader over the past decade. It used to be that corporate TA leaders were probably doing a drive-by in their HR careers—and not a drive-by to which they were looking forward.

If you look at the most successful organizations in the world today, you'll almost always find a dynamic TA leader and, most likely, that leader has never spent one day of his or her career in a traditional HR role. Some of the greatest TA leaders I work with today didn't come from traditional recruiting roles. It turns out, if you can run a tight, productive operation of any kind, then you probably have some great skill sets to run a recruiting function.

Another trend I'm seeing globally is corporate TA shops beginning to build their own internal recruiting agencies. For years, many on the corporate side of the fence discounted this. Agency recruiting is a $3 trillion business, but what the heck do they know? Corporations are finally starting to pay attention and throw aside the belief that "our" recruiters don't recruit "that" way.

Which way is "that" way? Oh, you mean that they do actual recruiting!

When I look at the greatest corporate-recruiting functions, I'm seeing dynamic recruiters and sourcers who rival anything you'll see on the agency side. We see recruiting departments with great technology stacks, successful measures, and innovative ways to compensate and reward those on the team who perform best. What we are beginning to see are corporate talent-acquisition shops that are no longer cost centers, but rather are driving the future of the organization.

Today's corporate-recruiting shops are not the personnel departments our parents ran. This isn't your grandpa's Oldsmobile!

Make sure you put Recruiting Trends & Talent Tech LIVE! on your calendar for February. Go out and buy me a nice birthday present, and I'll see you in Vegas to talk about all the talent trends that matter!

Tim Sackett is the president of HRU Technical Services and blogs at the Tim Sackett Project.

Human Resource Executive HEALTH & BENEFITS LEADERSHIP CONFERENCE

Reducing the financial stress of lower-paid workers can have big benefits for both the workforce and the company. BY ILYCE GLINK

Lower-Wage Workforce Woes

We're in the best economy the U.S. has enjoyed in 12 years, yet the vast majority of employees still say they're financially stressed. How employers handle this will impact everything from retention and workplace accidents to healthcare costs and outcomes.

Experts say the financial stress employees feel is real and is especially acute for lower-wage workers. Recent statistics include:

- The Federal Reserve Bank's latest *Report on the Economic Wellbeing of U.S. Households* found that, while economic wellbeing has generally improved over the past five years, 40 percent of U.S. households still say they cannot cover a $400 emergency expense.
- About 78 percent of U.S. workers live paycheck to paycheck, including one in 10 workers earning at least $100,000 per year, according to a 2017 CareerBuilder survey.
- As of December 2018, total U.S. consumer debt is $13.46 trillion, up nearly 4 percent from a year previously. Non-mortgage debt is nearly $4 trillion, or about 30 percent of total U.S. consumer debt, up 46.4 percent from 10 years ago, according to an Equifax analysis. Total write-offs of non-mortgage debt, including auto loans and leases, student loans and credit-card balances for 2018 through October, was nearly $84 billion, up 11 percent from a year before. Student-loan write-offs cover 32 percent of the rise.


Ilyce Glink

- Americans are relying on credit cards like never before: Nearly 60 percent of Americans have a credit card. The typical American has 2.5 cards and carries an average balance of $4,293, according to Experian. And, interest rates are rising, meaning payments on that debt dig even deeper into employees' pocketbooks.

Healthcare is taking a bigger bite from barely growing wages: Annual premiums for employer-sponsored family health coverage reached $19,616 in 2018, up 5 percent, with workers paying an average of $5,547 toward the cost of coverage. The average deductible was $1,573 for single coverage.

- Thirty-nine percent of large employers offer only high-deductible healthcare plans, up from 7 percent in 2009, according to a survey by the National Business Group on Health. Half of all workers have health-insurance deductibles of at least $1,000 for an individual, up from 22 percent in 2009, according to the Kaiser Family Foundation.

Financial stress can have a profound effect on how employees do their job. And the cost of this stress to American business is $250 billion lost annually, according to Mercer's *Inside Employee Minds Financial Wellness Survey*, as employees spend an average of 12 work hours per month worrying about their money.

This isn't just an American problem. Globally, employees are feeling financial stress and are growing increasingly concerned about the state of their finances today and over the long term, according to the Willis Towers Watson *2017/2018 Global Benefits Attitudes Survey*. Twenty-seven percent of workers globally report severe stress, anxiety or depression over the past two years due to their financial situation, with worsening financial wellbeing diminishing employee productivity, engagement and health.

"It's pretty sobering. People are living well beyond their means," says Dr. Bruce Sherman, medical director for population health management at Conduent HR Services. And for employers, Sherman says, "there is a direct cost and an indirect cost related to financial stress: lost productivity, worker turnover, performance, absenteeism and presenteeism. But at least half the costs are associated with poor health."

(Editor's note: Ilyce Glink will moderate the closing panel discussion on financial stress among lower-wage workers at this year's Health & Benefits Leadership Conference, with panelists Sherman, Lowe's Corp. Head of Rewards and Experience Gregor Teusch and Atrium Health Assistant Vice President of HR Brandi Newman.)

An Impossible Choice: Food, Rent or Prescription Meds

A 2014 study by the National Health Interview Survey found that chronically ill adults who reported inconsistent access to food due to financial instability were much more likely to skip filling drug prescriptions. In other words, employees are making the toughest choices: Feed their families, keep the lights on or access the healthcare services they need.

"People aren't using [healthcare] services because they're out of cash," Sherman says. "With lower-wage workers, personal health concerns are a lower priority unless people are symptomatic, in which case they go to the ER."

The rising cost of insurance isn't helping. Over the past year, the average cost of a single health-insurance premium increased 3 percent to $6,896, while the average family premium increased 5 percent to $19,616. This doesn't sound too bad, except that the 2.6 percent increase in workers' wages last year was eaten up by inflation, which rose 2.5 percent. That means higher healthcare costs cut further into employees' take-home pay.

Overall, the average premium for family coverage has increased 20 percent since 2013 and 55 percent since 2008, according to the Kaiser Family Foundation's *2018 Employer Health Benefits Survey*, far above both the rate of inflation and worker-wage increases.

Worse, according to the Centers for Disease Control and Prevention, nearly 44 percent of the population is enrolled in a high-deductible healthcare plan. That means employees who choose those plans—primarily because they reduce the amount of the payroll deduction—then have to front the full cost of the high deductible for themselves and their families.

"Too many employers believe that, because they are seeing a low-cost-deductible trend, it means less need for services," Sherman says. Instead, it's about preservation of cash. What happens then is typically much more costly for both the employer and employee: "You see catastrophic claims and diagnoses of advanced cancers where, with an early diagnosis, someone could be cured with inexpensive treatments versus not being cured later on, even with much more expensive therapies."

At a recent conference, Kent Lingerfelt, senior vice president of compensation and benefits at Equifax, relayed how the company used its own Benefits IQ data. Through this process, it discovered that, for employees earning $30,000 per year, healthcare premiums plus the out-of-pocket maximum represented nearly two-thirds of net pay, and more than 25 percent of net pay for an employee earning $60,000 per year.

"It's unsustainable," Lingerfelt said, noting that the company undertook a major redesign of its health benefits due to this discovery in order to lessen the financial burden on its lower-paid population.

Can You Solve Financial Stress by Raising Wages?

Discussions about how to reduce the financial stress of lower-wage workers inevitably move to raising the minimum wage. Several cities and some states have boosted minimum hourly wages to $15, well above the federal minimum hourly wage of $7.25.

"Our average wage is north of $15 per hour," says Teusch of Lowe's.

Simply raising wages isn't enough to compete in today's labor market, he argues, even if it were affordable. "The first observation I'd make is that the current labor market is different and, by different, I mean that [compensation] expectations have been raised in a meaningful and compelling way."

Teusch says all employees, including lower-wage workers, want the flexibility to manage their own hours. They are looking for extra income but also for meaning and purpose. They want recognition as well as policies that seem tailored to specific situations, such as commuting or child-care assistance.

Employers "have to evolve beyond base competitiveness" and design specific experiences to help employees navigate across the lifecycle, he says.

"We have people who struggle to make it paycheck to paycheck because of what's going on with their lives. In the modern economy, there's more anxiety than there ever has been, and we've tried to provide a stable foundation," Teusch says.

All Lowe's associates participate in bonus plans and have access to affordable healthcare, he adds. The company also offers 401(k)s and is among the few that do not provide for loans from a 401(k) "because we want people to retire with a more robust financial picture than the industry norm."

In addition, Lowe's is evaluating financial-technology solutions that allow employees to shorten payroll cycles and set up special budgets and savings vehicles. The company also has a financial-relief fund that helps associates go through budget-busting events, such as fixing a broken-down car or covering an emergency medical expense.

"Our employees' needs aren't the same, even if they're all lower-wage," Teusch notes.

Helping Employees Jump into a Higher Wage Bracket

Companies that can't afford to raise wages across the board may still be able to move at least some of their lower-wage employees into a new wage bracket, solving two problems at once.

Newman of Atrium Health says that roughly half of the company's 60,000 employees are lower-paid, with about 3,800 full-time employees earning less than $30,000 per year. This includes certified nurses' aides or assistants and certified medical assistants, as well as environmental-services technicians, housekeepers, instrument technicians and patient transporters.

"What we find is that this population doesn't manage money well," she says. "We find that education is the key [to turning this around], and they're open and receptive to it."

Atrium offers several financial-education initiatives, including sessions on why investing in a 401(k) plan is a smart move, and why never borrowing from it is even smarter.

"What we did was give them regular education over the course of several months in small bites about our retirement plan. We can see over time that their 401(k)-loan usage goes down and their contributions to the plan go up, and the rate of contributions is rising, too," Newman says.

Atrium has completed two rounds of education, the first with more than 100 environmental-services workers, and the second at a facility with a high proportion of lower-income workers, with similar results at both.

Beyond educating employees around a specific benefit, Atrium has begun to address another employment need—the ongoing shortage of nurses—with an innovative pilot program: putting Atrium certified nurses' aides through the coursework necessary to become registered nurses.

Despite a high demand for nurses, only 4 percent of Atrium's CNAs were going on to become RNs, struggling to afford tuition and continue working while completing their schoolwork, causing many to drop out of school.

"So we decided to create a program that would address those issues," she says.

All of the employees in this highly customized pilot program are expected to graduate and will see their salaries jump, from an average of $24,000 to $68,000 per year, adds Newman, taking them out of the lower-wage bracket.

"We're the largest employer in Charlotte, and we are the last out of 50 large cities in the country for economic mobility. If you're born poor [here], you're going to stay poor. You have just a 4 percent chance of moving out of poverty. We want to be a leader here and get people working for us and moving up in their careers," she says.

Ilyce Glink is an award-winning financial journalist and the founder and CEO of Best Money Moves, a financial-wellness platform.

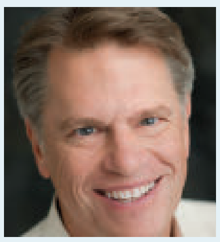
Human Resource Executive HEALTH & BENEFITS LEADERSHIP CONFERENCE

The Health & Benefits Leadership Conference will be held April 24 through April 26 at ARIA Resort & Casino in Las Vegas. Go to www.benefitsconf.com for more information.

Strecher Explores Power of Purpose in Keynote

Vic Strecher, professor at the University of Michigan's School of Public Health, will deliver the opening keynote at the seventh annual Health & Benefits Leadership Conference in Las Vegas on April 24.

For more than two decades, Strecher has been a leader and visionary in the fields of health and wellbeing, creating new solutions that operate at the intersection of the science of behavior change and advanced technology. An innovative teacher and researcher, he founded the University of Michigan's Center for Health Communications Research in 1995, studying the future of digitally tailored health communications when fewer than 15 percent of Americans had internet access.



Vic Strecher

Employers are currently struggling with a broken employee experience. Employees want meaningful work, a positive culture and a manageable work/life balance while the C-suite expects performance, agility and growth. In the session, "Purpose: How Living for What Matters Most Changes Everything," Strecher will discuss the wisdom of purposeful living, and offer specific and innovative approaches to provide what employees want and what the C-suite expects.

"HR professionals attend our conference each year to learn the latest ways to attract new employees, retain top talent and improve employee engagement," says David Shadovitz, HBLC program chair and editor of *Human Resource Executive*®. "We are excited to have Professor Strecher as our featured keynote speaker. His inspiring message will discuss the incredible power of living with purpose, which he believes is missing in many health, talent and organizational strategies."

Strecher, author of *On Purpose* and *Life on Purpose*, is the founder of HealthMedia, a digital-health-coaching company that was acquired by Johnson & Johnson. His most recent venture, JOOL Health, is a digital platform integrating the science of wellbeing with big data, biometric devices, predictive analytics and artificial intelligence.

EXECUTIVE Q&A

Michael Burke, CEO of talent, rewards and performance
Aon

Q: What are the biggest challenges facing HR leaders today as far as talent management is concerned?

A: When I think about 2019, I see two big factors impacting what businesses and HR leaders need to do to be successful: The first is disruption and the second is volatility. Whether it's changes in the global economy, government shutdowns or market fluctuation, those are the things that make it difficult for business leaders to know which direction they need to go in, especially as it pertains to talent management.

Business models are changing so fast that the war for talent—both in hiring talent and retaining critical talent—is becoming more aggressive as organizations continue to face disruption.

When it comes to building the workforce for the digital age, finding people with the right skills can be a challenge. Organizations are struggling with answering, "What does *great* look like?" and that's where analytics can come in. The data are there, they just need to be harvested and interpreted.

Finally, even with a clear business strategy for how to grow and survive in this complex and volatile environment, younger generations in the workforce want to understand their value and purpose of the organization they are joining. Defining the mission of the company and linking it to a greater social responsibility, or an employee's sense of purpose, is becoming more important for organizations to be successful.

Q: Where do you expect to see HR and talent-management leaders focusing their attention in the coming months as they attempt to address those challenges?

A: While HR continues to do more with less, a top area for prioritization should be the digitalization of HR processes. With the advent of different technology applications, HR processes are becoming more standardized. There is a higher digital footprint around the processes themselves resulting in more of a consumer-grade experience—leading to a better employee experience.

Traditionally, HR has played the role of being more operational and, as the function continues to evolve into a strategic business partner, part of that includes being critical and accountable for the HR initiatives that are in motion at an organization.

It's not uncommon for an HR initiative to stay in program indefinitely. On top of that, new programs and new initiatives are being added that might have higher business importance, such as pay equity, diversity and inclusion, and mitigating hiring risk.

HR leaders must start showing the empirical relationship between an HR initiative and the business results the initiative is driving. An example of this is having the capability to link talent rewards to business results. Historically, analytics have been more about data validation, as opposed to using data to drive outcomes. Linking talent outcomes to real business results and being able to show direct connections between the two should be an area of focus in the year ahead.

Q: What areas of employee talent management are especially ripe for innovation?

A: HR professionals have a surplus of data on their workforce, job candidates and rewards program. As an HR professional, you're probably saying to yourself, "What do I do with all these data?"

That's where leading organizations are starting to tap into artificial intelligence. There is massive disruption taking place with how HR experts are looking at and interpreting people data.

Artificial intelligence augmented with human judgment allows HR professionals to model the data and understand them through the lens of human expertise and use them in the right way. Additionally, for organizations that might not be ready to tackle artificial intelligence, there are still opportunities to innovate and take a new approach to their holistic programs around talent, data and rewards. HR is still very much all about the people and there are so many core HR processes that can be re-evaluated in light of all of the macro-economic and transformation changes that are on the horizon.

The worst thing you can do is to say that we'll just continue to look at these things in isolation. Suddenly, you've waited too long and then you're unable to catch up—you've just created a big disadvantage for yourself.

To read our whitepaper on creating a workforce for the digital age, visit https://aon.io/DigitalTransformation.

EXECUTIVE Q & A

Arabelle Fedora, vice president & managing principal consultant, talent management Right Management

Q: What are the biggest challenges facing HR leaders today as far as talent management is concerned?

A: The digital age has given rise to a skills revolution. Talent shortages are growing—46 percent of U.S. employers say they can't find talent to fill open jobs. Technology is transforming how work gets done, creating new roles that require new skills as routine, repetitious tasks are being increasingly automated, and consumerism is prompting companies to place greater value on customer service and last-mile delivery. Technical skills are hard to find, and soft skills are hard to train.

In these conditions, employers need new ways of attracting the people and skills they need to grow. Employers need to acknowledge that candidates are consumers too, and work to attract talent by providing a strong employee-value proposition, clear purpose and attractive culture.

Adapting to the skills revolution requires a willingness to change and learn at all levels: from entry-level to C-suite. The critical starting point is hiring for and creating a culture of learnability. The future is less about what people already know or jobs they've done and more about their ability to learn. Skills are the new currency.

HR will help bridge the gap between technology and talent to accelerate the digital transformation already underway. HR's core function has always been to drive the organization forward—to build the capabilities, behaviors and mindsets that will enable the business to reach its goals and potential. This is more important than ever.

Q: Where do you expect to see HR and talent-management leaders focusing their attention in the coming months as they attempt to address those challenges?

A: With growing job demand and a limited talent supply across the U.S., we see 2019 as the year of employee choice. In a tight labor market transforming with the pace of technology, skilled workers call the shots and are increasingly able to choose where, how and when they want to work. Transforming your workforce in the digital age has immense potential to create value for business and individuals—as long as leaders are ready. Wherever companies are on their digital journey, leaders need to be more agile than ever to unleash human potential, develop skilled talent and pair it with the best technology.

So what's the best way to attract in-demand workers? As new skills emerge as fast as others become obsolete, employers need to invest in training and give employees the chance to upskill for in-demand jobs. This is good news—because workers also want the chance to upskill. Four out of five millennials would even change jobs for the same pay if it offered more skills-training opportunities.[1]

In 2018, over half (55 percent) of employers reported investing in learning platforms and development tools to build their talent pipeline, a 35 percent increase from 2014, according to the ManpowerGroup *Talent Shortage* survey.

By analyzing current and future demand for specific roles, we can create tailored career tracks for people to upskill and progress in their careers in growth industries. Helping leaders understand the future skills they need gives them the competitive edge that will drive the business forward.

Q: What areas of employee talent management are especially ripe for innovation?

A: Organizations will have to change their mindset around talent. While some key principles around attracting, engaging, developing and retaining talent are "classic" and will never change, organizations must change their practices in order to achieve different results.

We expect to see an increased use of data to drive decision-making. Given the pace of advancements in technology, and the growing importance of data-driven decision-making, more organizations will turn to assessments as a core component to understand their workforce better. Assessments help employees better understand their own interests and capabilities and are an invaluable tool to identify leadership potential.

There is no longer a one-size-fits-all approach to talent. All talent-related workstreams will become increasingly tailored to the needs of an individual, at a given moment in time, as opposed to cohorts over the long run.

Understanding the skills you have, the skills you will need and how to bridge that gap is critical to building a diverse workforce while helping people develop skills to stay employable long-term.

Learn more at right.com/NorthAmerica2019.

[1] *Manpower Group.* Millennial Careers: 2020 Vision. *https://bit.ly/2Fmlj96.*

EXECUTIVE Q&A

Ryan Ross, managing partner
Hogan Assessments

Q: What are the biggest challenges facing HR leaders today as far as talent management is concerned?

A: For decades, HR leaders have faced daunting challenges keeping up with an evolving business arena. That hasn't changed. But with the renewed focus on talent and leadership, these challenges have become magnified like never before. Though the challenges are numerous, three have found their way to the top of the list. First, there's the issue of driving the talent pipeline deeper into the organization. Historically, organizations only focus on a small portion of their workforce they consider future potentials. This strategy discounts and minimizes all the valuable skills and knowledge less visible employees may hold. As business needs change overnight, so do high-value skills and experiences—and the experts who possess them might already work at the company.

Second, HR professionals must harness big data effectively. While data are everywhere, few organizations manage to leverage them in an efficient and impactful manner. The latest dashboard and visualization tools are helping, though the rush to analyze HR and performance data may lead to challenges and errors in evaluating talent.

Finally, business leaders must take charge of talent development. Many organizations still hold a 1990s mindset and believe the responsibility for talent management lies solely with HR. We now know successful organizations hold their business leaders accountable for the identification, growth and retention of key talent. Too often, poor leadership impacts their ability to retain and grow the next generation of leaders.

Q: Where do you expect to see HR and talent-management leaders focusing their attention in the coming months as they attempt to address those challenges?

A: With each new year comes new technology and consulting practices to ease many of these challenges. Technology platforms help talent teams dig further into the organization to create vertical and horizontal pipelines. Organizations now focus on identifying key skills and capabilities possessed by young or historically effective individuals that might not have made it onto traditional talent lists.

Along the same lines, HR teams are starting to understand how to successfully use the data they have at their fingertips. Though organizations may have narrowed down what data they need for a specific task, the nature and importance of that task may suddenly change. Targeted snapshots of data that let the organizations make swift decisions will become an important tool this year.

Additionally, business leaders will be increasingly be judged by both results and talent. These factors are not disconnected, as leaders cannot achieve the right results without the right talent. Keeping that talent engaged is also crucial, though engagement can't happen without providing talent development and clear opportunities for future growth.

Q: What areas of employee talent management are especially ripe for innovation?

A: Ongoing innovation in talent management will likely focus on three areas. First, we will continue to see the growth of data visualization and management tools. These tools will make complex HRIS data user-driven and organizationally relevant. Second, we will likely see innovation in assessing and developing the skills of the growing number of remote workers. Remote talent is real, though it is often discounted due to the perceptions of being disconnected—out of sight, out of mind. Finally, the concept of a talent passport is becoming real. Key talent now find ways to leverage their mobility, experiences and skills. This view, or passport, of their background, development programs, personality and success is likely to create a new war for talent as talent begins to shop itself.

About Hogan Assessments

Hogan Assessments is the global leader in providing comprehensive, research-based personality assessment and consulting. Grounded in decades of science, Hogan helps businesses dramatically reduce turnover and increase productivity by hiring the right people, developing key talent and evaluating leadership potential. Hogan's assessments are available in 57 countries and 46 languages, and are used by more than 70 percent of the Fortune 500. For more information, visit www.hoganassessments.com.


Personality

EXECUTIVE Q&A

Diana Scott, CHRO
Guardian Life

Q: What are the biggest challenges facing HR leaders today as far as talent management is concerned?

A: The pace of change and the rate of digital disruption in the marketplace are the biggest challenges to business in general and, therefore, to the most important asset businesses have: their talent. They also represent the biggest competitive advantages you have if you can address them effectively.

The dynamic environments we operate in require different skill sets, different expertise and different ways of applying both of those. Bringing diverse perspectives to the table is foundational; however, it's not enough. The challenge is in how to get those different perspectives working collaboratively and channeled toward solving problems and seizing opportunities. Building a culture that places real value on different perspectives and a wider range of experiences is essential. Organizations that do this find new cultural norms emerging that allow teams to innovate, collaborate and, ultimately, grow at the speed required to compete today.

Q: Where do you expect to see HR and talent-management leaders focusing their attention in the coming months as they attempt to address those challenges?

A: First is finding the right mix of diverse talent. Competencies and skill sets are equal parts technical and soft, but also increasingly wide-ranging. While individual areas of expertise are important, depth and versatility are essential. There are too few people who have deep experience operating in the current marketplace dynamics, and it creates a constant talent shortage. Once you attract the right people, focusing on modern learning and development to make sure they remain expansive in their ability to contribute is vital in a world that evolves so rapidly.

Next, you must create the framework for successful collaboration, particularly if you expect this to happen cross-functionally. This includes helping shape the norms around how people need to work together. Bringing clarity to rapidly evolving team structures in matrixed environments is key to this. Additionally, breaking down silos has never been more important. Identifying and facilitating decision-making may sound process-laden, but it allows those diverse perspectives to surface.

The tools that catapulted the tech and digital industries forward are now an essential part of the HR playbook in all industries: human-centered design thinking and agile-methodology work teams are just a couple of examples. HR has to be the enabler of the nimble thinking and actions these iterative approaches produce.

Finally, you must establish alignment between the new diverse competencies and what you want people to achieve. How you recognize and acknowledge the right behaviors—beyond individual financial incentives—directly determines the motivation of teams to perform. Establishing measurement of the right outcomes is vital and requires new uses of data and analytics to inform how you track those human behaviors.

Q: What areas of employee talent management are especially ripe for innovation?

A: We have to continue to use technology to disrupt ourselves. Although data are constantly making us more efficient, AI is enabling new levels of automation. Better talent identification is a significant area of opportunity.

Technology, from gamification to predictive analytics, helps us find valuable skill sets in candidates (internally and externally) we might not otherwise see. Ironically, these same technologies can also help us identify softer skills that are equally essential, such as effective communication, feedback and collaboration skills.

Overall, we need to innovate around leadership—what it means, how to train and how to reward. Leaders, in particular, are being called upon to guide these new, wide-ranging, flexible organizations. They must embrace diverse viewpoints and simultaneously bring productivity to interactions. They are navigating teams with skill sets that previously didn't even exist.

Leaders are responsible for setting the tone of a dynamic, always-on, learning culture that's essential to unleash creativity and lead to faster, better innovation. Without talented leaders who embrace this learning culture, you're more likely to be disrupted than to be a disruptor.

EXECUTIVE Q & A

Lisa M. Buckingham
EVP, chief people, place & brand officer
Lincoln Financial Group

Q: What are the biggest challenges facing HR leaders today as far as talent management is concerned?

A: The workplace continues to grow more complex. Ensuring we are managing our greatest asset—our employees—in a way that continues to move our organizations forward in an ever-changing, noisier and more competitive world has never been more challenging. From recruiting, hiring and developing skill sets of the future to managing multiple generations in the workforce, accommodating changing employee expectations—especially from newer-career employees—and managing remote and "gig-economy" talent, our teams are constantly being pressed to be agile, flexible and on top of our technology, digital and big-data game.

What are our biggest challenges?

Staying ahead of evolving skill-set needs, learning all we can about using technology to simplify our craft and improve the employee experience and competing for the best talent in the industry—wherever it may be found—in a fully employed marketplace, all while always, always keeping the "human" front and center in human resources.

Q: Where do you expect to see HR and talent-management leaders focusing their attention in the coming months as they attempt to address those challenges?

A: I anticipate we'll be doing a lot of listening, learning and growing. Listening really should be about 80 percent of our jobs—and we'll especially be listening to the changing and evolving needs of a transforming business, an increasingly "digital-first" employee base and a candidate pool that has more flexibility than ever to choose the employer that best meets individual values, needs and preferences.

We'll also be focused on investing in our tools so we can ensure our HR employees are able to be smarter, faster and more effective than ever. We need to make technology and data our friends so we can continue to grow business value and contribute to overall success.

And we'll be focused on creativity and learning from each other and from our peers in the industry who are piloting and perfecting new ways of talent management every day. Attracting and retaining top talent is always a key focus, and from more personalized training and development approaches to adaptable work arrangements, flex schedules and project-based employment, we have a lot to learn and adapt to in the year ahead.

Q: What areas of employee talent management are especially ripe for innovation?

A: I see three critical areas. First, we have a growing need for smarter use of data to better understand both our business needs and our current/prospective employees so we can better tailor everything, from where and who we recruit to the job offers we extend, training and development, and benefits and other incentives.

Second, we have an enormous opportunity to leverage AI and other digital and virtual platforms to better personalize training and development. It's critical that we continue to find new ways to help employees grow their careers within their respective companies.

And, finally, we need to find new, innovative and creative approaches to attracting and retaining remote and part-time/flex-time/gig-economy workers. Our traditional "in-the-office" models and systems don't work for these employees, and we know that their penetration across corporate America is a growing trend.

Navigating HR Data Security

Mid-market employers can lean on their HR vendor to meet data-security and compliance challenges.

BY TOM STARNER

When John Jacobus arrived at Geller & Co. just over three years ago, the strategic financial-consulting firm was looking to a major overhaul of its HR systems—everything from payroll and compensation to benefits and HRIS stood to be revamped.

As Jacobus, director of human capital systems and compensation for the New York-based firm, assessed the situation, he and his partners in IT and finance sought to transform the firm's HR function to one fueled by cloud-driven platforms, which work entirely on the internet and make updates and changes an easy, smooth process compared to yesterday's legacy systems. Naturally, that meant enhancing the firm's focus on HR data security and compliance. For mid-market firms like Geller & Co., that also means paying special attention to the bottom line. Geller looked for the same peace of mind that larger employers get when it comes to data security, but without the internal IT expertise or budget to get there.

Geller & Co.'s John Jacobus believes HR vendors can be central to data security.

"We're a relatively small professional-services firm," Jacobus says. Geller & Co. provides custom strategic financial-advisory and wealth-management solutions for businesses, individuals, families and not-for-profit organizations that rely on the firm for independent and cross-disciplinary advice. With that, many of the more than 500 Geller & Co. employees are accountants, financial analysts and technology professionals.

"We pride ourselves on our ability to provide very high levels of service to our clients," says Jacobus, who supports HR operations for the firm, including payroll, compensation, benefits, systems and analytics.

When he came to Geller in 2015, the firm had had five different standalone HR-related systems. The organization also recognized the potential to reduce the amount of paperwork required by employees and to increase employee self-service.

To improve its HR house, along with the data security and compliance challenges that needed to be met, Geller turned to Workday after thoroughly evaluating three competing enterprise-class cloud-based HR platforms. Among Jacobus' primary goals were ensuring that employee data were protected and that the firm was meeting all HR-based data-compliance requirements.

"Security and privacy are paramount for our clients—so that mindset is woven throughout the entire firm," he says. "Our HR-system landscape today better reflects our view that data security and privacy are critical."

Since Geller & Co. decided to move forward with Workday, the main focus on data security was defining who could interact with what data.

"That is a critical thing for us," Jacobus says. "We spent a lot of time and energy making sure that we had the right roles defined across internal HR operations to ensure only the right people were assigned to the right roles, and those roles [could have] limited access to only very specific data elements."

In addition, Geller created unique protocols governing who can access data from within the office versus from outside of the office. That is especially important because many of Geller's staff work at client locations where sensitive internal data must not be exposed.

Jacobus explains that Workday has some of the pre-built roles and configuration permissions associated with things like HR partner, benefits partner, etc. In short, he says, Workday has done what it takes to provide visibility rights to those roles based on what has worked at other complex, global organizations. As a result, many standard industry practices related to internal HR operations, data visibility and control were available as a pre-built solution.

Jacobus advises mid-market colleagues to understand the importance of any HR platform's data-security model and whether it has been field-tested by large, tech-based employers, as is the case with Workday's offering.

"These other companies, whose businesses depend on protecting highly sensitive user data, are already on board with the Workday model and have realized success with protecting employee data and complying with local data-privacy requirements over several years. Generally, it seems like a good qualifier that, if Workday can meet the needs of global, highly complex companies whose data-security and compliance needs are foundational to their business, it should meet the basic requirements for our geographically and structurally simple organization," he says.

Of course, having said that, Jacobus adds that HR should review and validate the details. "But by and large, as a baseline for mid-market companies, it's worthwhile to leverage the security framework and controls built by the leading vendors whose business depends on providing data security and compliance to their customers. There's already a multi-year history and track record of success with data security and compliance," he adds.

Jacobus notes that Geller is increasingly receiving inquiries for evidence that it has a strong HR data-security and compliance approach in place—both from clients and internally. The latter often asks how Geller is complying with myriad local, state and federal laws regarding employee and customer data security.

"Across the board, we are continuing to feel an uptick in the compliance requirements and complexity," he says.

Finally, Jacobus says, it's critical for organizations to rely on the HR vendor for expertise in terms of guiding customers and offering tools to navigate growing compliance complexity. He cites, for example, how Workday's user community can be a valuable asset for collaboration as it relates to data security and compliance.

"With the user community, Workday Community, we can collaborate with other customers who are live on the same version of the platform and ask them what they've been doing and how they've been navigating and complying," he says. "We've been able to get down to the tactical items with other Workday customers and, in some cases, actually share report definitions that we can import and use. It's a powerful thing to be able to collaborate at this level due to the fact that everyone is on the same version of Workday."

In the end, Jacobus says, HR leaders should not be shy about reaching out to other customers on the platform to ask for support and help with understanding what tools are available to navigate the data-security and compliance landscape.

"Most of all, make sure whatever vendor you choose to work with, they truly get HR," he adds. "They need to understand the nuances of how tricky seemingly small things can be, and how life-changing or impactful addressing those issues in an elegant way can make running day-to-day HR operations around data security."

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In the face of full employment and unprecedented access to job opportunities, employers are looking to innovative perks to retain valued workers.

Incentives in the Age of Attrition

BY JULIE COOK RAMIREZ

On any given day, a visit to the Ventura, Calif., headquarters of Patagonia Inc. could yield a bustling center of activity or a ghost town of empty work spaces. The irreverent outdoor clothing and gear manufacturer prides itself on giving employees the freedom to engage in those activities that make them an asset to the admittedly unconventional company. Visitors may encounter a bevy of wetsuits strewn across the parking lot, drying in the California sun, because the surf was up and employees took advantage of Patagonia's Let My People Go Surfing policy. Other workers may have been drawn to the mountains by reports of fresh powder and taken the day off to go skiing.

Inside Patagonia's headquarters—which bears the appearance and feel of a ski lodge—women can be found discreetly breastfeeding their babies in meetings or designated rooms, while other employees suddenly break from their work stations and dash to the company's on-site child-care center to see their son or daughter walking for the first time. Some employees may not be there at all because they're participating in Patagonia's Environmental Internship program, which provides up to two months of paid leave to those who volunteer with a grassroots environmental group anywhere in the world. They may be saving sea turtles in Hawaii, working on the restoration of wild lands in Chile, volunteering at the Marine Mammal Sanctuary on the Channel Islands or engaging in other vetted activities. In addition to providing full pay and benefits, Patagonia gives the 100 to 150 employees who participate in the program each year a small stipend to offset travel expenses.

Deeply dedicated to civil activism, Patagonia bails employees out of jail if they're arrested for peaceful protesting. The only requirement is they complete the company's peaceful-protest training and let management know of their planned actions in advance. It's all part of the company's unconventional approach to doing business, one that centers on running a sustainable company while empowering employees to lead full, active lives, engaging as often as possible in the activities that fulfill them.

While Vice President of Human Resources Dean Carter says, "Everyone is here because they want to save the planet," there's little doubt these unique offerings play a significant role in incenting employees to stay with the company. Patagonia is consistently ranked near the top of multiple best place to work lists, and 96 percent of employees say they're proud to tell people they work there, according to the Great Place to Work Institute. Even in this current era of full employment, Carter says, Patagonia is experiencing "ridiculously low rates of turnover"—averaging 4 percent at the corporate office and half the industry norm in its warehouse and retail stores.

"We've had zero change in our ability to recruit or retain great talent," says Carter. "I joke about it being the 'Hotel California'—once they check in, people do not leave."

Of course, not every company is so fortunate. With unemployment at record lows and workers having plentiful opportunities to seek greener pastures, many organizations are struggling to keep employees from jumping ship.

"Never before have we had a workforce with such access to the world of information, access to other opportunities and access to a large network of people working at other organizations," says Ryan Jenkins, an Atlanta-based generations expert and frequent speaker on millennials and Generation Z. He is also the author of *The Millennial Manual: The Complete How-To Guide to Manage, Develop and Engage Millennials at Work*. "If they are disengaged or dissatisfied at work or with their employer," Jenkins says, "they are literally a finger swipe away from going somewhere else."

Putting People First

While a certain amount of ebb and flow in attrition is natural, Chris Dornfeld, vice president and head of employee experience at Maritz Motivation Solutions in Fenton, Mo., says diverging factors have made the problem more acute, particularly in the technology sector, where turnover rates average in the 20 percent to 25 percent range.

That reality is all too clear for Ultimate Software, a Weston, Fla.-based maker of cloud-based HCM solutions. The company competes head-to-head with Silicon Valley for talent, but Ultimate Software has managed to keep turnover consistently in the 5 percent range. Vice President of Human Resources Kathleen Pai credits an assortment of innovative perks and programs built around the company's founding principle of "People First" for making that remarkable figure possible.

At the heart of "People First" is a commitment to the community that is woven throughout the culture at Ultimate Software. All of its 4,200 employees are given three "Ulti Service" days per year, during which they're encouraged to volunteer with their choice of dozens of partner organizations. Employees sign up as individuals or teams and spend their day rebuilding or painting a home, working at a homeless shelter, pitching in at a local school, helping out at a food bank or engaging in any number of other charitable activities. The program is a "huge motivator" for the company's valued employees, says Pai.

According to Jenkins, such opportunities are of particular interest to younger employees, who are looking for more of the "human element" at work.

"When employers can present opportunities for folks to connect with each other at a very human level and do something that's meaningful to the community," he says, "that speaks volumes for the organization and can do wonders as it relates to engaging and retaining the next generation."

For the 300 employees of Palram Americas Inc., a Kutztown, Pa.-based manufacturer of polycarbonate and PVC products, opportunities to connect with each other's families go a long way toward creating a sense of community. Each year, the company buys out a section of the ballpark and treats its entire workforce, along with their families, to a Lehigh Valley IronPigs Minor League Baseball game. Employees are also encouraged to bring their spouses and children to Palram's annual holiday party and to other on-site celebrations.

"It's a really great way to connect outside of work with your home family and your work family and draw that connection," says Vicki Feller, senior HR business partner at Palram. "When [employees] get home [from work each day], the kids can say, 'Hey, how's that guy you introduced us to?' "

At Patagonia, the company's on-site child-care center helps create such strong bonds among employees and their families, Carter believes it gives workers second thoughts about leaving.

"It's really difficult to leave a company when you are not only leaving your friends, but you are pulling your children away from their friends, too," he says. "Of all the things we do, on-site child care is the one that most impacts retention, engagement and even health because parents are less stressed out when their kids are nearby."

Confidently Competitive

Health and wellness remain a strong focus for many companies, with a number moving way beyond standard offerings into more innovative programs. Palram sponsors an annual wellness day, with vendors coming on-site to educate employees on health-related matters, give flu shots or back massages, or perform biometric testing, such as blood glucose and cholesterol. Each year's program is structured around a chosen theme—the most recent was "superheroes"—and employees who visit all the stations are eligible to win a prize.

While she concedes that traditional pay and benefits will always be important motivators, Feller is confident such extras can help convince employees to stay the course with Palram, rather than giving in to the lure of a competitor.

"It's still important to remain competitive from a compensation perspective because, at the end of the day, bills need to be paid, but concentrating on unwritten benefits is important as well," she says. "Across the street might be paying 25 to 50 cents more an hour, but you are getting so much more here."

At Ultimate Software, a wellness coach provides one-on-one consultations, along with group activities and lunch-and-learn sessions, all focused on helping employees achieve overall wellbeing. Those who demonstrate they've made healthy lifestyle choices earn $300 per year to be used for "whatever they feel makes them be a well person," such as massages or gym memberships.

Meanwhile, League, a Toronto-based benefits-management-platform provider, gives each of its 200 employees a lifestyle spending account that can be applied to an array of health-related expenses, such as yoga classes, workout gear, nutrition counseling, art therapy, gym memberships or ergonomic chairs. The company also offers weekly yoga and fitness classes and has a designated room for on-site massage therapy. It's all a matter of demonstrating to employees that League is different by providing opportunities to "take a moment for themselves and their health and wellness," says Swati Matta, director of health and member engagement.

Another area employers are turning to in order to incentivize employees is peer recognition. With millennials and Generation Z accounting for an ever-increasing percentage of the workforce, peer recognition has become a "table stake," according to Christina Zurek, insights and strategy leader at ITA Group in West Des Moines, Iowa. In fact, the practice is so ubiquitous, Zurek says, she would be "hard-pressed to find a company that doesn't have some version of a peer-recognition program."

The approach is a powerful means of recognizing those employees who might be doing great work, but flying under the radar, says Derek Irvine, senior vice president of client strategy and consulting for Framingham, Mass.-based Globoforce. As it's virtually impossible for managers to see "everything good being done in the organization," Irvine says, one's colleagues become the eyes and ears "for when great things are being done," for which they then nominate each other to be recognized. This strategy has the potential to deliver "real ROI," he says, yet it's not without challenges.

"It's an old-fashioned, cost-effective but powerful incentive, as long as it's managed properly," says Tina Hamilton, CEO of myHR Partner in Allentown, Pa. "Companies have to be careful with those kinds of things so they don't leave people out, like the person picked last in gym class."

Regardless of which incentives or perks a company ultimately decides to offer, it's crucial that the organization keeps its finger on the pulse of the workforce to determine what will deliver the desired impact. When turnover became an issue among employees with skiing in their blood, for example, Patagonia adopted a new policy of nine-hour workdays and every other Friday off, thus giving those valued workers more opportunities to hit the slopes.

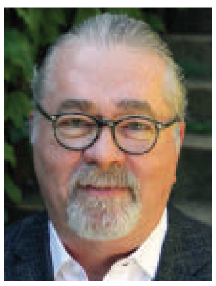
At Ultimate Software, Pai's team evaluates its programs "constantly," examining metrics to determine engagement and participation and asking employees for feedback. Likewise, Palram strives to ensure its offerings remain effective by soliciting employee input through suggestion boxes and team meetings, something Feller says the company has no qualms about providing.

"We've created a culture where employees have no problem giving us their ideas and feedback," she says. "It can't just be HR in the ivory tower, dictating what we are going to do to be a team."

Send questions or comments about this story to hreletters@lrp.com.

Emerging Intelligence

By John Sumser/Emerging Intelligence Columnist



Solving HR's Problems with a Chatbot

With today's intelligent tools, the smaller the problem, the better the answer. To the extent that you can define, describe and contain the thing you want to apply "intelligence" to, the more likely that it is a feasible solution.

This is particularly true with chatbots. They work best when tackling small, simple problems. There are two primary flavors of chatbot: scripted and unscripted.

Scripted bots, which ask questions and record responses from a set list, are effective ways to collect data for precisely defined situations. College degree? Check. Driver's license? Check. Late-model car? Check. Willing to relocate? Check. Seventy-five percent travel? Check. Stand on head for hours? No check. Sorry, you don't qualify. Having a machine work through the drudgery of qualifying 500 applicants on these knockout questions is a godsend.

On the other hand, unscripted bots take user questions and attempt to get answers from an archive of company information, like a search engine designed to provide answers to employee questions. When applied to HR, they tend to be tools that guide benefits choices, answer questions about policies, help employees use their benefits, provide intake for complaints or navigate administrative processes.

The knowledge-acquisition section of the bot consumes company policies, procedures, FAQs and other documentation to create a pool of indexed, searchable data. The translation function interprets user queries (in text or sometimes voice). The matching operation pairs the two to produce an answer.

Unscripted bots can be trained to deliver the right result approximately 80 percent of the time. If the company data are complete (and that's often a big, expensive assumption), an unscripted bot can understand the question and deliver the correct answer four times out of five.

Chatbots (and all current intelligent tools) work best when the project involves a question that can be clarified with a structured set of subordinate questions. But things get more difficult when the topic is complicated and become impossible when it is complex or chaotic.

It's worth elaborating on the categories of potential projects:

- **Simple** circumstances are ones like filling out a standard form and transferring the data from one system to another, tasks that are easy to describe and easy to repeat. Chatbots, intelligent forecasting and robotic-process automation all excel in this area.
- **Complicated** circumstances could include transferring an employee to a new location. Success usually requires coordination with different people, multiple teams and context-specific expertise. Things often go wrong, and timing and coordination can cause problems. Some of these problems are also amenable to automation.
- **Complex** circumstances are ones like developing a cadre of managers. Once you learn how to transfer an employee, you can repeat the process with other employees and perfect it. One transfer is like another transfer, but that's not the case with developing a layer of management. Although developing one cohort may provide experience, it does not guarantee success with the next. Expertise is valuable but not sufficient. The next group may require an entirely different approach from the previous one, which points to another feature of complex problems—their outcomes remain highly uncertain. Yet we all know that it is possible to develop a team of managers well, even if the process is complex. Complex problems also involve rules that change based on circumstances, making it often hard to know when the change that matters will take effect—and rendering AI difficult to use here.
- **Chaotic** circumstances are ones that defy predictability. Many of the core processes of our organizations are chaotic. They are driven by the operation's response to emergent phenomenon like key personnel shifts, reorganizations, market changes, regulatory surprises, missed financial targets, continuous improvement or new disruptive competitors. Most of the organization's processes are driven by difficult-to-predict factors, which are not favorable for automation projects.

There are two keys to successfully implementing AI projects: picking areas where the tools will work and having a larger vision of the fully automated organization. Among the latest tools out there, chatbots are a great example of the strengths and limitations of contemporary intelligent tools.

I'm already beginning my preparations for the HR Technology Conference next fall in Las Vegas. As a part of my research, I'm anxious to speak with practitioners who are implementing intelligent tools in their organizations, so please reach out to share your experiences.

John Sumser is the principal analyst at HRExaminer. *He researches the impact of data, analytics, AI and associated ethical issues on the workplace. Send questions or comments to hreletters@lrp.com.*

By The Numbers | Figures from the workplace and beyond

COMPILED BY *HRE* STAFF

13,918,000

The total number of workers impacted by minimum-wage increases that went into effect Jan. 1.

Source: National Employment Law Project

90%

Percentage of survey respondents who say their customer-facing staff are their best organizational asset for shaping the customer experience, though 69 percent admit their frontline employees currently find it difficult to meet customer expectations.

Source: Inkling

127

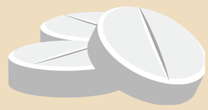
The number of women now serving in Congress—a record that pundits predict could lead to increased momentum for legislation regarding sexual harassment and workplace equality.

Source: *Boston Herald*

22%

Percentage of managers reporting they have supervised an employee they believed to be abusing opioids.

Source: Workplace Options



14%

Percentage of 300 employers surveyed that are very satisfied with their HR-analytics technology.

Source: PwC

$170,326

The average amount Employee Stock Ownership Plan participants have in their retirement plans, which is more than twice as much as the average retirement balance of Americans nationally ($80,339).

Source: National Center for Employee Ownership

73%

Percentage of employees who consider health and wellness benefits when choosing a job. (Employees place the greatest weight on wellness incentives that reward healthy behavior—26 percent—and fitness facilities or programs—23 percent.)

Source: OfficeTeam

$109,350 versus $64,544

The comparison of the salaries between an entry-level software engineer in the San Francisco Bay Area and the same position in Michigan, respectively.

Source: CollegeRecruiter.com

$30 billion

The projected market size for the global HR-management sector in 2025.

Source: Grand View Research

85%

Percentage of survey respondents who say people data are very important or important to their organizations, though only 42 percent of those surveyed believe their organizations are ready to meet expectations in this area.

Source: *Deloitte Human Capital Trends Report*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FUTURE
WORKFORCE
with a PALETTE of
INSIGHT
Digital transformation. It's here and it's disrupting businesses across all sectors. At Aon, we believe that creating the workforce for this Digital Age requires considerations for both the technology and the human being. After all, your organization is a large canvas filled with potential. We work with you to bring together the right combination of data and expertise to help you put the finishing touches on your masterpiece.
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