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# Human Resource Executive®

Southwest General Health Center CHRO Dee Weber (from right) with HR team members Tracy Coleman and Colene Kerrick

## The Recruiter Experience

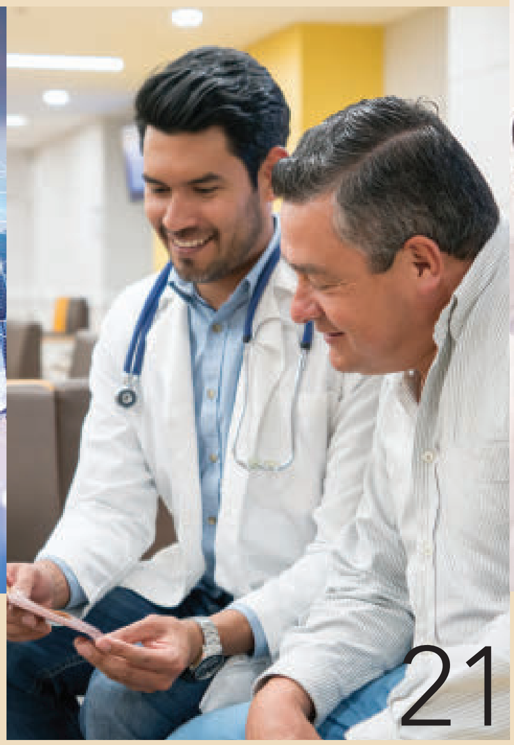
Caught between a talent shortage and an unsupportive environment, recruiters' jobs can seem impossible. PAGE 14

March 2019

# Human Resource Executive®

## COVER STORY






Cover photo by Roger Mastroianni

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## Columns



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Editorial

# Shaping a Legacy

One of the business world's most notorious leaders from the 1990s died at age 81 on Jan. 25.

As CEO of Scott Paper and later Sunbeam Corp. in the mid-to-late '90s, Al Dunlap was well known for his hard-nosed, unapologetic style of business leadership. During his tenure at Scott and Sunbeam, he orchestrated plant closures and major layoffs, earning himself the nickname Chainsaw Al. (He also was known as "the Shredder" and "Rambo in Pinstripes.") At Scott, he laid off 11,200 workers, while at Sunbeam he basically halved the workforce by around 12,000 workers. (He was said to be extremely tough on those who remained.)

As John Byrne writes in his 1999 book *Chainsaw: The Notorious Career of Al Dunlap in an Era of Profit at Any Price*, "Chainsaw Al was a creation of [Wall] Street and its ceaseless lust for profit at any cost. He came of age when the market routinely rewarded layoffs with lofty stock prices."

In his book, Byrne points out that "True leaders are not ambitious for themselves. They are ambitious for their companies … . True leaders demonstrate compassion and respect for those who devote their professional lives to an organization. True leaders believe in shared sacrifice. They invest for the long term because they believe there will be a long term."

That, apparently, wasn't Dunlap, who was fired by Sunbeam's board after being accused of accounting fraud, though he was never convicted of a crime. (In 2002, he paid $15 million to settle a lawsuit brought by shareholders, though he never admitted any wrongdoing.)

Of course, Dunlap was hardly the first CEO to embrace such an extreme approach to leadership—nor will he likely be the last. But as many of the obits published in January remind us, he seemed to take heartless leadership to a new level, leaving a legacy few CEOs would want to replicate—or CHROs would want to be a part of.

Perhaps it's no coincidence, then, that *Fortune* magazine launched its 100 Best Companies to Work For the very same year Dunlap lost his job at Sunbeam. Around that time, it seemed as though more and more business leaders were beginning to wake up to the fact that their people (or, using today's vernacular, talent) were their enterprises' secret sauce, the key ingredient in their businesses' success.

Which brings us to today. At least for me, the level of attention being paid these days to employee engagement and workplace experience is further evidence of how far businesses have come.

Year after year, when *HRE* asks its readers what keeps them up at night, they consistently rank ensuring that employees remain engaged and productive at the top of their list. (See our story on the 2019 survey results on page 33.) Nor is it likely a coincidence that this year an equal percentage of the survey respondents cite retaining key talent as their top concern. Why? Because they understand what it would mean to their businesses if their best talent walks.

This realization isn't lost on their CEOs, either. In a Conference Board survey released in January titled *C-Suite Challenge 2019*, CEOs cited attracting and retaining talent as their top internal concern, beating out things like creating business models that are able to address digital disruption, developing Next Gen leaders, and the better alignment of compensation and incentives with business performance.

Needless to say, it's encouraging to see both CEOs and CHROs on the same page when it comes to setting priorities. There's no question this bodes well for the future of the profession and its leadership, and the kind of impact they can have on their respective organizations. The challenge, of course, is figuring out the right levers that need to be pulled to ensure we have the right talent—and the policies and practices that need to be in place to keep them engaged and productive.

When all's said and done, HR's ability to get this right is going to determine the kind of impact it will have—and the legacy it will leave.

Dave Shadovitz

David Shadovitz
Editor

*e-mail: dshadovitz@lrp.com*

## Quoteworthy

"Today's recruiter is asked to do too much, not just from a volume standpoint but in terms of scope of responsibility."

**—Kurt Heikkinen,** *CEO of Montage*

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Human Resource Executive®

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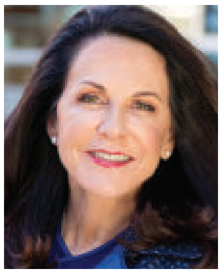
# HR Leadership

By Eva Sage-Gavin/Columnist



## Breaking Down Barriers to a Skilled Workforce

We need more people like Nathaniel Meyers.

While I don't know Mr. Meyers personally, I read his inspiring story on CNBC.com. This father of two young boys went from a "rapidly fading" job in network operations to a data-scientist position—the best job in America for the last three years, according to Glassdoor.

While he did the heavy lifting in terms of learning, he was able to transform his career thanks to his company's forward-looking HR vision. His online master's degree in computer science was the brainchild of a collaborative effort between AT&T (his employer) and the Georgia Institute of Technology. The program stemmed from the company's research, which revealed that only about half of its 250,000 employees had the STEM skills they needed, while 100,000 workers were in diminishing jobs linked to hardware.

As CHROs, we are uniquely positioned to drive changes that ensure all workers can be included in the digital, AI-powered economy. Through new-skilling our own talent pools internally and leveraging private/public partnerships, we can see the path forward for CHROs to lead the automation-resiliency charge over the next decade.

When I was CHRO of Gap Inc., we partnered with community colleges to help define the skills needed in our workforce. Since the program's inception in 2010, the company has filled 20,000-plus store jobs with community-college students, awarding more than $270,000 in scholarships.

CHROs are in a unique position to not only ensure that their companies reap the growth promised by intelligent technologies, but also that no one is left behind. And the size of the prize is compelling: If skill building does not catch up with technological progress, Accenture estimates the G20 economies could lose up to $11.5 trillion in cumulative GDP growth over the next decade.

The good news is technology can help us solve the very challenges it creates. Emerging technologies are vastly expanding the array of new-skilling options.

More good news: Almost 70 percent of highly skilled workers and nearly half of their lower-skilled peers have a positive view about the impact AI will have on their work, according to recent Accenture research, prompting some companies to get creative.

At Google, workers move around the organization and learn new skills on the job, not in mandatory training seminars. Some 80 percent of all tracked training at Google is now done through g2g (Googler-to-Googler), a voluntary network of 6,000-plus employees who dedicate a portion of their time to helping peers learn. Danone, the French multinational food-products corporation, enables cross-fertilization of ideas through "learning-expedition" programs with start-ups, universities, NGOs and the public sector.

Such strategies appear to not only help employees but also employers. For instance, Discover Financial's tuition-reimbursement program has yielded a 144 percent ROI.

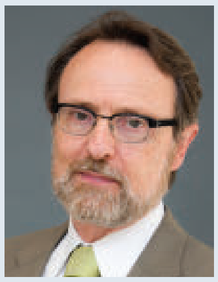
If we can meet people where they are, showing them the possibilities for life-long learning and transformation, we not only enhance our companies' competitive position—we help the Nathaniel Meyers of the world in the most human and humane way possible.

In the end, isn't that what it's all about?

*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.*

# Talent Management

By Peter Cappelli/Columnist



## Harnessing Algorithms for Hiring

Data analytics is touching all facets of the HR function, particularly hiring.

After World War II, big companies would commonly whisk job candidates to their headquarters for a week of assessments (what we now call pre-employment tests): IQ, personality, in-basket simulations, structured interviews with psychiatrists and so forth. That practice disappeared or was scaled back at many organizations, and some new companies—many of which are now huge—never bothered doing such assessments at all.

I'm betting at least part of that shift had to do with a wave of new equal-opportunity legislation. The watershed event here, in my view, was courts finding in the 1970s that AT&T's hiring practices discriminated against protected groups.

The perception grew that, if you were doing anything sophisticated in testing or prediction, you might well be a target for an investigation. Why? A cynical view is it would be easier to assess adverse impact: "Let's just look at the test you were using to hire and promote and see its impact." If, on the other hand, you were doing nothing systematic, it was harder to determine discrimination, in part because it was just hard to see what you were doing at all.

That takes us back to the current fascination with machine learning and the algorithms it generates. It is different from the statistical analysis in HR that most of us have at least a passing familiarity with. This typically starts with a hypothesis (e.g., does IQ predict who will be a good hire?) and then looks at the relationship between the candidates' IQ scores and their subsequent performance as new employees.

Machine learning instead starts with a goal, which is to create a model—an algorithm—that will track as closely as possible the performance of employees. The more data we have on those employees, the better. What you get at the end of that process is an algorithm that does a very good job of figuring out which candidates succeeded, and it can then be used to predict which of the new candidates should be hired. Hiring managers can just plug their information into the algorithm and hire the new candidates with the highest scores.

This algorithm will predict outcomes better than anything we've seen before. Like any formal model, though, it is easy to see whether it has a disparate impact on protected groups. It may very well have such an impact, too, because the models are based on who has been successful in the past, and we know that measurements of past performance often contain bias against women and minorities.

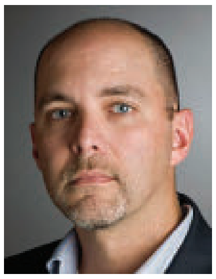
To defend against charges of bias, employers would have to show that the algorithm did, in fact, predict who would be a good employee better than alternative tests that did not have adverse impacts. That is especially tricky because simply explaining what algorithms do is hard, and justifying it harder still, since there are so many things in the model working together.

Traditional hiring practices are biased as well, and there is an extremely good chance that the algorithm will be much better at predicting who will be a good employee while also being less biased than the hiring decisions of untrained hiring managers.

Are companies willing to use the algorithm? My guess is no, because avoiding the risk of a problem they understand is better than coming to grips with doing a poor job of hiring—an issue they've gotten used to ducking for years.

*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.*

By Steve Boese/Columnist



# Driving Competitive Advantage Through HR Tech

Today's tight labor market is creating both challenges and opportunities for HR.

While your organization may be allocating time and resources to find, attract, engage and hire, you can't take your focus away for too long from your existing employee base, lest you'll end up with even more open roles to fill.

Here are three ideas that aim to help companies grapple with this reality.

## Invest in Employee Development

Perhaps no sector is impacted by the tight labor market as much as retail, where open roles can impact customer service and revenue. Instead of recruitment, one retailer, operating in more than 250 U.S. locations, decided to focus on retention, aiming to increase job satisfaction and customer service.

This company implemented a modern learning and development platform that connects employees to tailored L&D opportunities, while fostering a culture that supports learning and collaboration.

Instead of seeing retail, hourly employees as easily replaceable, this company found that investing in their development was both beneficial and preferable to investing more in recruiting. It seems simple, but most organizations still have not made that connection among people, development and business results.

## Create a Culture of Feedback

Recently, I spoke with an HR leader at a 2,000-employee manufacturing and related services organization, which has evolved its entire approach to performance management—from the annual, universally despised walk through "all the things you did wrong" to regular, lightly structured, forward-looking and feedback-centric interactions.

Using modern HR technology, this company was able to establish a framework for managers to lead impactful two-way conversations with their employees. The technology has helped set up just the right level of repeatable processes, balanced by the flexibility to allow managers to tailor performance management to the team's goals. Now, more than 90 percent of the employees report the process is beneficial and effective—and, dare I say, even enjoyable? (No one ever says that about traditional performance management.)

## Recruiting Can Be a Long Game

What does an HR or talent-acquisition leader do when the process of identifying, attracting and recruiting candidates for highly specialized, technical positions can take months or even years? A well-known national research hospital has turned to a content-driven "drip" campaign to keep potential candidates engaged.

Using modern candidate-relationship-management technology, the organization was able to carefully segment its candidate pools and distribute content over time. It monitored what prospects were engaging with and connected them to company experts and thought leaders in the fields of study for which they were recruiting.

These new technologies deliver a professional, personalized and quantifiable candidate-engagement process that has led to success in reaching the "right" people and filling these extremely hard-to-fill roles in a more timely manner. Sure, this is a "long game," but modern tools, coupled with borrowing ideas from our friends in marketing, have allowed this organization to get a leg up on its competition for scarce talent.

These examples reinforce how important and strategic the right combination of people, processes and technology can be in helping organizations succeed in their talent programs. Hear more stories like these at HR Tech, from Oct. 1 through Oct. 4 in Las Vegas, when all the HR-technology innovations that can help you and your organization succeed will be on full display.

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

The Latest News & Trends in Human Resources

# HR News

Top Story

## Forum Tackles Leave Challenges

**When it comes to managing leave in today's complicated world, American employers clearly have a problem.**

According to new research from the Federal Reserve Bank of San Francisco, labor-force participation among U.S. men and women ages 25 to 54 has been declining for nearly 20 years. By comparison, Canada has not seen this decline. And, the report says, 75 percent of the difference between the two countries can be explained by the growing gap in the labor-force participation of women.

The reason? For one thing, Canada offers extensive parental leave. The Federal Reserve study estimates that if the U.S. could just reverse the trend in participation of prime-age women to match Canada, it would see 5 million additional prime-age workers join its labor force.

Similarly, Ovia Health, a women's health-support company, found that 64 percent of 2,000 women it surveyed decide to leave their job before they have a child. Additionally, 84 percent of mothers granted six weeks of paid parental leave returned to work, versus 56 percent of mothers with less than six weeks of paid leave. "If employers fail to [offer paid parental leave], they could be facing a cost of up to 200 percent of that employee's salary to replace women who leave," says Ovia CEO Paris Wallace, a National Business Group on Health member.

To help create best practices that could get people back into the workforce—or not stay out in the first place—the NBGH has teamed up with close to 50 U.S. employer members, industry partners and subject-matter experts to launch the Leave Optimization Forum.

LuAnn Heinen, NBGH's vice president of wellbeing and workforce strategy, says the Forum aims to help employers meet the needs of a diverse and changing workforce. Participating members include Amazon, Aon, Cigna, Darden, Dell, Facebook, General Electric, General Mills, PepsiCo, Prudential, Unum and Willis Towers Watson. Ophelia Galindo, Amazon's global director of leave of absence, disability and accommodation, is Forum chair.

Beyond parental leave, leave management also includes paid time off, vacation or sick leave; disability and absence programs (short-term disability); and caregiving and bereavement leave.

Heinen says the Forum seeks to create a shared understanding of "what's working and not working" for large employers, with a focus on identifying best practices, common challenges and gaps in solutions. The Forum, which will have two annual in-person meetings and one virtual meeting, also will also set priorities and seek solutions in the marketplace and policy arena, she says.

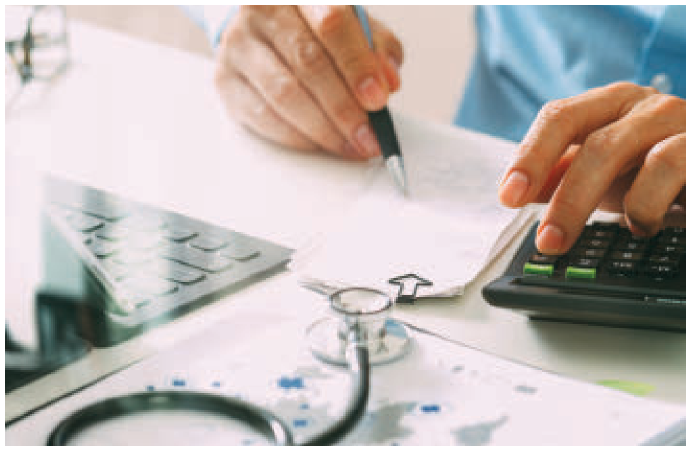
General Mills recently changed its leave policy to include 18 to 20 weeks of paid maternal leave, 12 weeks of paid parental leave and two weeks of caregiver leave. Jacqueline Williams-Roll, General Mills' CHRO, says company leadership spent considerable time talking with employees about challenges to work/life balance.

"Out of those discussions, we developed a strategy to focus on these moments when employees really need support the most," she says.

*—Tom Starner*

## Opting for Benefits Over a Pay Boost

**With a continued tight labor market, employers would do well to offer more attractive benefits packages that provide short- and long-term financial security, rather than a bigger salary.**



That's one of the takeaways from a recent survey by the American Institute of Certified Public Accountants. Some 80 percent of respondents reported that they would choose a job with benefits even if an identical job offered 30 percent more salary but no benefits. AICPA also cited that respondents overestimated benefits as making up 40 percent of total compensation, even though the Bureau of Labor Statistics puts the figure at 31 percent.

"There's a peace-of-mind value that's hard to measure," says Neal Stern, a member of the organization's National CPA Financial Literacy Commission. Younger workers tend to focus on paying back their college-loan debt at the detriment of investing the max in their employer-matched retirement plans. Older workers are more focused on health insurance and retirement plans, since a lack of security in those areas could mean financial ruin for them in both the short and the long term.

The study also showed that people who understand their benefits but don't go on to take full advantage of them are "leaving money on the table," says Stern. Employers must better communicate programs and make it easier for employees to take advantage of all the benefits offered to them, he says.

Behind the numbers is the ongoing financial insecurity lingering in the minds of many workers, say industry experts.

Steven Nyce, a senior economist at Willis Towers Watson and director of its research and innovation center, says the AICPA survey tracks well with his organization's research.

"It's natural, with all the uncertainty with jobs, careers and paychecks, to see employees' flight to security" through benefits, says Nyce, tracing the trend back to the 2008 financial crisis. "The average middle-class American still feels on edge."

Nyce also notes that people in the lower half of the salary spread haven't seen a real increase in wages since the early 2000s because increasing healthcare premiums and costs keep eating up the raises they do get. That stat comes from the 2018 report *Health Care USA: A Cancer on the American Dream* by the Council for Affordable Healthcare Coverage and Willis Towers Watson's research arm. The study also examines the dynamics driving those health-cost increases, a topic that employers are all too familiar with when they negotiate their annual plan offerings.

"I was pleasantly surprised at the high relative value that employees were putting on benefits," says Peter DeBellis, research leader for total rewards research for Bersin by Deloitte.

Steve Wojcik, vice president of public policy for the National Business Group on Health, agrees that people are feeling less economically secure, and that those with greater concerns are more willing to pay higher healthcare premiums to have that security against a catastrophic financial loss. That means more people with high healthcare utilization are rejecting high-deductible plans with low monthly premiums in favor of more financial predictability and less impact on their out-of-pocket spend. Changes to the healthcare industry's delivery, quality and affordability are also being driven by employers pushing to improve their workers' experiences, he says.

Some companies, says Wojcik, have begun providing advocacy services to help employees navigate challenges related to their healthcare programs.

Aside from retirement and healthcare benefits, lifestyle options might not be "sexy" but do improve quality of life. They can include commuting subsidies, concierge services, on-premise banking, discounts for gym memberships, group rates on cell-phone services, discounts at retail stores, and assistance with child or elder care.

Meanwhile, wellbeing programs that focus on the physical, mental, financial and even social aspects of employees' lives are centering on helping employees overcome the financial and emotional stress of student-loan debt, DeBellis says.

*—Maura Ciccarelli*

# Using Tech to Transform Mentoring

**Mentoring has long been recognized as an effective means of employing the knowledge and experience of one individual to guide another along his or her career path.**

However, organizations have struggled to develop effective mentoring programs. In recent years, that has led many employers to embrace new technologies: Offerings such as Mentorlink, eMentorConnect, Mentorloop, MentorcliQ, MentorCloud and Chronus facilitate mentor-mentee matching, goal-setting and guided conversations while offering helpful resources, dashboards and reporting features to track engagement and progress. The latest entrant into the burgeoning mentoring tech category is Ellen, an advanced artificial-intelligence app from San Francisco-based NextPlay.ai.

Touted as "the next breakthrough in HR technology and AI for the enterprise," Ellen uses AI to make immediate, internal mentor-mentee recommendations. Once the mentorship initiative has been launched, anyone interested in having a mentor or serving as one simply downloads the app and answers a few questions. For those seeking to be mentees, the questions revolve around their goals, while potential mentors answer questions about their strengths.

Unlike traditional mentoring programs where "visible leaders" make up the majority of those tapped to be mentors, one of the app's greatest benefits is its ability to connect "eager-to-grow mentees to untapped mentors," according to Charu Sharma, founder and CEO of NextPlay.ai.

"There are so many people at a company who have expertise, who want to pay it forward, who will raise their hands when given the chance, but they are not being leveraged," says Sharma.

Throughout the mentoring relationship, Ellen employs AI to provide ongoing resources and reminders, frequently nudging mentors and mentees to have "high-quality conversations." When the mentor and mentee have an upcoming meeting, for example, Ellen sends a reminder and provides bullet points to keep in mind. Afterwards, it prompts the mentee to provide real-time feedback, so the mentor will know what value was gained.

Whereas traditional mentoring programs tend to focus on high potentials, Sharma says, Ellen is unique in that it provides equal access to all employees, regardless of career stage.

"There are lots of vendors who provide coaching and mentoring for senior employees and high potentials, but the whole segment of early- to mid-career professionals is quite neglected," says Sharma. "There are a ton of employees who can benefit so much if they had just a little bit of help, a little bit of nudge."

At San Francisco-based Lyft, which served as a beta tester for the Ellen app, mentees indicate they have 218 percent more clarity about their career path and feel 178 percent more equipped to achieve their goals within the company after six months of using the new app.

While some apps facilitate mentoring relationships among employees who actually see each other on a regular basis, one of the benefits of this technology is its ability to connect employees across multiple locations and geographies, according to Julie Hiipakka, learning research leader at Deloitte Consulting.

"Technology enables mentoring by facilitating connections outside of the traditional face-to-face model," says Hiipakka. "Mentoring platforms and tools help facilitate connections over distance and expose employees to unexpected and diverse experiences."

But Belle Rose Ragins, the Sheldon B. Lubar professor of management at the Lubar School of Business at the University of Wisconsin-Milwaukee, is concerned because AI-powered mentoring apps "essentially replace people with technology."

While traditional mentors and mentees typically choose each other "based on chemistry," Ragins worries that apps "introduce an element of artificiality to the relationship," possibly resulting in less effective matches. Ragins is also concerned that some organizations will attempt to employ these new technologies as a substitute for face-to-face mentoring.

"These tools can be used to help improve the access to mentoring relationships, but they can never take the place of informal mentoring relationships," says Ragins. "It's like friendships. You can email and text and FaceTime, but nothing beats having a nice dinner with your best friend."

Whether employees are matched up with someone across the hall or across the globe, Sharma says, these new mentoring apps have an enormous role to play in helping those who are hungry for development but aren't comfortable forging such relationships on their own.

"We are seeing in the workforce a select few hustlers who are able to find the right people at their company, but most people are not there yet," says Sharma. "If you institutionalize something like this, it becomes much easier to just go on an app, fill out a few questions and then automatically get matched to the right person who can open doors for you."

*—Julie Cook Ramirez*

## What Do Millennials Want Most?

According to a recent survey from fin-tech start-up SelfLender of 1,000 American millennials, 60 percent of those with student debt would give up an existing workplace benefit for debt repayment. The survey also found that:

- One in four millennials would give up working from home, making it the most disposable benefit.
- One-third of women would give up working from home, compared to only one-fifth of men.
- The willingness to give up PTO for student-loan repayment decreases with age.

## Breaking Down Age Bias

As employers use all sorts of tactics to attract and retain employees, some savvy recruiters aren't turning to a perk, but rather a population: older workers.

By 2022, workers ages 50 and older will comprise 35 percent of the workforce, and data from the Employee Benefit Research Institute indicate that 79 percent of all employees intend to work well into their retirement years. According to TransAmerica Center for Retirement Studies' *18th Annual Retirement Survey*, 74 percent of employers reported that their employees plan to work either full- or part-time after they retire.

Are employers leveraging this untapped talent? Susan Weinstock, vice president of financial resiliency programming at AARP, believes so. AARP created an Employer Pledge Program, in which "companies affirm that they value older workers and a multigenerational workforce and hire based on ability, regardless of age," she says. Currently, more than 800 employers have taken the pledge, including AT&T, ManpowerGroup and Walgreens.

Given that 10,000 baby boomers retire every day, there's a huge opportunity to recruit (or retain) this population—however, less than one-third of employers offer any sort of flexible-work options for older workers.

If employers don't make simple changes to recruiting practices, they'll run the risk of missing out on key talent, Weinstock says. Take, for example, the much sought-after soft skills that older workers bring to the workforce. Or, according to Weinstock, that older workers are much less likely to leave a company than millennial or Generation X colleagues.

So, what can employers do to recruit older workers?

Audra Jenkins, chief diversity and inclusion officer at Randstad North America, says employers should leverage a variety of recruiting methods, such as meet-up groups and social-networking events. And don't overlook the power of social media.

"There's an antiquated notion that older people don't use technology or social media," says Jenkins. "But Pew Research found that approximately 41 percent of Facebook users are over the age of 65."

Companies also need to be aware of the language they use in job postings, as unconscious bias can subtly creep into the descriptions. Weinstock says other turnoffs are job postings that ask for a GPA or a company description that details its "party atmosphere."

Barry Lott, director of program operations for the Senior Community Service Employment Program, part of the National Council on Aging, says one challenge of recruiting older workers is plain and simple: ageism.

For the past eight years, Lott has worked with community organizations throughout the U.S. to help unemployed older adults who earn less than 125 percent of the Federal Poverty Level Guidelines find employment. The SCSEP pairs qualified older adults with a nonprofit organization that trains them on any necessary skills they may be missing, in an effort to help them land a job in today's workforce. He says there's been an uptick in program participation, particularly among those ages 55 to 57.

"There's no cap on age; one of our projects helped place a 90-year-old," says Lott. "The purpose of the program is to serve those with the most need—those with low literacy levels, language barriers, areas with low employment prospects, veterans or those living in areas with high unemployment rates."

Hiring older workers can give companies an edge in the war for talent, Lott says, but also shines a light on diversity and inclusion. Most modern workplace D&I conversations, he adds, have left out mature workers.

"The millions of unfilled jobs we hear about could be filled with people who aren't even given an opportunity to compete for these jobs," he says.

*—Danielle Westermann King*

## Temp Workers Are Angry

Temporary and contract workers have long felt that they're treated as second-class citizens in most workplaces. However, the issue may become more urgent as "mixed" workforces—a combination of full-time and temporary/contract workers—become more common across the business landscape.

A recent Deloitte survey found that just 42 percent of companies are comprised primarily of salaried employees. Meanwhile, 40 percent of workers across all generations and skill levels participate in some form of alternative-work arrangement (including temporary and contract)—a number that's risen by 36 percent since 2013, the survey found.

Despite the growing prevalence of these workers, a mere 16 percent of companies have established management policies or practices for them. The authors of the Deloitte report, titled *The Workforce Ecosystem: Managing Beyond the Enterprise*, wrote that contingent workers need "support, guidance and performance measures if an employer wants to optimize the mix."

For employment attorney Ellen Rogoff, recent reports about contingent workers lodging complaints at Google, NPR and Tesla highlight two issues that pertain to contract workers.

The first relates to the legal issues surrounding their employment, says Rogoff, a partner at Philadelphia-based Stradley Ronon. "For certain types of claims, a contract employee can actually have two employers, even if they're technically an employee of the agency that hired them."

The so-called "joint-employer doctrine," enforced by the National Labor Relations Board, specifies that, under certain circumstances, a staffing agency and its employer client can be held jointly responsible for a contingent worker's welfare.

Rogoff, who teaches an employment-law course at Temple University's Beasley School of Law, recommends that companies adopt the outlook that they have a basic responsibility to all of the people who come to work at their facilities each day—regardless of whether or not they're full-time employees.

"Because there is potential legal liability, ensuring that all workers undergo a basic orientation on issues such as discrimination and harassment, that they undergo safety training and are included in vital communications, simply makes the most sense," she says.

The other issue relates to a sense of inclusion—or lack thereof—that can help contract and temporary workers feel better about their jobs and possibly even improve their performance, says Rogoff.

"Making sure these workers are included in things like coffee breaks and celebratory lunches won't change their legal status and costs relatively little—and can go a long way in helping them feel like they're a part of the team," she says.

This is far from simply a "feel-good" approach, says Dr. Tamar Kreps, assistant professor of management and human resources at the University of Hawaii.

"Companies that give employees a sense of 'psychological safety' make them feel more comfortable sharing their ideas and bringing issues to the attention of management," she says.

Physical safety is also important—and can be especially perilous for temps, says Fisher & Phillips partner Howard Mavity, who closely follows workplace-safety trends.

All too often, he says, he'll encounter a company that has 100 or so workers on its factory floor but only possesses safety-training records for 75.

"I'll ask, 'What about the other 25?' " he says. "And they'll say, 'Oh, those are temps—they're just here for a day or two.' Well, a safety hazard is a safety hazard—it doesn't acknowledge differences in worker classification."

*—Andrew R. McIlvaine*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# Are Whistleblowers Good for your Company?

A new study finds that, by encouraging workers to report wrongdoing—from financial misconduct to sexual harassment—employers can save both time and money.

The study—*Evidence on the Use and Efficacy of Internal Whistleblowing Systems*—was based on records of employee complaints between 2004 and 2016 from 936 publicly traded U.S. employers. Stephen Stubben, an associate professor of accounting at the University of Utah, co-authored the analysis with Kyle Welch, an assistant professor of accountancy at George Washington University. Stubben says these records were obtained from NAVEX Global, an ethics and compliance software and services company.

The authors conclude that more profitable companies tend to use stronger internal-reporting systems and experience fewer bad outcomes. More specifically, they have 6.9 percent fewer material lawsuits filed against them and pay 20.4 percent less in settlement amounts.

Unfortunately, he says, perceptions of whistleblowing vary. Some believe that employee complaints signal poor internal controls and weak corporate governance, while others see a culture built on trust.

"If you're viewing whistleblowing through the lens of big failure, it's going to be seen as something negative that you want to avoid," Stubben says. "But the way to look at internal whistleblowing is that it's valuable information that managers can use to prevent problems from getting big."

Some organizations, however, may have a difficult time encouraging their employees to come forward with information about financial misdeeds. Under the Dodd-Frank Wall Street Reform and Consumer Protection Act, Stubben says, the Securities and Exchange Commission is offering financial rewards to some whistleblowers for contacting them versus someone in-house. Apparently, the SEC's faith in corporate America to appropriately handle fiscal offenses may have vanished.

Still, self-regulation can work.

"It's important to encourage and promote the use of your whistleblower system," Stubben says. "Widely advertise it to employees and create a culture where employees are encouraged to speak up when they see something that could be an issue and encourage management to follow up on these reports."

While such systems must be available to the entire workforce, whistleblower policies also need to address realistic concerns regarding employee revenge.

State clearly in the policy "that all legitimate issues will be investigated and there should not be fear of retaliation," says Jerry Glass, president at F&H Solutions Group, a global-management-consulting firm. "The company's goal is to get to the root of the problem, not to place blame on individuals. That's a big cultural shift for many companies."

Other changes involve thanking employees for coming forward, he says, and informing them that investigations can take time but they'll be contacted about the outcome. Likewise, he says, it's important to educate managers on how to handle complaints and train all employees—regardless of job level or function—about the reporting process.

If an employee reports a minor infraction, HR is obligated to update the worker about the end result but should not share the information with the entire workforce, Glass says. He adds that every complaint must be investigated, even those from "serial" complainers.

"Listen to them and take them seriously. You never know where it's going to lead."

*—Carol Patton*

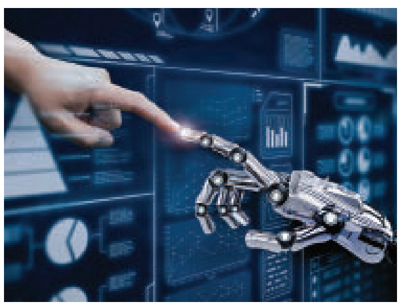

## Data in the Driver's Seat

In a survey of 1,510 HR, finance and business professionals from companies with at least $100 million in revenue, Oracle found that, while less than half currently use analytics to forecast outcomes:

- **95 percent anticipate data-driven collaboration between HR and finance in 2019;**
- **88 percent say such collaboration will improve business performance; and**
- **71 percent plan to use AI to predict high-performing candidates during recruitment.**

*—Tom Starner*

# Unexpected Benefits of Automation



For years, we've heard that robots will someday take over everything, including our jobs. But according to a new report, the opposite looks to be true.

ManpowerGroup's *Humans Wanted: Robots Need You* finds that more employers than ever (87 percent) plan to increase or maintain headcount as a result of automation for the third consecutive year. ManpowerGroup surveyed 19,000 employers in 44 countries on the impact of automation on job growth in the next two years.

According to the report, companies that are digitizing are growing, and that growth is producing more and new kinds of jobs. Organizations that are already automating tasks and progressing their digital transformation are most confident in increasing headcount. Global talent shortages are at a high, and new skills are appearing as fast as others disappear. More companies are planning to build talent than ever before, and this trend shows no sign of slowing. Eighty-four percent of employers plan to upskill their workforce by 2020, the report finds.

The report also found that demand for IT skills is growing significantly and with speed, with 16 percent of companies expecting to increase headcount in IT, which is five times more than those expecting a decrease. Manufacturing employers anticipate the most change in headcount, as 25 percent say they will employ more people in the next year, while 20 percent say they will employ fewer workers.

"The focus on robots eliminating jobs is distracting us from the real issue," says Jonas Prising, ManpowerGroup's chairman and CEO. "More and more robots are being added to the workforce, but humans are too. Tech is here to stay, and it's our responsibility as leaders to become chief learning officers and work out how we integrate humans with machines."

Manpower is taking a dose of its own medicine and reskilling people from declining industries like textiles for jobs in high-growth industries, including cyber security, advanced manufacturing and autonomous driving.

*—Michael J. O'Brien*

# Upcoming Events

**April 7-10 2019 HR People + Strategy Annual Conference, JW Marriott Miami Turnberry Resort & Spa, Aventura, Fla.** Attendees will learn how to stay ahead of the curve to anticipate organizational change and drive bold cultures. The conference will offer an environment for networking and sessions that feature dialogue and discussion with speakers. For more information: HR People + Strategy at www.hrps.org/executive-events/annual-conference/pages/default.aspx.

**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 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.

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Cover Story

# The Recruiter Experience

**To tackle talent challenges, some organizations are taking a serious look at the satisfaction of their recruiters—and using tech and training to make their jobs more fulfilling.**

BY ANDREW R. McILVAINE

At Southwest General Health Center, a community-based hospital system located in the Cleveland suburbs, the guiding philosophy of the organization's HR department is: We are here to help you.

"We go out of our way to ensure we're seen as approachable and accountable," says Dee Weber, Southwest General's chief HR officer. When managers walk into the HR department, she says, they are greeted promptly and warmly.

The goal, says Weber, is to ensure each person feels like a valued customer.

Weber and her staff at Southwest General—which last year became the only hospital in Ohio to win an "Employer of Choice" award from Employer of Choice Inc.—have taken a number of steps to ensure that the organization's talent-acquisition process is timely, collaborative and seamless for hiring managers and recruiters.

"We want to ensure our recruiters are given clear calendars, so they can spend as much time as possible with candidates," she says.

These are stressful times for recruiters. The demand for talent is going up while the supply is stagnant or declining. Many organizations have turned to technology to ease the burden, yet some have inadvertently made life more difficult for recruiters by implementing solutions without first listening to their concerns. Then there are internal problems—specifically, hiring managers who often fail to help matters by taking too long to make decisions and being otherwise unhelpful.

Research from the Society for Human Resource Management finds that the average requisition load per recruiter tends to fluctuate between 30 to 40 open positions at any one time, with a median of 15 to 20.

Meanwhile, the expectations for recruiters keep being ratcheted up.

During a presentation earlier this year, recruiting expert Madeline Laurano said, "Today's recruiters need to be data scientists, innovators, overachievers and networkers." Yet research by her organization, Aptitude Research Partners, finds that most recruiters are still spending much of their time on mundane activities like scheduling interviews.

In trying to cut costs and boost efficiency, many organizations "have cut off their nose to spite their face," says Robin Erickson, principal researcher at the Conference Board. The result, she and others say, has been recruiters feeling burnt out and exhausted.

In recruiting, the big focus has been on "candidate experience"—providing a seamless, user-friendly process for job seekers. But what about the "recruiter experience?"

HR leaders at Southwest General and other organizations have taken steps to make their recruiters' jobs easier and more fulfilling—including through better training for hiring managers, smarter investments in technology and helping recruiters themselves transition from "order takers" to talent advisors. Experts warn that if companies fail to take a hard look at their recruiter experience, they could find themselves coming up short on recruiting talent—in addition to their other talent-related challenges.

## An Award That "No Manager Wants"

When it comes to talent acquisition, too many organizations are falling victim to "bright-shiny-object syndrome," says Erickson, who, prior to joining the Conference Board, oversaw talent-acquisition research at Deloitte. The phenomenon refers to executives who are wowed into purchasing dazzling new tech without first determining whether their organizations truly need it.

The result, she says, is that many have ended up with between six and 16 different TA technologies. Navigating these platforms can seem like a job unto itself for recruiters, she adds.

Meanwhile, companies have eliminated staff positions for tasks such as coordinating interviews, says Erickson. This typically places more administrative burdens on recruiters.

"You've got people who are way overqualified for the tasks that they're doing," she says.

When implementing tech, HR leaders need to be thinking about the effect it will have on recruiters' ability to accomplish their tasks, says Erickson.

"There's often a tech solution to recruiters' problems, but you can't just implement a ton of tech," she says (*see sidebar*).


Southwest General Health Center CHRO Dee Weber (from left) with Joni Edwards, director of HR, and CEO Bill Young

Once they've conducted a needs assessment and decided on a new platform, she says, they must ensure "champions" are in place to help train recruiters, answer questions and help them adapt to the new platform.

Aside from tech, HR leaders need to think about improving the relationships between recruiters and hiring managers. Surveys have repeatedly shown that recruiters feel hiring managers are to blame for excessively long times-to-fill. Hiring managers can also negatively impact the candidate experience when they're ill-prepared for interviews or ask strange (or even inappropriate) questions.

"A lot of companies measure hiring-manager satisfaction, but they don't

ROGER MASTROIANNI

keep track of what the hiring managers themselves are supposed to be doing to keep the process moving along," says Erickson. "It's important to create processes for recruiters and for hiring managers."

Some companies have turned to service-level agreements that spell out which party is responsible for what and the expected timelines for getting it done—similar to the approach taken by Southwest General. One company has even instituted "an awards program for its hiring managers, similar to the Grammys," says Erickson.

"They came up with silly awards like 'fastest response time,' 'slowest response time'—they did it once to raise awareness, and they've been encouraged to keep doing it," she says. "Let's face it: No manager wants to end up with the 'slowest response time' award."

## From Order-Takers to Talent Advisors

Some companies are working to improve their recruiter experience via improved training—and then training their hiring managers.

Waste Management Inc., a multi-billion-dollar company that makes close to 12,000 hires per year (mostly front-line hourly workers), was recently named No. 22 (out of 65 companies total) in the 2018 Candidate Experience Awards, an annual recognition by the Talent Board of companies that provide a superior job-candidate experience.

The company hasn't always been known for innovative recruiting, however.

"Five years ago, our recruiters were very tactical—they were mostly order-takers," says Charlotte Cantu, director of talent acquisition at Houston-based Waste Management.

Around that time, Waste Management's leadership decided it wanted a talent-acquisition team that functioned more like a business partner.

"We wanted recruiters who understood the needs of each of our businesses and would find talent proactively, instead of just waiting for hiring managers to come to them," says Cantu, who oversees a recruitment staff of about 80 people. "We wanted them to be talent advisors."

The HR department implemented training for its recruiters centered on the acronym RISE (relationship building, influencing, strategic thinking and execution). Newly hired recruiters had to undergo the training before they could start their jobs, while existing recruiters also underwent training.

"In order for us to be seen as strategic business partners, our TA specialists had to be seen as excelling on those four elements of RISE," says Cantu.

In the old days, recruiters would simply tell hiring managers how many candidates for an open position were available. If none of the candidates met the manager's expectations, says Cantu, the recruiter might suggest spending more money advertising the job in different venues.

Today, Waste Management's recruiters come to hiring managers with forecasts of their future talent gaps and how long—based on a variety of factors—it will likely take to fill vacant positions. They arrive armed with vital data, such as turnover rates for a given position over the previous three years, what competitors are doing to attract candidates and the best sources of quality hires.

"They'll say to a hiring manager, 'Based on these data, this is what we need to be doing,' " says Cantu.

When Cantu and her team evaluate new talent-advisor candidates, they ask questions designed to gauge their ability to think strategically.

"I'll ask them to describe a strategy they developed for filling an opening," she says. "If the person doesn't have an example, then that's a good indicator that they're not ready for a talent-advisor role here."

By the same token, Waste Management's hiring managers now receive training on their roles and responsibilities in the talent-acquisition process. This includes interview training delivered by a specially certified talent advisor, says Cantu.

"We call this training 'The Art of Interviewing,' " she says.

The training also includes an overview of Waste Management's talent-acquisition process, which includes an SLA requiring that managers' candidate-interview feedback be received within 24 hours.

"For the hiring managers, it's like a lightbulb goes on when they see what it means if they're not contributing to a certain step in the process," says Cantu.

Kurt Heikkinen, CEO of recruiting-technology firm Montage, says many of his firm's clients (mostly Fortune 500 companies) are creating a sub-function within their TA departments called "talent-acquisition operations." Aimed at lessening the burden on recruiters and hiring managers by making the TA function more efficient, responsive and user-friendly, this includes efforts to clarify the role of "recruiter" in today's organization, he says.

"Today's recruiter is asked to do too much, not just from a volume standpoint but in terms of scope of responsibility," says Heikkinen.

Smart organizations are breaking up the TA process into parts—sourcing, candidate-relationship management, onboarding—and assigning different people to each task, he says. This has enabled recruiters to spend more time on the things they like best—such as building relationships with candidates and finding roles that are good fits for them.

This strategy can be undermined, however, when sourcers and recruiters end up working at cross purposes simply because they lack access to the same candidate data, says Jeff Mills of SAP SuccessFactors.

The problem, he says, is that "sourcers live in a CRM world and recruiters live in an ATS world."

This can result in a candidate who's interviewing for vice president of sales being contacted by a sourcer from the same company about a senior-level marketing role, says Mills.

"The candidate ends up thinking, 'Are they trying to tell me I'm actually not suited for the sales role?' " he says.

Better communication and coordination within the TA function, along with working off a shared database, can help prevent poor candidate (and recruiter) experiences such as these, says Mills.

### Starting Small, Thinking Big

Recruiters at companies large and small feel as if they're under the gun. At Armory, a small tech start-up in San Mateo, Calif., technical recruiter Laurie Percival finds herself competing for talent with nearby giants like Facebook and Google.

"Cloud engineers are in hot demand—they're being contacted multiple times a day—so you have to really sell the company and help them understand what you're looking for," she says. "Plus, we're looking for people who are willing to work at an early-stage start-up. It's challenging."

Percival needs to ensure candidates understand Armory's highly specialized software—pioneered by Netflix and designed to help clients update or make changes to their cloud-based software without interruptions in service to their customers—and determine whether their skills and knowledge correlate with the company's needs.

"Everyone here needs to be fairly technical in order to understand, work with and sell our product," she says.

Percival credits her boss, Chief People Officer Matt Nunogawa, with serving as a mentor and guide in recruiting.

"I've worked at start-ups before and have worn a lot of hats, but recruiting is fairly new to me," she says. "Matt's been an incredible mentor—he looks at recruiting in a way that most industries are heading toward: as something that can be a positive experience for both parties, even if the candidate doesn't end up getting hired."

Percival's daily workload has also been eased by a software tool that allows employees to upload their contacts and identify referrals.

"Our goal is for half of our employees to be referrals because we find that [candidates they refer are] a stronger fit," she says. "We offer a referral bonus, but it was really time-consuming to try and go through someone's contacts with them looking for the right person."

The tool, from Teamable, has made it easier to identify contacts with the qualifications Armory is looking for, says Percival, who adds that finding vendors willing to work with fast-growing but small companies like hers (which has fewer than 30 employees at present) can be a headache.

Southwest General, which has 2,400 employees, has used chat software to increase collaboration between recruiters and hiring managers.

"We've found that the software, from Brazen, makes it easier for recruiters to connect with candidates," says Weber.

HR has also implemented behavioral interview training for hiring managers to help them determine whether candidates are aligned with the hospital's patient-centric culture, she says.

All hiring managers at Southwest General are provided with an overview of the organization's talent-acquisition process and their role in it, says Weber.

"We explain what the timeline looks like from the moment a position is approved and posted—who is responsible for what and how long they have to get it done," she says. "And if they fail to meet that timeline, we nag them—in a kind and loving way, of course."

The relationship between the organization's recruiters and hiring managers is designed to be more than just transactional, says Weber. "To forge relationships with them, we go out of our way to be approachable and accountable."

Southwest General has addressed interview scheduling—a thorn in the side of recruiters everywhere—with the appointment of an employee-relations specialist who has taken that task off recruiters' plates.

Additionally, each department at the hospital is staffed to ensure that someone is available to interview candidates at any time, even if the hiring manager is absent or otherwise engaged.

"We've never had to say to a candidate, 'Sorry, but no one's available to interview you right now—can you come back later?' " says Weber.

"Our mantra is that everyone here—recruiter, hiring manager—is on the same team," she says. "And we've ensured that everyone on the team has the necessary support system."

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

## The Promise (and Peril) of Recruitment Tech

For recruiters and job candidates alike, tech has been a godsend, says Robin Erickson, principal researcher at the Conference Board.

Sourcing tools, such as that offered by HiredScore, can make the sourcing aspect of recruiting much easier, as algorithms can identify candidates who are most likely to succeed in a given role, she says. Vendors such as SwoopTalent simplify the process of verifying candidate information from a variety of sources.

"Tools such as these make it very easy for recruiters to see who you've interviewed in the past, who was a contender and where you should go next—it's like having predictive data and an analytical tool all in one," says Erickson.

Meanwhile, chatbots are turning the often-stressful job-hunting process into something much simpler—and even pleasant—for candidates, she says. Depending on their level of sophistication, chatbots can answer candidates' questions about the job they're interested in and help them determine whether they're qualified.

Erickson, who was initially skeptical about the role of chatbots in recruiting, is "warming up" to the concept.

"I was really blown away by how well chatbots can be trained to respond to real language," she says. "I believe the companies that say chatbots are improving their candidate-satisfaction scores."

One of recruiters' most tedious challenges—interview scheduling—is also being reshaped by tech.

Scheduling tools from companies such as SparkHire and Montage can simplify the scheduling process for recruiters and candidates, says Erickson. They can send calendar links to candidates so they can schedule their own interviews; others come in the form of bots that mimic humans so well that candidates will actually apologize to the bot if they need to make a scheduling change, she says.

Video-interviewing software that scores candidates on their facial expressions when they respond to questions helps recruiters and hiring managers save time, says Erickson.

All this innovation comes with an ominous side, she adds.

Algorithms are only as good as the information they've been fed, Erickson warns. Poorly designed algorithms can lead to charges of bias—and, even worse, eliminate otherwise-qualified minority or female candidates from consideration. The video-interviewing tools that save so much time can also mean that recruiters are ceding much of the candidate-assessment process to a computer, she says.

"It's a little bit scary," says Erickson.

Heather Bussing, an employment attorney who specializes in job-bias issues, recommends that HR leaders keep careful watch over the systems they use to ensure unintentional bias doesn't corrupt the hiring process.

Though artificial intelligence and other technologies are known for their automation value, they can also help HR leaders create more human-centered processes. BY BEN EUBANKS

# The Human Potential of AI

Every single candidate who visits the Starbucks website looking for a job gets a conversation in return. Instead of just searching a database of openings and submitting a resume, job seekers can interact with a chatbot that generates an interactive dialogue, seeking information about worker interests, schedule preferences and other job-related requirements.

I have to admit, when I heard about these kinds of bots being used in the recruiting process, I wondered just how appealing this would be for candidates. Would it be novel? Would it be annoying? To my surprise, I learned from one chatbot provider that 75 percent of candidates actually say "thank you" at the end of the application process, even though they know full well that they interacted with a bot, not a real person.

That speaks to a fundamental difference in what artificial intelligence and intelligent automation bring to the workplace. While they can automate a wide variety of processes and practices, especially within the HR realm, that's not their only source of value. Instead of looking to these technologies to reduce the human component, we should look to them to bring it to the forefront through personalization.

## Algorithms Support High-Touch HR

Think about it this way: Southwest Airlines, widely heralded for both its customer-oriented and employee-centric cultural norms, says that employees come first and customer satisfaction comes second. The company knows that taking a high-touch approach to taking care of its people—treating them like human beings and connecting them to a bigger mission—is a powerful motivator.

Research from Willis Towers Watson shows that one of the key qualities of high-performing organizations is trust, and my experiences as an HR executive certainly support that. In my time working in the trenches, I realized that some of the high-touch practices that created trust and value in the business were recruiting and leadership coaching. Each of those separate activities paid dividends over time in trust, engagement and performance; however, the downside is that both required significant time, resources and tailoring to specific audiences. The exciting capability of AI solutions—which is sure to get a lot of play at the HR Technology Conference & Exposition® in October—is that they can help to scale these high-touch HR practices, delivering the same benefits to the employer without requiring all of the time and effort on the part of the HR team. For example:

**Recruiting**: AI, algorithms, chatbots and other tools help to mimic that high-touch approach by offering a personalized candidate experience. In a perfect world, all candidates would talk to a recruiter, feel like they had their say and be evaluated on their merits. As it is, the ratio of applications to job openings simply means that it isn't feasible to manually screen candidates. However, as in the Starbucks story, chatbots can create a meaningful level of engagement with *every single applicant.*

**Leadership coaching**: At the 2018 HR Technology Conference, I had the opportunity to coach a start-up company in one of the event competitions. The company's software consumes employee-feedback surveys and performance-review data to offer a sort of personalized coach for managers. Having trouble giving feedback to your staff? The tool might recommend a short *Harvard Business Review* article on the value of feedback and appreciation. Not very good at casting a vision for your team? The system can suggest a short TED video from motivational speaker Simon Sinek on how to start with the "why."

In essence, tools like these help to scale up the capabilities of the HR team, enabling them to support more people, more often and on a more personal level.

## A Broad Definition of AI

In my new book, *Artificial Intelligence for HR: Use AI to Build a Successful Workforce*, I point out that there is no commonly agreed-upon definition of AI, as referenced by Stanford University's *One-Hundred Year Study on Artificial Intelligence*, a study of AI applications across our business and personal lives. As Stanford researchers said, "The lack of a precise, universally accepted definition of AI probably has helped the field to grow, blossom and advance at an ever-accelerating pace."

The definition of AI I prefer is simply "teaching machines to think more like humans." This is somewhat vague, but as Stanford researchers point out, there is value in that broader perspective.

To be more pointed, there are three clear areas I look for when I am examining whether something is an AI application:

**Automation:** Does it automate something, eliminating human labor?

**Augmentation:** Does it augment human capabilities, enabling better decisions through a blend of technology and humanity?

**Personalization:** Does it bring some degree of personalization or tailoring for the user/audience?

While personalization may not be a litmus test for scientists, it's a critical point for HR leaders. For years, we've had tools to automate our work—just look around to see who is doing payroll manually, and you get the picture. However, doing that with a layer of intelligence is beyond simple automation. Creating a peak moment for employees or candidates by personalizing the experience to their needs, interests and abilities cannot be understated. While it may not be "exciting" to think about layering in intelligence to payroll, other areas are ripe for disruption, such as career planning and training. Gallup data show that development is a top priority for attracting and retaining the right employees, and AI can turn these areas into strengths for employers.

### Bringing Humanity Back into the Workplace

Spend any time reading the news these days, and you'd think that the entire workforce will be out of a job in just a few short years due to robots and other automation. The truth is that automation does change jobs. Throughout history, new advances in mechanical innovation or technological automation have led to changes in the fundamental structure of work. The resulting jobs in nearly every case are more human in nature, not less.

For as long as people have done work, there have been components of those jobs that have been more process-oriented and robotic in nature. Take checkout cashiers at grocery stores; the essential component of the job is little more than moving groceries down a lane, scanning them and pushing them to a bagging area. This is a "human" job, but it's not very human in its components. That's why so many organizations are automating this function when they can. Amazon-powered Whole Foods allows shoppers to grab their groceries and leave, charging them automatically for their purchases. Walmart is pushing more self-checkouts and shifting those workers to other tasks where possible, such as personal shoppers for the retail giant's fastest-growing line of business.

What's interesting in Walmart's case is that the company is actually doing compassion training for its staff who transition from cashiers to personal shoppers. Situational training helps workers to see how they would react with compassion and empathy if presented with a young mother with screaming toddlers, a couple who doesn't speak English or other scenarios.

As noted above, this job is becoming more service-oriented and more human at the same time. Research actually points to a specific set of soft skills that will matter in this impending era of automation and AI. Through an in-depth meta-analysis of multiple studies in academia and industry literature, my team developed a soft-skills model that encapsulates the key components that will rise in importance as we see more automation. Hint: This is vital to bringing the "human" back to "human resources."

### The Five Skills of the Future

Let's take the bait and assume that the many predictions about future automation are true. Hundreds of millions of jobs will change, according to McKinsey & Co. Where does that leave us? In order to prepare, we must prioritize the development of a key set of skills, both in ourselves and in our workforce.

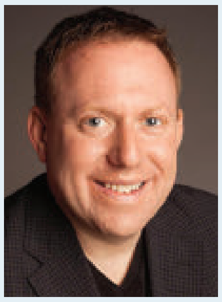
**Creativity:** Humans have an innate talent for creativity. We think "outside the box," create new things and come up with new ideas. In 2017, a human beat recruiting technology in a candidate-sourcing competition thanks to his creativity. It turns out he used a wide variety of inventive methods to help reach his predictions, but the computer simply stopped after it had taken a single pass at the data.

**Curiosity:** In the early days of humanity, curiosity helped us explore our surroundings, find food and survive. Today, the stakes aren't quite as high, but we're still naturally curious about our environment and how to thrive in it. That curiosity drives our professional development, as approximately 90 percent of learning happens from experiential and social interactions on the job. Additionally, the core components of creativity and curiosity work together to drive success in R&D and other areas of the business.

**Compassion:** In researching for my book, this skill almost became "empathy," but a research study actually changed my mind. The study looked at how nurses responded to job stress after receiving either empathy training or compassion training. Surprisingly, the empathetic nurses took on more stress because they identified with patients, whereas the compassionate nurses were kind and considerate but internalized less stress from the job. Compassion is a critical component in creating a more human workplace, and its importance is paramount. We must find ways to weave kindness, compassion and support into how we deliver HR services to the business, or we're no better than a machine.

**Collaboration:** Connecting and interacting with others is a powerful mechanism. It's not just about creating

**By Jason Averbook**/Columnist



## Navigating the New Talent Battleground

For the entirety of my career in human resources, HR leaders at all levels of every size organization have been talking about "high-touch" service as a goal to be achieved, a nirvana in which the employee feels waited upon in a personal way, serviced appropriately and important. This concept—as odd as "high touch" sounds when coupled with HR—hasn't changed. What has changed is the ways in which we can create this experience and the channels available to deliver it.

As we continue to see and read everywhere, a resounding theme of 2019 and beyond will be the importance of a better workforce experience. The concepts of workforce experience and high touch go hand in hand, thanks to tectonic shifts in the expectations of today's workforce, the technologies we all use in our personal lives, rapid changes in workforce diversity and the "always-on" mode of work we all operate in today.

As with so many elements of HR and talent, the transformation of workforce experience is taking its cues from work done by our marketing and consumer peers around customer experience.

In terms of the customer experience, EConsultancy's *2018 Customer Experience Study* found:

- 86 percent of buyers are willing to pay more for a great customer experience;
- 73 percent of buyers point to customer experience as an important factor in purchasing decisions; and
- 65 percent of buyers find a positive experience to be more influential than great advertising.

When tied to HR and the experience delivered to an organization's workforce (think of them as customers), it's only natural employees will have a higher retention rate, employment referrals will be on the rise and workforce performance will only increase with an improved employee experience.

Walker, a customer-experience consulting firm, found that, by 2020, customer experience will overtake price and product as the key brand differentiator. Once again, there is no reason that workforce experience will not be the key driver of the employee-value proposition as we move into next year.

Why do companies focus on customer experience? According to the latest Genesys study:

- 42 percent said to improve customer retention;
- 33 percent said to improve customer satisfaction; and
- 32 percent said to increase cross- and up-selling.

All of these data can be tied to your employees, many of whom are also your customers, to help your organization realize the value of focusing on workforce experience.

So what does all of this have to do with "high touch?" Everything!

In HR, we've been trained to believe high touch requires and equals a "human" approach. Sure, we've tried to deploy a handful of "self-service" (or "direct-access") solutions to the workforce, but overall, we've relied on humans to service the workforce. As mentioned earlier, we must realize we live in an era of two types of touch—high-touch human and high-touch digital—and it's up to us to determine which type makes the most sense for our varied workforces and for our varied capabilities. There's no magical answer, nor a one-size-fits-all approach across any one company.

Conceptualizing the type of touch/service that makes sense for the workforce comes down to the channel. Omni-channel servicing is on the rise at an exponential rate, both outside and inside the organization, and results of multi-channel are showing up in spades. A recent Aberdeen Group study indicates companies with a strong omni-channel strategy showed an 89 percent engagement rate; compare this to organizations with a weak omni-channel strategy coming in at only 33 percent.

It's time all of us in HR begin to practice what our marketing colleagues have been doing for the past decade: a focus on experience, which determines your workforce's perception of how your company treats them; an understanding of omni-channel service, which will meet the workforce where they are today; and, finally, a departure from the notion that high touch must equal human touch. There are many capabilities in today's world that are better delivered by machines. That also happens to be how many in the workforce prefer access to them. The sooner we accept these facts, the sooner we move from transactional to strategic on the HR-maturity scale.

Workforce experience is the new talent battleground; it's time for us to respond. Our time is now to shape the future of work through digital transformation, and it can't come soon enough. Join me at the HR Tech Conference in October in Las Vegas to explore this topic and more.

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social connections, but it's about creating better ideas and outcomes by sharing ideas. This is the core argument for diversity and inclusion today: More diverse viewpoints lead to better business outcomes. Collaboration is a powerful human skill that enables us to become more than the sum of our parts.

**Critical thinking:** A survey several years ago asked university chief academic officers to rate what proportion of their new graduates were ready for the workforce. The CAOs said that nine out of 10 graduates were ready to hit the ground running. However, when researchers asked the same question of employers, they found that just 10 percent thought that graduates came to them ready to do the job.

This gap is the difference between knowledge and critical thinking. Computers have access to knowledge but can't think critically, so the better we are at this practice, the more value we will have.

Take a second and reread the list of skills above and ask yourself if a computer can do those things easily. The truth is that it can't. While an algorithm can learn advanced statistics and calculations easily, it can't feel compassion, generate curiosity or think critically about a situation. That's the key point where employers should look to balance decision-making between AI-powered systems and the humans who perform the work.

## The Critical Question

Employers are jumping on the bandwagon, exploring the wide variety of vendors in the HCM-technology space that offer or claim to offer artificially intelligent systems and products. The question to ask as an employer is whether you are implementing these tools solely to automate away the "human" part of the jobs, or whether you're doing so to create better, more personalized experiences.

In a 2018 piece in *The Guardian*, job seekers called AI everything from "impenetrable" to "frustrating," a clear indictment of the new technology that HR leaders are raving about. If the goal is to strip away the humanity and create mechanical processes for hiring, training and engagement, then it's going to feel that way for candidates and employees.

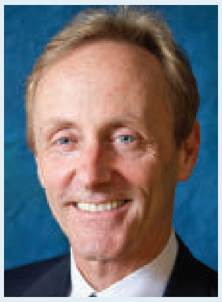
However, if the goal is to create a more human, personalized experience, then you will probably see some of the same results as Unilever. The company has used AI to automate the entire front end of its hiring funnel for entry-level candidates, and it not only increased diversity and sped up time to hire—it did so while increasing candidate and hiring-manager satisfaction as well.

Either result, the positive or the negative, is a possibility. Why and how you are adopting AI solutions will determine whether they end up delivering the results you hope for. AI is here, and it's here to stay, so make your decision about how your organization can leverage all it has to offer—not just the automation components—to create a better experience for all your stakeholders.

*Ben Eubanks is the principal analyst at Lighthouse Research & Advisory and the author of* Artificial Intelligence for HR: Use AI to Build a Successful Workforce. *Send questions or comments about this story to hreletters@lrp.com.*

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

**By Josh Bersin**/Columnist



# 5 HR Predictions for 2019

We have come into 2019 at the very top of an economic cycle with record-low unemployment. Talent mobility is hot as companies expand. Organizations are becoming flatter, and team-based work models and organizational-network analysis are becoming mainstream. CEOs and CHROs will continue to worry this year about skills gaps, job and work transformation, and employee engagement.

We are also seeing more focus on purpose, citizenship and fairness, along with diminished trust in technology and concerns about privacy and data protection.

All this is leading to important changes ahead for the HR profession. The following trends will impact every HR organization—no matter the industry or company size. I'll be discussing each of these disruptions in more detail, as well as others that arise in the months to come, at the 2019 HR Technology Conference & Exposition® this October in Las Vegas.

**1. HR technology can no longer be effectively managed by HR alone.**

The average company now has 11 systems of record, with apps for wellbeing, engagement, feedback, recognition, performance management, learning and even pay launching every day. Simultaneously, HR and workforce technologies are merging. Consequently, it's important for HR departments to partner with IT to analyze the current workforce-technology architecture and collaborate on the technology roadmap for the future.

For instance, companies are investing in new workforce tools, such as Slack and Microsoft Teams. HR systems must co-exist and integrate with these tools, rather than being viewed as a separate technology destination for already-overwhelmed employees. I call this "HR and learning in the flow of work."

**2. It's time to get serious about meaningful talent mobility.**

Strategic talent mobility is now a top CEO-level issue. Not only do we need to find ways to move people more easily, we must do it in a way that respects the strengths and career goals of the individual and the business needs of the organization.

Talent-acquisition teams often spend $2,000 or more per hire (and five to 10 times that number for senior positions). On the other hand, companies spend an average of $1,100 per employee on training. Companies are recognizing that they can fill new jobs more cost-efficiently by reskilling current employees, who are already integrated into the company culture. New research also suggests ambition and learning agility trump experience when it comes to job success.

**3. HR must focus on team-based work and organizational networks.**

The economy will probably stutter in 2019, likely resulting in the reorganization and restructuring of many organizations. Nothing forces a sober look at productivity more than a slowing business cycle. HR leaders will need to take a more data-driven look at how workforces are organized. I believe team-centric operating models will be increasingly adopted in 2019.

In my mind, the word "teams" is more than a description of how people work together; it's also a management philosophy focused on work—not jobs—with people freely sharing knowledge and skills across functional silos. In 2019, HR leaders must gain a better understanding of the implications of team-centric work, build better tools to manage and operationalize teams, and focus on communicating the value of a growth mindset.

**4. Analytics and AI are going mainstream.**

HR is responsible for a company's most important database of all. When used well, employee data are much more valuable than customer data. Every time an employee sends an email or has a meeting, we can learn something about customer service, an operating process or a cultural issue that can potentially improve the business.

SAP's $8 billion purchase of Qualtrics perfectly demonstrates what's ahead for HR analytics. Qualtrics, which started as a small survey company, is now positioned to capture, analyze and operationalize "experience data" from employees and customers. SAP is smart enough to see its potential for business.

Just as we have invested in automating and leveraging customer data to improve customer service and experience, we need to do the same for employees. The HR profession needs to take the lead in this effort, supported by strong partnerships with IT and finance.

**5. Effective management of multi-generational workforces will drive success.**

HR teams are now dealing with workforces composed of four generations, each with vastly different experiences and expectations. Business success will largely be based on how effectively companies manage such diversity and use it to their advantage. These are questions HR must ask: Are we building an inclusive multi-generational culture? Are we giving older workers the opportunity to mentor younger people? Are we addressing the societal and citizenship concerns of employees? Are we updating leadership models to accommodate longer careers? Are we moving young people into leadership roles early enough? Are older employees incentivized to "step aside," while still making important contributions?

I always enjoy writing my predictions for the coming year because the exercise gives me an opportunity to reflect on how far the HR profession has come and how much we can all continue to learn and grow. The process also reminds me how honored I am to interact with such wonderful, committed leaders.

*Josh Bersin is an analyst, author, educator and thought leader focusing on the global talent market and the challenges and trends impacting business workforces around the world. Send questions or comments to hreletters@lrp.com*

In-house healthcare is both growing and changing, as employers look to contain costs and promote employee health—but successful on-site clinics require serious consideration. BY DANIELLE WESTERMANN KING

# Are On-Site Clinics a Cure?

A desire to keep employees happy, healthy and productive was the driver behind the construction of an on-site health clinic at Bendix Commercial Vehicle Systems in Huntington, Ind. The health center was built in 2013 in the main plant and serves employees and their family members (ages 6 and older) with acute and preventative services, biometric screenings and a limited prescription dispensary. Also included are health coaching and wellness programs.

"Offering an on-site health center provides easy access to quality care, promotes prevention and early detection, and allows ongoing disease-management efforts to improve the health conditions of our workforce," says Gwen Scott, manager of benefits and work-life programs at Bendix.

Though the concept of on-site health clinics may seem novel, Bendix certainly isn't alone. According to recent research from Mercer and the National Association of Worksite Health Centers, one-third of large employers (with 5,000 employees or more) have an on-site clinic for general medical care, up from just 17 percent in 2017. Occupational health remains the most popular offering (38 percent for large employers and 33 percent for those with 500 to 4,999 employees), while primary-care services are quickly gaining momentum. This growth will no doubt make on-site clinics a topic of conversation at the Health & Benefits Leadership Conference, running April 24 through April 26 in Las Vegas.

David Keyt, worksite clinics consulting group leader at Mercer, says the steady increase in on-site health clinics isn't necessarily tied to any one factor—the reasons vary among companies and may include a shortage of primary-care providers, high emergency-department utilization and the goal of attracting and retaining employees. However, a common refrain is managing overall healthcare spend.

Research published in the *Journal of Occupational Environmental Medicine* and *Journal of the American Association of Occupational Health Nurses* found that the primary-care costs for patients seeking care at on-site health clinics were 42 percent and 66 percent (respectively) less expensive than for similar care provided off-site. Additionally, Mercer's *Worksite Medical Clinics 2018 Survey Report* found that employers with on-site health clinics saw an ROI of 1.5 or higher (for every dollar spent, $1.50 is returned).

While there are barriers to opening an on-site clinic, when utilized in the right environment, experts say, on-site health clinics can not only help employers manage burgeoning healthcare spend but also enable them to be transparent about healthcare costs and diversify their business from others—all while increasing access to quality healthcare. Cheryl DeMars, president and CEO of The Alliance, a not-for-profit cooperative that works to control healthcare spend while increasing employee access to high-quality care, adds that better healthcare can contribute to increases in productivity, recruitment and retention—key in a tight labor market.

"On- or near-site clinics effectively control costs, but also effectively improve employee health and satisfaction," she says. "It's a win-win for employers and employees."

## A Brief History

On-site health clinics were first introduced to railroad and mining companies in the mid-1800s as a way to keep employees physically on the job. Services were usually limited to treating on-the-job injuries, and employees often had to pay for treatment.

After World War II, when manufacturing was on the rise, on-site clinics became more popular. Popularity waned again in the 1970s and '80s, but rebounded steadily.

Curtis Smith, executive vice president and chief marketing officer at Medcor, an on-site health-clinic vendor, says his company has offered on-site health-clinic services since 1984. Back then, he says, most services were for occupational health, but now general medical care is of interest to employers.

"Ever-rising healthcare costs are making healthcare unsustainable for employers," says Smith. "Employers who are paying the bills are forced to look for alternative solutions to manage costs effectively."

Another way on-site clinics have evolved from their earlier incarnations is through the use of technology. While clinics can be a great benefit for employees working on-site, our world is becoming increasingly mobile. Every year, more companies offer flexible-work arrangements and remote opportunities for employees across the globe, which means an on-site clinic has to mimic this mobility.

Mike Miesch, vice president of the health transformation team at Aon, says telemedicine will continue to spread care beyond a fixed location in order to reach smaller populations of employees who are unable to make it to an on-site clinic. Another recent trend is for on-site clinics to be integrated with broader wellbeing programs that the company offers.

Dr. Allan Khoury, senior health management consultant at Willis Towers Watson, says he saw an uptick in primary-care services being added to on-site clinics starting around 2005. Many employees didn't have a primary-care physician, he says, and according to employee surveys, 40 percent of workers (more often males) weren't interested or didn't think they needed one.

"On-site health-clinic vendors are careful not to disrupt any existing primary-care physician-patient relationships, but so many people need a PCP that it's become such a valuable service to add to on-site health centers," says Khoury.

Bendix's Scott says the company is currently evaluating the opportunity to expand on-site services to include behavioral health and/or physical therapy. Ellen Kelsay, chief strategy officer at the National Business Group on Health, says some on-site health clinics even offer dental care and full-service pharmacies.

Both behavioral health and physical therapy make sense for on-site clinics to offer, says DeMars, as does chronic-condition management—which she's seeing more of.

"Diabetes or hypertension, once diagnosed, require continuous management, which is much easier to do when care is convenient," she says.

Joe McErlane, founder and CEO of NeoPath Health, an on-site health-clinic-management company, recalls a story from one of his clients that illustrated the trickle-down effect of the on-site-clinic approach.

A mother came into the clinic to seek assistance with quitting smoking. The physician got her on the right path and helped her kick the habit. Shortly thereafter, her husband came in because he wanted to quit smoking, too, and was impressed with his wife's progress. Eventually, the husband, wife and their 9-year-old son started visiting for routine physicals.

"Their little boy no longer needs asthma medication because both of his parents stopped smoking," he says. "I ask my clients to 'ROI that.' Employers have a role to play that extends down to families, and they sometimes forget that."

While these clinics may seem like a boon for any company looking to contain costs and support a healthy workforce, there are serious costs and other limitations associated with them. Employers need to weigh the pros and cons carefully before jumping headfirst into on-site care.

### Considering the Barriers

Experts agree that one of the biggest challenges to launching an on-site health clinic is the initial cost. Willis Towers Watson's Khoury says the size of the clinic directly impacts cost. If it's using existing space and the clinic will be small, he says, a company may be able to build it for less than $500,000. But if there isn't any existing room (or the clinic is on the fancier side), it could cost a company millions. Another driver of cost is who runs the clinic. Khoury says nearly 80 percent of on-site health clinics are run by an outside national vendor.

If an on-site clinic is set up and managed improperly, it could lead to a negative ROI or increased medical costs, adds Mercer's Keyt. He suggests business leaders work with a consultant who knows the ins and outs of building and running a successful clinic. Smith gives an example of a company investing in a beautiful, state-of-the-art clinic … with carpets.

"You don't want carpet in your clinics—OSHA has strict cleaning requirements, particularly if blood and other body fluids spill," says Smith. "You need the right flooring from the beginning and will only know this with the help of an engaged, reliable consultant."

Employee comfort level is also key. They may not want to be seen entering the clinic, so a separate entrance may need to be added (consider this, too, if dependents can access the clinic). Employers need to place a high priority on privacy, not only for employee ease, but to comply with HIPPA rules and regulations.

Employers should also determine whom the clinic will serve—is it open only to employees or the entire community in which it's located? If children will be seen, employers must ensure vendors supply a pediatric physician. The population being served will, in part, determine the level of care provided, which can range from registered nurses to specialists. What about the hours of operation—will the clinic open during standard business hours, or will it also be accessible on weekends or a part-time basis?

After a clinic is built, the people staffing it play a huge role in its success or failure. Poorly managed clinics are often subject to high turnover rates, which can lead to staffing problems, which could increase employee wait times and overall satisfaction (and use) of the clinic. If staff members have poor bedside manners, employees may also be less inclined to visit the clinic.

Bendix's Scott says the company spent 18 to 24 months pre-planning the clinic, time that was nearly evenly split between construction considerations and selection of the health-center provider. They whittled their list from 12 vendors to three finalists, before deciding on Marathon Health.

"It was critical that the organization we selected fit with us, both from a wellness philosophy as well as their technical expertise and their ability to serve the needs of our workforce," says Scott. "This has developed into a true partnership, with Marathon Health sharing in the workload to bring the health center to life."

Finally, a big piece in clinic success is how the effort is communicated to employees and their dependents. Khoury says it's inevitable that some critics may question the validity of a clinic. A concern may be that the clinic will be a way for employers to access private medical information and use it against employees.

"Employers don't want to know any of that information, especially because of HIPAA regulations," says Khoury. "[Employers] aren't mean-spirited or evil, but there will always be early adopters and naysayers."

It's up to employers to ensure that they leverage all communication channels to share information about the clinic, such as on the company intranet. DeMars adds that employees who have positive experiences with the clinic "can become the ambassadors to help spread awareness of the clinic and encourage utilization."

Keyt adds that, for an on-site clinic to be successful, employers must first understand the problem they're trying to solve. From there, it's projecting the impact on the organization and figuring out how to measure success by analyzing what value will look like.

The experts caution, however, that building an on-site clinic is part of a strategy, not a silver-bullet solution.

"The goal of a clinic shouldn't just be controlling healthcare costs," says DeMars. "Rather, what should be realized is that business results are tied directly to the health of your employees—keeping them healthy means business success."

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

Human Resource Executive
HEALTH & BENEFITS LEADERSHIP CONFERENCE™

This year's Health & Benefits Leadership Conference will be held April 24 through April 26 at ARIA Resort & Casino in Las Vegas. Go to www.benefitsconf.com.

## 2 Benefit Trends to Have on Your Radar

Jennifer Benz, program advisor to the Health & Benefits Leadership Conference and senior vice president of Segal Benz, identifies two prominent, emerging trends occurring in the employee-benefits space over the next year: family benefits and holistic wellbeing. (In January, the Segal Group acquired Benz' company, Benz Communications.)

In regard to family benefits, she says, life doesn't work on a predictable, five-day-a-week schedule. "Taking care of your own health and your family can often mean missing work, time spent navigating doctor's offices, etc. Savvy employers are putting in programs that support family life. But benefits are not enough. Employees also need flexibility and predictability in schedules, appropriate time off and supportive managers and cultures."

This is the topic of a panel Benz will be moderating at HBLC, April 24 through April 26 in Las Vegas. She'll be joined by the benefits leader of one of her longtime clients, Intuit, as well as HR leaders from SurveyMonkey and Patagonia.

Meanwhile, she says, wellbeing programs have evolved from focusing primarily on physical health to also including emotional and financial wellbeing.

"That definition of wellbeing continues to grow, and we see organizations rallying around an even broader definition—one that includes career growth, purpose and fulfillment, recognition and celebration," she explains. "This is a smart change because, whether you acknowledge it or not, everything in the workplace either adds to or detracts from employee wellbeing."

Benz says she sees a lot of evidence that most workplaces detract from wellbeing. In fact, she explains, there's a strong argument that many of America's health issues come from high levels of stress, primarily from financial pressure and toxic workplaces. "When we do focus groups with employees," she says, "they are quick to point out the hypocrisy between a corporate-wellness message and the unrealistic demands of their immediate manager.

"I think we're going to see a lot of organizations get wellbeing out of the benefits department and [make it] a C-suite priority," she adds. "This is going to be a great opportunity for benefits leaders who know how to change behaviors and drive engagement in programs that produce outcomes."

*—David Shadovitz*


WORDS OF AUTHORITY

**Stefan Gaertner and Ranjan Dutta,
co-leaders of People Analytics practice, Aon**

# Three Ways to Use People Analytics to Solve Your HR Problems

Human resources can reap the benefits of applying analytics, but too few companies are doing so in a sophisticated way. Our research finds one in four technology companies and nearly half of life-sciences companies don't use people analytics at all. Too many businesses focus their efforts on processing data to yield insights into how things are today, as opposed to looking at ways to change things or what might happen in the future.

Below, we outline three important ways people analytics can be applied to tackle some of the biggest HR issues facing companies today.

## Pay Equity

The drive to make compensation fairer and more transparent is everywhere. Ensuring your pay systems are fair is quickly becoming an imperative of doing good business. Organizations need to dig below the surface to determine whether and why they have any unexplained pay-equity gaps. This is where people analytics plays an important role. A simple compensation assessment by gender won't tell you what you need to know. To get at the truth, you need to run a multi-variable regression analysis to understand what really drives pay outcomes. Then you can start to fix the specific policies, practices and behaviors that can lead to bad outcomes.

There is also the related issue of pay transparency. While access to crowdsourced compensation data on the internet is nothing new, how employees use these resources, discuss pay with others and feel empowered to challenge corporate pay decisions is changing. Pay transparency will force employers to proactively identify and manage a shared understanding of fairness that transcends all groups and individuals. Most midsize and large employers have processes in place to establish and monitor pay fairness externally and internally; the question is whether those existing processes are robust enough to withstand a new level of scrutiny.

## Driving Performance


For HR leaders to get the most out of analytics, they'll need to integrate their goals and strategy around people analytics with cross-functional business leaders. Some companies just implement analytics technologies and pass metrics along to managers in the hopes that sharing information will lead to change. But what makes analytics most effective is integrating these capabilities into every decision you make. This requires discipline and collaboration to identify problems and solutions.

As an illustrative example, we worked with a large U.S.-based manufacturing company to understand the link between its health and wellness programs and employee performance. The work allowed our client to assess the full business impact of its programs and make modifications rooted in fact-based findings. We found there are four key health "concepts" that either drive or suppress performance: lifestyle risk, current medical payments, DxCG Risk Score (a widely used risk-scoring model) and participation in wellness programs. Using statistical analysis, we charted employee performance against these four health concepts to find if health and wellness improves employee productivity. We were then able to quantify the impact, showing that moderate increases in health and wellness would improve employee productivity by 5 percent, driving business value up by about $25 million per year.

## Strategic Workforce Planning

Companies need innovative solutions to address today's talent gap. The long-term futility of organizations simply hiring top talent from each other has also become apparent. Data and analytics are now critical in the race to gain an edge in three big ways:

- leads to new fact-based approaches for sourcing, attracting and retaining top talent;
- helps leaders quantify the future workforce gap, allowing for better strategic planning and a chance to address talent shortfalls earlier; and
- uncovers new labor markets and underutilized talent pools.

A search for new talent does not necessarily have to happen in a new geographic region. Sometimes it is a change in business strategy that drives a change in hiring strategy. We worked with a client that was shifting its business strategy toward technology and digitization, thus requiring new skills and a pivot in corporate culture. The CHRO was tasked with building a strategic-workforce-planning program that was sustainable and simple to implement and maintain, while also keeping the organization's core culture intact. Our analysis identified two critical jobs with large future-labor gaps, and a pilot workforce plan was built for one large business unit.

Harnessing data to yield insights that make talent and rewards programs more effective will ultimately make your HR function more strategic and a better business partner within the entire organization.

To learn more about how to utilize people analytics to benefit your organization, please contact us at consulting@radford.com.


# WORDS OF AUTHORITY

**Adam Rogers, CTO, Ultimate Software**

# Improving the Employee Experience through HR-Service Delivery

Two years ago, Gartner made an interesting declaration: Eighty-one percent of marketing leaders believed total customer experience would exceed price and product as the key differentiator in their industries by 2019. We live in a service-oriented world, and today's customers demand better, faster, more personalized experiences. If they don't receive them, they walk away.

As it turns out, the same is true for employees.

## Experience Versus Engagement

For years, employers have been hyper-focused on employee engagement, a metric that first made headlines when Gallup began tracking it in 2000. Yet, despite substantial investment, the national percentage of engaged employees has remained relatively stagnant for nearly the past 20 years.

The secret lies in switching the focus from employee engagement to employee experience. Employee experience comprises every aspect of a job—the physical workspace, available technology, relationships with colleagues and management, and every HR touchpoint, from recruiting to retirement. It directly impacts engagement levels and, while we merely measure engagement, we can actively design experience. Improving the employee experience is a proactive, rather than reactive, process—and therein lies its power.

## Designing Employee Experiences

Consider software-development teams, where intentionally crafting and enhancing user experiences is the primary objective. Companies such as Microsoft and IBM were among the first to pioneer the design framework known as "design thinking," which specifically promotes empathy as key to developing positive, seamless user experiences. Design thinking is now an industry standard among development teams, and a study from the Design Management Institute found that design-driven companies outperformed the S&P 500 by 228 percent over a 10-year period.

By mapping the employee journey, performing gap analyses, automating processes, implementing technology and evaluating success, HR leaders can apply design-thinking principles to promote strategic employee-experience initiatives among physical, cultural and technological workplace environments. They're also well-positioned to connect those initiatives to business objectives—talent acquisition, performance, cost savings, retention—to gain executive buy-in and increase budget approvals.

## Digitally Focused

I suggest focusing first on the digital employee experience. While nearly half of all U.S. employees work from home at least some of the time, almost all of them interact with workplace and HCM technology on a regular basis. Digital experiences are rapidly becoming the primary way employees interact with their companies.

Most HR leaders recognize the incredible impact these digital experiences can have on employee engagement and performance. In fact, a recent Sierra-Cedar survey found that the user experience was one of three "non-negotiables" that prospective buyers demanded from their HCM solutions, along with personalized relationships and a roadmap strategy demonstrating commitment to innovation.

Consider all the technology and tools your people interact with as they navigate their lifecycle at your organization. Designing for the digital experience means making it as easy to find HR documents as it is to Google restaurant reviews.

## HR-Service Delivery

HR-service delivery describes HR's crucial role in assisting employees with questions, requests and processes. Though the term is new, the function isn't. Whether an employee wants information about paternity leave or needs to file for relocation, HR is responsible for making requests happen as seamlessly and efficiently as possible. But as teams and organizations grow, accomplishing these tasks can quickly become cumbersome, time-consuming and inefficient, especially when they're managed through email.

HR-service-delivery technology, inspired by design thinking for the digital employee experience, is an innovative solution to reduce administrative clutter, provide self-service and role-based access to relevant information, and offer employee case and file management. HR is empowered to provide more personalized and responsive support, and employees can easily solve their own inquiries or have requests automatically routed to the appropriate team member.

The result is solutions that streamline workflows, boost productivity and expand HR's impact throughout the organization. Tracking, managing and fulfilling employee requests is intuitive and process-based. Workflows are seamlessly automated. HR leaders can effortlessly monitor crucial KPIs such as average response time and employee-satisfaction rates. And HR professionals are freed from tedious administrative tasks to focus on strategic and relationship-building initiatives.

Today's employees expect—and deserve—the same consumer-grade experiences at work that they enjoy at home. By treating our employees like our best customers and investing in their experiences, we foster the kind of loyalty, passion and productivity that set best workplaces apart.

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# WORDS OF AUTHORITY

**Meera Oliva, chief marketing officer, Gradifi**

# Student-Loan-Repayment Benefits: The Next 401(k)?

A bachelor's degree is today's cost of entry into the workforce, and the new generation of workers are willing to pay that price in record numbers. Over 50 million students attend college every year in hopes of opening doors to a career and a lifetime of opportunity that comes with a college degree. This dynamic between the growing push to attain higher degrees of education and businesses' demand for the knowledge and skill requirements they need has generated a staggering $1.5 trillion student-loan-debt problem in America, impacting employees and businesses alike. Employees are facing new financial challenges that affect their ability to save for retirement, buy a home and start a family. While this may sound overwhelming, companies have begun to leverage a new innovative solution—student-loan-repayment benefits—to address this challenge. Employers now have a unique opportunity to help pay off their employees' student loans while helping their company recruit and retain talent, improve engagement and productivity, and build a diverse and inclusive workforce.

## A Recruiting & Retention Tool in a Tight Job Market

In today's competitive job market, companies need a way to stand out in the war for talent. Low unemployment rates mean harder, more costly efforts are needed to attract new employees and retain the talented people they already have. Companies are realizing how important and difficult it is to have benefits that resonate with employees at every life stage. Student-loan benefits meet this need. Recent Oliver Wyman research showed that 90 percent of working professionals with student debt would be more likely to accept a job offer, recommend a company to a friend or to want to stay at their current employer if they received a student-loan-repayment benefit from their employer. In the same survey, 45 percent of respondents with outstanding student debt chose student-loan repayment as the most desirable benefit among six potential options, including retirement and healthcare contributions.

## Relieving the Burden of Student-Loan Debt

The impact of the financial stress caused by student debt can't be overestimated. Eighty percent of working professionals with student-loan debt consider it to be a source of significant or very significant stress, and an astounding 56 percent of them worry about debt often or all the time. Employees worried about their finances are more likely to take sick days, lose productivity and be less engaged overall. Relieving that stress through financial-wellness benefits can lead to a happier, more engaged and more productive workforce.

## A Benefit for All but a Game Changer for Some

While student-loan debt impacts employees of every race, gender and age, it does not impact all of them equally. Case in point: Women carry 67 percent of the $1.5 trillion of student debt in the U.S. and, while white graduates carry an average of $28,000 in debt, that number nearly doubles for black populations, who graduate with nearly $53,000 in educational debt on their shoulders. These disparities start early and continue once in the workplace—Hispanic women are paid 54 percent of what white men are paid in similar roles, leading them to carry their debt for longer periods of time and be further impacted by their debt.

Employers can build more diverse teams and, in return, help their bottom line by providing resources that benefit all employee populations but resonate more with these groups disproportionately impacted by student-loan debt.

## The New Generation of Benefits for the New-Generation Workforce

Student-loan benefits, offered through companies like Gradifi, give employers actionable opportunities to build loyal, more diverse teams. Much like 401(k) benefits, employer contributions to student-loan debt answer the very pressing needs of employees with student loans while signaling compassion and care to the entire workforce. In organizations dependent on specialized and skilled talent like healthcare, banking, technology and education, these benefits are becoming an essential part of their mix, proving their value every day.

The costs of education are only increasing. Employers have the opportunity to rise to the needs of their people by offering powerful new benefits that help solve a national challenge—as well as their own.

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# WORDS OF AUTHORITY

**Wendy Dowd, head of consumer and digital experience, Guardian Life**

# Designing A Customer-Experience Culture

When Forrester declared customer obsession as the only competitive advantage in today's marketplace five short years ago, we saw the unprecedented focus on digital, data and automation. But the companies making real progress in becoming consumer-centric are also looking within—at their employee experience—to make sure that technological disruption is not outpacing the growth of their culture.

Company culture defines success in consumer experience—it will help to accelerate the transformation or stall it. Every single employee must be engaged and align to creating the customer experience. They need to rally around the purpose and feel personally connected to the impact they make on the customer. The challenge is in equipping both leaders and employees to succeed along the journey and aligning the consumer experience to the employee experience. If you get it right, the rewards are significant: Those employers that have great employee experience outperform the S&P 500 Index by 112 percent, according to Accenture.

Talent leaders are essential drivers of the consumer-experience ambition. My experience as an HR leader is essential to my role as a CX leader. HR leaders know how to activate the people levers that can not only accelerate this change, but also make it sustainable. Among the most important drivers we have to consider in achieving a consumer-led culture transformation are data, asking "why" and doing the right thing.

**Data:** Forrester also tells us that data, data and more data are the three most important tools in a customer-relationship strategy. Obligingly, most of us are hiring plenty of data scientists or reskilling current staff to become such experts. But what happens when our data repositories grow faster than we can analyze them for opportunities? Or when data projects sit in a single business unit or one function like IT, finance or marketing? Data can only yield decision-relevant information when it is democratized and connected throughout your organization. That means the capabilities requirement of almost every job function now includes data and analytics to action and impact. Having everyone aligned to how you value and prioritize customer data and then leveraging it is foundational to building a strong consumer-centric culture.

**Asking "why":** Knowing the "why" behind consumer behavior is getting at real and meaningful insights. Those universal truths will allow you to provide the holy grail of customer experience: anticipating wants and needs, becoming hyper-relevant and personalizing the experience.

Companies that are still in the product- or offering-centric realm will leave this important task to the strategy, marketing, sales or customer-service teams. However, true customer-centric cultures are breeding cultures of curiosity and encouraging *all* employees to ask why. In doing this, they are equipping employees to constantly test assumptions and beliefs that may no longer be true. That can lead to powerful and positive disruption. And this is where the expertise of an HR leader and his or her collaboration skills shine. To continually reinvent, walk in a customer's shoes and create new solutions requires encouraging debate and the art of gaining buy-in. Nurturing a culture of collaboration and making people feel confident and excited about it is the only way to keep the inertia of the old behaviors from slowing your progress, or worse, halting it all together. When everyone buys into the common mission to understand and improve the customer relationship, magic can happen. New lines of business are born, unthinkable distribution channels emerge or imaginative partnerships form.

**Doing the right thing:** Consumer-led cultures are wired to do the right thing for their customers—it is in their DNA. I'm fortunate to be in an organization where "we do the right thing" didn't spring from the digitally transparent world we are in today, but rather from our founding values over 160 years ago. Not everyone has that level of institutional recall and, even among those who do, you can never provide enough training and guidance on how this is on constant display today. Social-media memes about "customer service gone awry" are everywhere we turn. These happen all too often when aspirations to become consumer-centric get ahead of what the culture can deliver. And today, that moment of truth can happen in any type of contact with anyone associated with your organization, not just sales reps, call-center employees or chatbots. Your brand is only as strong as the last encounter a consumer had with you, and engaged employees are your best strategy for ensuring that was exceptional.

A customer-led culture is no longer just a competitive advantage, but a business imperative. Customer centricity must be at the heart of your employee experience. An organization's HR leadership has an enormous opportunity—and a mandate—to lead in this time of digital disruption by creating aligned and consistent experiences for the organization's most valuable assets: its customers and its people.

# Fostering Good Managers

**Poorly trained or ineffective managers can have a significant impact on employee morale—and, ultimately, retention.**

BY ANDREW R. McILVAINE

Despite being the founder and CEO of a restaurant company, Cameron Mitchell does not believe the customer comes first. Instead, it's the employees (or associates) who do, he says.

"Restaurants often expect their staff to take care of guests, without taking good care of them first," he says. "We put the associates first, and the results have been spectacular."

Mitchell's company, Cameron Mitchell Restaurants, has grown from one location in Columbus, Ohio, in 1993 to 33 restaurants in 12 states today, with brands including Ocean Prime, Molly Woo's Asian Bistro and Harvey & Ed's. Mitchell credits much of his success (his company has a 4.5 rating from current and former employees on Glassdoor and has a turnover rate far below the restaurant-industry average) to an "associates-first" culture, in which managers who mistreat the staff are quickly shown the door.

"I had a chef who yelled at a female colleague—I fired him on the spot, even though he was a really talented chef," says Mitchell, author of *Yes is the Answer! What Is the Question?: How Faith in People and a Culture of Hospitality Built a Modern American Restaurant Company*. When a company's leadership insists on respect for others, he says, it sets a clear tone for how managers are expected to behave toward their direct reports.

Setting a positive example is important for managers, who are often the key to retention. A recent survey from Teamblind Inc. finds that the No. 1 cause of employee burnout is poor leadership and unclear direction from managers, cited by 23 percent of the 9,000-plus respondents, ahead of factors such as work overload or low pay.

Managers who are poorly trained, ineffective and (in some cases) abusive are a drag on a company's competitiveness in a tight labor market.

"A bad manager can absolutely cause employees to not only become disengaged, but eventually leave the organization," says Sari Wilde, managing vice president at Gartner, who oversaw a recent study on managerial effectiveness.

## The Importance of Being a "Connector"

What are the characteristics of a bad or ineffective manager? Well, he or she tends to badmouth colleagues, play favorites among their direct reports and focuses on proving themselves right above all else, according to a recent survey conducted by The Predictive Index. However, their very worst trait, according to the survey, is a failure to communicate clear expectations—58 percent of respondents cited this as a trait of bad managers.

Another potential issue: a lack of respect from managers to employees. Fifty-four percent of Americans would consider finding a new job if their manager showed a lack of respect for employees in lesser positions, according to a new survey from Harris Poll conducted on behalf of outsourcing firm Yoh. The same survey finds that 40 percent of Americans would consider leaving their job if their manager played favorites.

Behaviors such as these typically occur when managers have been promoted into their jobs without proper training, says Matt Rivera, Yoh's vice president for marketing and communications.

"What's happened in the past 10 years is that managers were forced to work with less and, in the process, some things were cut—like managerial training and development," he says.

Indeed, many managers are burdened with too many responsibilities and not enough resources. HR can unintentionally add to the problem by encouraging managers to be "always-on" coaches, says Wilde.

Despite the trend for managers to serve as coaches to their direct reports, expecting them to provide continuous coaching can exhaust them, she says. A better approach, she says, is to encourage them to be "Connectors."

Wilde oversaw a Gartner survey that queried 7,000-plus managers and employees and 300 HR executives on managerial effectiveness.

The survey identified four managerial approaches to employee development: Connector, Teacher, Always-On and Cheerleader. The Connector Manager approach is ideal because it's more focused on assessing the skills, needs and interests of employees than the other approaches, according to Gartner. Managers who use this approach recognize that expertise can lie in other areas of the organization, not just with them, says Wilde.

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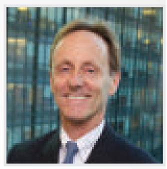

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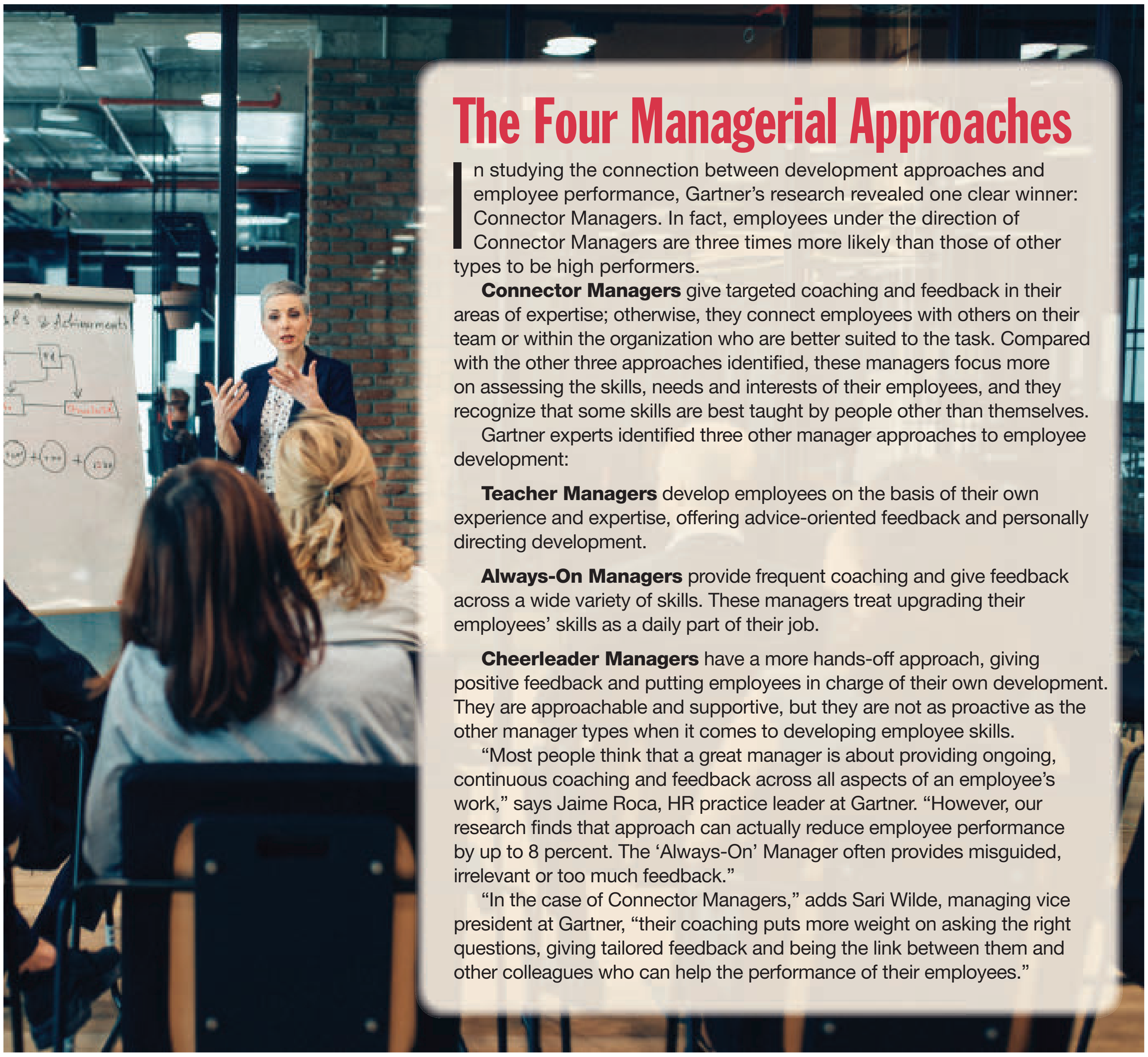


## The Four Managerial Approaches

In studying the connection between development approaches and employee performance, Gartner's research revealed one clear winner: Connector Managers. In fact, employees under the direction of Connector Managers are three times more likely than those of other types to be high performers.

**Connector Managers** give targeted coaching and feedback in their areas of expertise; otherwise, they connect employees with others on their team or within the organization who are better suited to the task. Compared with the other three approaches identified, these managers focus more on assessing the skills, needs and interests of their employees, and they recognize that some skills are best taught by people other than themselves.

Gartner experts identified three other manager approaches to employee development:

**Teacher Managers** develop employees on the basis of their own experience and expertise, offering advice-oriented feedback and personally directing development.

**Always-On Managers** provide frequent coaching and give feedback across a wide variety of skills. These managers treat upgrading their employees' skills as a daily part of their job.

**Cheerleader Managers** have a more hands-off approach, giving positive feedback and putting employees in charge of their own development. They are approachable and supportive, but they are not as proactive as the other manager types when it comes to developing employee skills.

"Most people think that a great manager is about providing ongoing, continuous coaching and feedback across all aspects of an employee's work," says Jaime Roca, HR practice leader at Gartner. "However, our research finds that approach can actually reduce employee performance by up to 8 percent. The 'Always-On' Manager often provides misguided, irrelevant or too much feedback."

"In the case of Connector Managers," adds Sari Wilde, managing vice president at Gartner, "their coaching puts more weight on asking the right questions, giving tailored feedback and being the link between them and other colleagues who can help the performance of their employees."

says Wilde. First, they build strong one-on-one connections with their direct reports, which enables them to better understand why, for example, an employee might be disengaged or performing poorly. Second, they build trust with and within the teams they manage, which tends to foster the type of intrateam environment that promotes collaboration and skill sharing. Third, they connect their employees with developmental opportunities within the larger organization, such as matching them with others who may be better equipped to provide coaching and mentorship, says Wilde.

Connectors will often prepare employees to make the most of these connections by advising them on, for example, the right questions to ask, she says.

"These are simple tools that a lot of managers probably don't use, but they embody the Connector approach," says Wilde.

Managers in the survey are split fairly evenly between the four different categories, with Connectors making up about a quarter of the population, says Wilde. In the most recent data, Connectors are a bit more likely to be in more senior roles and have longer tenure than other managers, she says.

Many Connectors learned from observing their own managers, says Wilde. "Having a Connector earlier in your career makes it more likely you'll be one," she says.

HR can help foster more Connectors by building a Connector organization, she says, where people are encouraged to seek expertise from colleagues and share their own. This can be helped along by tech tools that make it easier to identify and connect with others in the company who have skills and experience in certain areas, says Wilde.

### Screening for Culture Fit

Exemplis, a fast-growing company based in Orange County, Calif., is one of the largest office-furniture manufacturers in the U.S. The company has a 4.2 Glassdoor rating.

"We're very entrepreneurial in spirit," says Karen Robinson, vice president of human resources.

Four years ago, the company's leadership sought to define what distinguished Exemplis from other organizations and what sort of managers it wanted to help reinforce that culture. They devised nine core leadership values against which to measure that.

"We're very competitive—we want people to come in each day ready to hit the ground running, focused on beating the competition and meeting customers' needs," says Robinson. At the same time, the internal focus is on creating a team-based, collaborative environment. Managers must be able to embody all of that, she says.

The key to sustaining this culture is to focus on recruiting, says Robinson.

"We look for two key things in our managers: people who are results-driven yet humble," she says. "The CEO has little tolerance for people with big egos who are non-team players."

Exemplis has been successful in finding managers who embody this, she says. "We've spent a lot of time cultivating our recruitment processes, trying to determine the best way of assessing those qualities in candidates."

Candidates complete a culture screen before they even get to an assessment of their technical abilities, she says.

"We ask a lot of questions designed to determine whether they'll be a good cultural fit," says Robinson. The questions are based on an internally created assessment put together in part by benchmarking companies such as Netflix and Zappos that are well known for assessing candidates via a culture screen, as well as expertise within the HR department.

"We have a lot of expertise in our HR team around IO psychology and assessment," she says.

Although technical skills are important, HR can't afford to ignore the other qualities that make good managers, says Robinson.

"When you go to hire leaders, assess them as much for core values and culture as well as their experience and technical skills because those things are very important and it's a lot easier if people come in with that already," she says. "Once they're here, recognize them for embodying those values as much as performance."

### Avoiding Perceptions of Favoritism

For employees, favoritism—or the perception of it—is one of the biggest concerns about managers. Chris Dyer, founder and CEO of background-checking firm PeopleG2 and host of the popular *Talent Talk* podcast and radio show, says employees often end up convinced their managers are playing favorites. The real problem, he says, is a lack of transparency.

"Every employee wants very much to be heard," says Dyer. "If a manager can be transparent about certain things—the organization's standards and goals, rules and processes—and talk about them honestly, openly and on a regular basis, then it will eliminate the perception of favoritism."

Managers who can clearly explain to employees why they didn't get a promotion they thought they deserved or the rationale behind certain company policies will be less likely to have employees who disengage—and contemplate exiting—because of perceived favoritism, he says.

"If employees don't understand the criteria, they'll make up their own truths," he says.

Most important is to hire (or promote) the right people into management jobs, says Dyer. There are certain qualities that good managers have—a bit of charisma, a willingness to admit mistakes, transparency—that can prevent problems from cropping up in the first place.

"If someone has those, then I can teach them the rest of what they need to know," he says.

Mitchell says the most important piece of advice he'd offer is to create a culture that prioritizes employees and their needs. Leaders, he says, must set an example for managers and supervisors to follow.

"When you have leadership that takes a stand in favor of associates, it becomes part of company lore—those become moments that define your culture," he says.

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

# What's Keeping HR Up?

Year after year, the job of chief HR officer continues to become more challenging—no matter the size of the organization, no matter the sector. But when it comes to what's keeping HR leaders up at night, a consistent theme emerges from one year to the next: Ensuring employees remain engaged and productive *continues* to reign supreme.

In *HRE*'s latest *What's Keeping HR Leaders Up at Night?* survey conducted in December 2018 and January 2019, 32 percent of the HR leaders cited employee engagement and productivity as their top challenges, compared to 29 percent a year earlier. These findings unquestionably speak to the profession's awareness that organizational success is directly linked to whether it employs a focused and engaged workforce.

What's different about this year's finding is the fact that, for the first time, it shared the top spot with retaining key talent in today's recovered economy, which 32 percent of the 260 respondents cited as their top concern.

When HR leaders were asked how worried they were about losing talent over the next 12 months, around 72 percent indicated they had either a decent or high degree of concern, compared to 67 percent in last year's survey.

In terms of what they were doing to ensure their workers were engaged and didn't jump ship, top strategies included increasing employee communication (59 percent), providing employees with additional training and development (55 percent), and increasing and improving leader and manager training (52 percent). These were followed by assisting employees in their career development (52 percent), increasing recognition and feedback (42 percent), and changing compensation (32 percent).

Taking the next spot on this year's list of concerns was attracting and retaining diverse talent, at 26 percent, followed by strengthening the employer brand and attracting the right talent to the organization (25 percent) and developing leaders (20 percent). (Aligning people strategies to business objectives was pushed off the top-five list.)

In terms of what HR leaders are spending their time on, recruiting topped the list (45 percent), followed by employee relations (32 percent), and benefits, talent management and leadership development (all tied at 27 percent). While the areas on the list closely mirrored the 2018 results, it's worth noting that the percentages citing them in 2019 were all notably higher than a year earlier.

As might be expected, CHRO stress levels continued to climb, with nearly three-quarters of the respondents saying they increased somewhat (44 percent) or dramatically (29 percent). Just under 3 percent said stress levels declined. Despite this, only about 27 percent described their work/life balance as being problematic.

Once again, the respondents would like to see policymakers put or keep healthcare at the top of their legislative and regulatory agendas, with 76 percent citing it as a top-three priority. It was followed by immigration (29 percent).

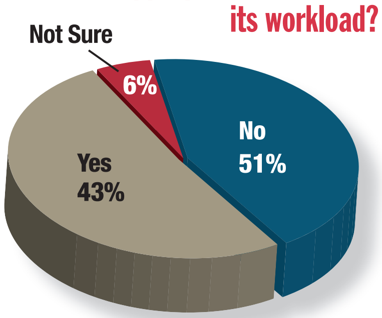
Reflecting on today's strong jobs market, nearly half the respondents (49 percent) said the overall size of their organization's workforce increased over the past 12 months, compared to 14 percent who said it decreased. About 36 percent indicated it remained the same, while 1 percent weren't sure.

In contrast, only 22 percent of the HR leaders said their department's staffing levels increased last year, with only 8 percent saying their departments decreased and the remaining reporting no change, further indication that many HR organizations are continuing to be asked to do more with less.

Drilling a little deeper into this topic, just over half of the respondents (51 percent) said they didn't have enough staff to appropriately handle the workload this year, roughly 5 percent higher than those who expressed that sentiment in 2018.

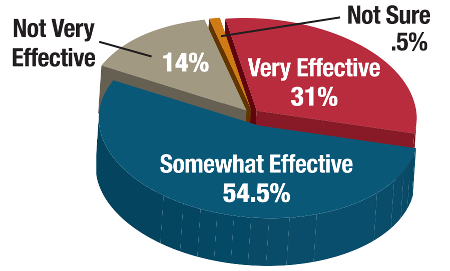
*—David Shadovitz*

**Do you feel your HR department is staffed appropriately to handle its workload?**

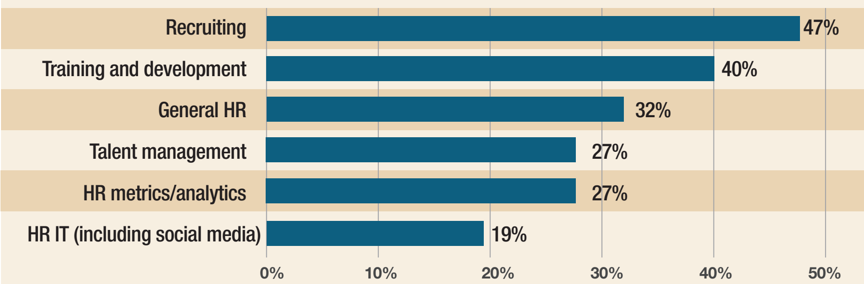



**What do you consider to be the three biggest HR challenges your organization faces today? (limit to three)**

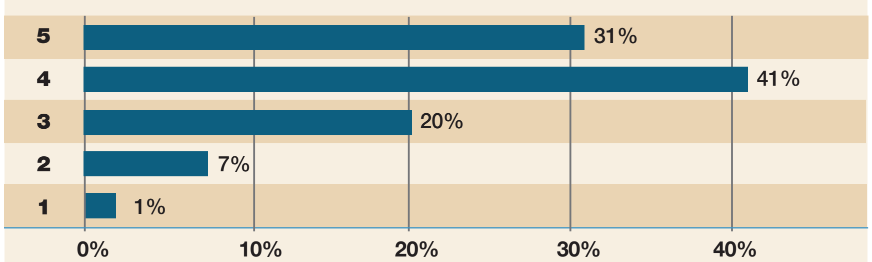

**How would you rate the effectiveness of your HR team in delivering strategic value to the organization?**




**What HR disciplines are most in need of additional staff? (limit to three)**




**How concerned are you about losing talent over the next 12 months?**
(5 = extremely concerned and 1 = not concerned at all)



## Emerging Intelligence

By John Sumser/Columnist

# This Chatbot Developer is Disrupting R&D

Innovation today looks a lot different than it did a few decades ago.

It used to be that research and development happened in large organizations under loose governance focused on big ideas. Today, R&D is done in little, well-financed start-up labs driven by demands for immediate revenue.

Legacy players take a long-range approach to R&D, while the small, well-heeled start-ups are focused on immediate revenue. The big guys have data and, sometimes, vision. The little players are scrappier and more tactical.

Kronos, Ultimate Software, ADP and Workday are fantastic examples of companies that pursue vision in their development processes. Each uses its core values and experience to create a differentiated view of the future and what will be most important, while their R&D programs are rooted in each organization's core values.

It is extremely unusual to encounter a smaller company building intelligent tools that has a big idea. Vision is usually underemphasized, while tactical success is celebrated. That poses a problem with technologies as primitive as AI.

There are some exceptions, particularly with chatbots. The best way to guarantee chatbot performance is to limit it to precise decision trees that solve very small problems. The hope is that AI will increase employee access to and utilization of company data, but those remain elusive goals.

Recently, I've been talking with David Karandish, the CEO and founder of Jane.ai, which is modest in its assertions and expansive in its vision. Karandish sees the AI question as a 20-year development journey that is just beginning.

Karandish is building Jane.ai as a project that discovers and breaks through the limitations encountered by intelligent technology. "There is a huge difference between building a chatbot and building an enterprise-grade knowledge-management system," he told me.

By concentrating on slowly changing industries (education, financial services and utilities), he is focusing Jane.ai on markets with stable structures in their information. Jane.ai provides intelligent access to company HR policies in whichever digital workspace it chooses.

Jane.ai is built on a foundation of 20 simple principles. From transparency (here is how we got to the answer) to ubiquity (use whatever interface you want), the principles guide product development. The goal is to eventually create a living, breathing repository of the organization's values. That's a long way from interview automation or knockout questions for screening. Of course, the tool is integrated with Workday, Ultimate Software and ADP.

In October, I'll present several sessions at the HR Tech Conference in Las Vegas on the use of intelligent tools to solve HR problems. I'm always in the market for case studies.

*(Author's note: I previously had financial relationships with Ultimate Software and ADP.)*

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# By The Numbers | Figures from the workplace and beyond

COMPILED BY *HRE* STAFF

## 5,340

The number of workers with master's degrees or higher whom the Department of Homeland Security estimates its new rule governing the H-1B visa-selection process will admit into the country. DHS says the rule change, which goes into effect April 1, could generate up to 16 percent more visa holders with advanced degrees.

Source: *Wall Street Journal*

## 77%

The number of survey respondents who say they prefer to work in a traditional office or cubicle instead of an open-floor plan.

Source: Okta

## 30%

Percentage of workers who think that mental health isn't a good enough excuse to miss a day of work.

Source: SurveyMonkey and Quartz

## 10.5%

Percentage of wage and salary workers who belonged to unions in 2018, down from 10.7 percent in 2017.

Source: Bureau of Labor Statistics

## $11 billion

How much the government shutdown cost the U.S.—$3 billion of which cannot be recovered.

Source: Congressional Budget Office


## 1 million

The approximate number of federal contract workers who are unlikely to receive back pay after the government shutdown.

Source: *The Washington Post*

## 3%


Percentage of surveyed employers that provide unlimited paid time off to their employees. Only 4 percent report they are considering adding it to their offerings.

Source: Mercer

## 5.1%

Percentage of pay that employers are contributing to their employees' 401(k) accounts.

Source: Plan Sponsor of America

## 9 to 1

The ratio of robots per 1,000 manufacturing workers in the U.S.

Source: National Bureau of Economic Research

## 99.8%

Percentage of the approximately 5 million people who are harassed at work each year yet never file formal charges.

Source: University of Massachusetts-Amherst

## 72%

Percentage of 800 C-suite and HR leaders who say they're investing in people analytics more than any other tool to enhance talent attraction and engagement.

Source: Randstad Sourceright