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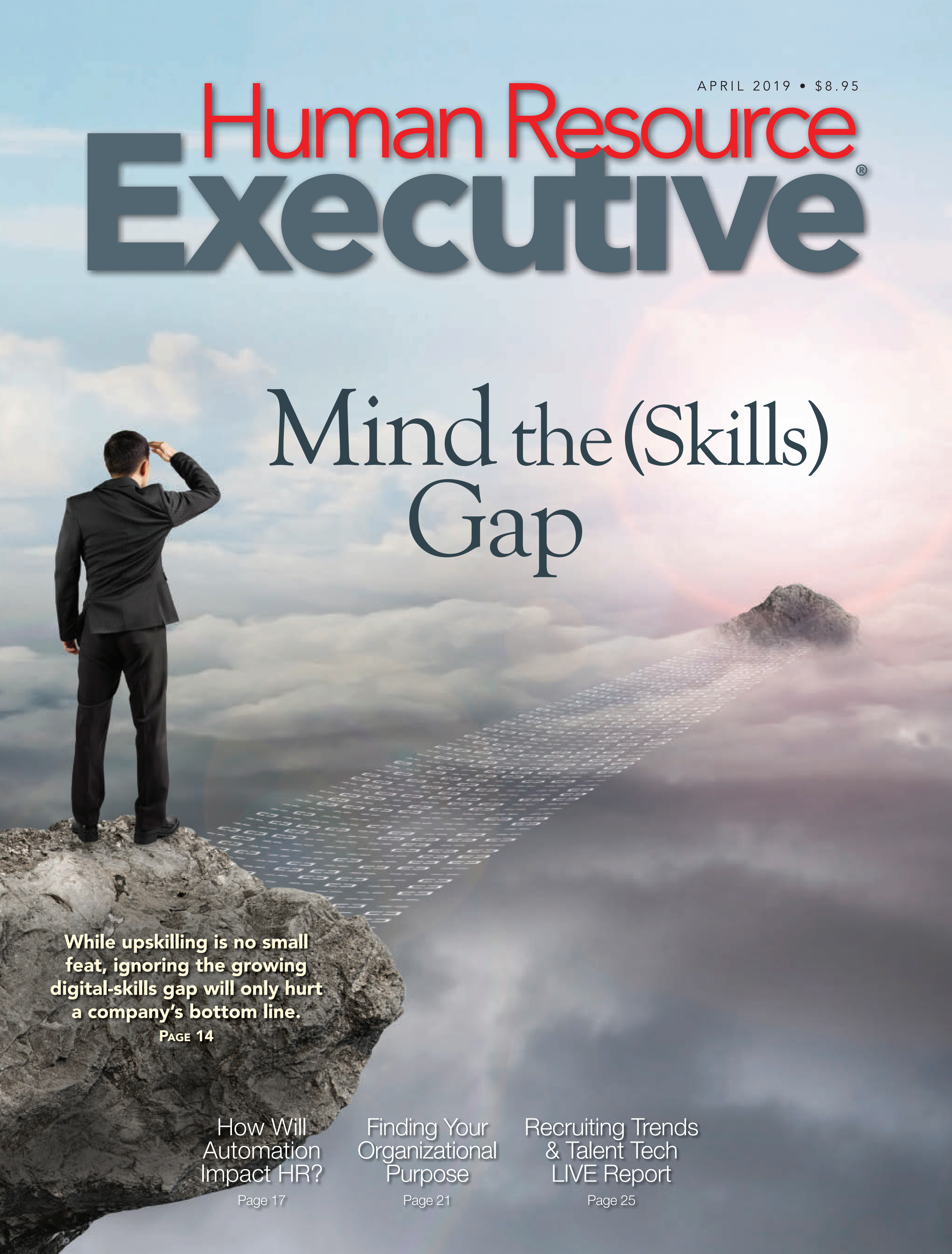

Mind the (Skills) Gap

While upskilling is no small feat, ignoring the growing digital-skills gap will only hurt a company's bottom line.
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April 2019

Cover illustration by Sue Casper

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Letters

Start with the Critical Business Challenges

I read Marcus Mossberger's article, *3 Ways for HR to Disrupt Itself. Now.* (HRExecutive.com, Feb. 12, 2019), with great interest, as it implies the urgent need for HR transformation. I spend a fair amount of my time with both senior line executives and HR leaders, and I would agree with the need [for transformation] expressed by both [groups]. It is interesting, however, that there are differences. The line leaders are looking for help solving their business challenges. The HR leaders are busy looking for ways to improve their function with a myriad of tools and initiatives. It is clear from the growing frustration the two don't line up.

A fourth suggestion to those already mentioned: Start with the critical business challenges first, then look at the HR functional capability to deliver real, measurable business results versus HR outcomes.

For example, talent acquisition is all the rage today, as the war of talent confronts us. The processes that facilitate improvement here are essential, but they are not a business outcome—just as a new receivables system is not an outcome to a finance department. They are both expected and table stakes for capable leaders in both functions.

So, with all the tools we have today, how can they enable successful disruption? Data analytics, when positioned to solve business challenges, holds the greatest opportunity, from my perspective. Using these tools/capabilities to predict business outcomes and transform teams to exceed the original goals accomplishes two key things. First, it enables line leaders to meet the core business objectives that executive staff and boards spend a majority of their time on. Second, it provides a vehicle to tightly link many of the traditional HR functions into drivers of business outcome versus HR goals, unlike anything before. Imagine tools the HR function could have that predict and drive new-product acceleration and acquisition success at levels unheard of today—or enable corporate transformation with the greatest success and least disruption.

Gene Tange
CEO
PearlHPS
Pleasanton, Calif.

Get Moving in the Right Direction

In February, KPMG shared its *Future of HR* global study (*What HR Needs to Do to Not Get Left Behind*, HRExecutive.com, Feb. 28, 2019), which argued that forward-looking HR leaders were correctly focusing on analytics, digital labor and artificial intelligence. It argued that most HR practitioners were focusing on administrative and operational activities and were at risk of … "being left behind."

While I agree with KPMG's assessment that great and disruptive changes are underway, my opinion is that there is another trend that is equally important and that HR is uniquely positioned to explain, aid and abet. Burning Glass Technologies, a Boston analytics firm, analyzed millions of job postings and found that, while employers are indeed interested in the host of digital technologies (including AI), they increasingly want creative minds that can find ways to make use of the data. Dubbing these "hybrid jobs," Burning Glass estimates that the demand for these jobs is rising much faster than non-hybrid jobs—21 percent annual growth versus 10 percent annual growth. In addition, pay for these jobs is significantly higher, and the chance of automating them is significantly lower … . Who gets to explain all this to the C-suite and make recommendations for how to hire, adapt career paths and provide extra training? HR, of course.

Ongoing training to allow employees to grow and to strengthen retention will be especially challenging. It could mean a photographer learning digital marketing, requiring technology training and then an immersion experience. Her pay will reflect the new skills, going from $30 an hour to $75 an hour. One hypothetical example drawn from the data was a software engineer who adds social and consulting skills and goes from a $180,000 salary to a $400,000 commission opportunity.

A *Wall Street Journal* article on the Burning Glass report ended with the incredibly broad conclusion that "workers, employers and educational institutions will have to figure out how to more systematically prepare individuals for these roles."

It is very positive news to see the increased valuation of lifelong learning and adaptation, and of the ability to think, write and communicate. KPMG's expert says, "Get moving or get out of the way." Let's tweak that to "Get moving in the right direction and with an open mind. Then you'll find the right way."

Merrie Spaeth
Founder and President
Spaeth Communications Inc.
Dallas

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Quoteworthy

"While the skills shortage can be tough on all employers, it's an especially thorny issue for private companies. Many lack the name recognition of their bigger public counterparts, and they may not be as ready or willing to win the talent war by offering higher compensation."

—**Erica Volini,** *U.S. human capital leader for Deloitte Consulting*

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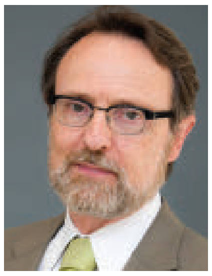
Talent Management

By Peter Cappelli/Columnist



How to Dodge Runaway Wages

I was recently at a conference where the topics of hiring and doing good for society intersected. For those of us old enough to remember, the discussion was almost an exact replay of what was happening 20 years ago when the job market also reached a fever pitch.

Alan Greenspan, then chairman of the Federal Reserve, had the novel idea of letting the economy grow—even though unemployment was extremely low—until there were actual signs of inflation. Wages are the big driver of inflation because they are the most important "price" in the market. It never overheated, and the dot-com bust eliminated the chance to see just how low unemployment could go without pushing up inflation.

Current Federal Reserve Board Chairman Jerome Powell is doing more or less the same thing. While wages haven't started to rise yet, we are seeing some precursors. Perhaps more accurately, what we are seeing are efforts to meet hiring needs without raising wages.

One of those precursors is that employers seem to be getting less picky about whom they hire. Like in the 1990s, we are starting to see easing on drug testing, experience required and, for lower-level jobs, some reduction in educational requirements.

What's new are efforts to raise compensation for new hires without doing the same for existing employees, including through signing bonuses. Meanwhile, some companies are helping employees pay off student loans, but mostly just for new hires, which tells you this isn't just about being nice to people burdened by loans.

The real "doing good while doing well" part comes on the recruiting side, particularly in cities and especially in service industries, such as hospitality, where there are lots of jobs to fill that require few skills. The U.S. youth-unemployment rate remains over 9 percent and hasn't budged in the last year. If I'm trying to fill those jobs, engaging that part of the workforce seems obvious.

That may well be right, but it is not so easy to do. My colleague Paul Harrington calculates that, in Philadelphia, one-quarter of those under 25 are not in school, are unemployed and have never had a job. My guess is other cities have the same problem.

Therein lies the challenge: It isn't as simple as just passing out job applications to young people. Most of that 25 percent have never filled out a job application and, more importantly, they know little—if anything—about what it means to have a job.

A 1998 survey I did with the U.S. Census Bureau found that almost 60 percent of businesses were working with high schools to facilitate the transition of students from school into work. The most common reason they reported for doing so was civic responsibility but, of course, in a very tight labor market, it also made business sense.

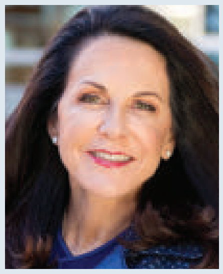
Little signs today are pointing in a similar direction: Major hotel chains, in particular, are helping young, inexperienced job seekers fill out applications and understand what is required to hold down a job. They are doing this in part because they think it is a component of their social responsibility, but, of course, it also helps their business.

So, a rising tide is at least starting to lift more boats.

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

HR Leadership

By Eva Sage-Gavin/Columnist



Setting Your 2019 HR Agenda

The overarching theme facing CHROs this year is navigating volatility and driving growth, as we are involved in the business equation as never before. In 2019, CHROs have the opportunity to set their people and teams, as well as themselves, up for unprecedented success.

Inorganic Growth Brings New Questions

Last year saw roughly 41,000 M&A transactions worldwide. Growth, whether organic or inorganic, is the end goal as never before, meaning culture and teaming are more important than ever—and both fall directly in the CHRO wheelhouse.

As a result, I believe we will begin to answer some complex questions in 2019. How do we preserve an acquired culture of innovation, seeding its entrepreneurial spirit into our legacy organizations? How do we protect an acquired agile culture from the red tape that can quash it? How do we make the formation of high-performing teams a science, from shop floor to board level? An M&A deal can appear to have everything going for it, but if two cultures cannot avoid a seismic collision, all may be lost.

As Peter Drucker said: "Culture eats strategy for breakfast." Get it right and we contribute to growth in a way no other C-suite officer can. I find that incredibly exciting.

Technology Advances Change the CHRO Role

Many of us, in pursuit of high-performing teams, are looking at the use of workforce data to make them more probable. With advances in wearables, artificial intelligence and analytics, we have more worker-data potential than ever. How do we turn that into actionable insights—and in a way that respects employee privacy?

Tapping into our workforce DNA—the informal networks through which work really gets accomplished, the skills employees bring to the table that we may not be aware of and more—can spur growth. Agile organizations have foregone command-and-control models for ecosystems and information networks. While this is a positive, it means some of the information that can help companies grow may not be in the official knowledge bank. Tapping into this information is key to success.

When we use employee data responsibly and with permission, we can do everything from increase efficiency to break old paradigms for true innovation.

For example, Silicon Valley's Juniper Networks used workforce science to determine where its best employees came from and where those who left the company went, to map career tracks and improve hiring/retention. The CHRO's team will need to walk a fine line between advocating for corporate growth and championing employee privacy rights.

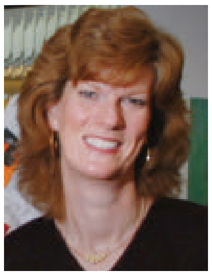
Myriad topics will occupy us this year, but these two are so prevalent, so timely, that I think they are enough for now. These are fodder for board-level conversations, so let's introduce them proactively to our boards.

I hope you and I will continue this conversation throughout 2019—so please email me your ideas and concerns. As I mentioned above, we have a chance to create some good that doesn't exist yet.

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

Benefits

By Carol Harnett/Columnist



What is Caregiving Costing You?

I've been a caregiver twice.

Both times, I was fortunate to be highly placed enough within the company that my requests for flexibility and occasional remote work were accommodated. I was always grateful for that, but I know my career stalled for a period of time as a result. At one point, my senior leader delayed my upcoming promotion while waiting to see if I was "back on track."

While caregiving is all-consuming, I never regret one minute of the time I spent doing it. It is a rare privilege to walk the last part of the road with someone you love.

I first started writing about caregiving in 2009 and I've covered this topic three times in this column. Yet there is little uptake in the recommendations I shared.

I confirmed this in a recent conversation with C. Grace Whiting, president and CEO of the National Alliance for Caregiving. While organizations such as hers continue to educate employers about caregiving, and President Trump signed two major pieces of caregiving legislation, we remain unmoved.

If businesses are going to innovate, grow and succeed with a shrinking global talent pool and a record-low unemployment rate, we must address these demands that are affecting productivity and pulling employees out of the workforce.

So, I am going to suggest a next step: Measure the impact of caregiving in your workplace.

Harvard Business School recently found that only 52 percent of employers track data on workers' caregiving, yet three of four employees reported some type of caregiving responsibility.

Debra Lerner, a professor in the departments of psychiatry and medicine and the senior scientist and program director for the program on health, work and productivity at Tufts Medical Center, and her colleagues developed the *Caregiver Work Limitations Questionnaire* in 2014 based upon the original *Work Limitations Questionnaire*. The survey assesses the impact of caregiving on workforce performance and productivity.

Lerner found that millions of Americans provide assistance to a loved one who is ill, disabled or aging, and most of these family caregivers are also employed.

"After surveying thousands of employed family caregivers, it is clear to me that companies can do more to help working caregivers function effectively in both roles," Lerner said. "But helping working caregivers is going to require a shift in how companies manage this task."

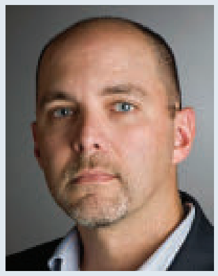
Lerner observed that employers often assign accountability for employees who are caregivers to a single group—typically the employee-assistance program. She believes companies need to reframe this responsibility as a "cross-cutting challenge requiring involvement of those responsible for absence and leave policies, talent recruitment and retention, medical- and behavioral-health services, and job design and job placement."

I believe Lerner is correct in her recommendation on how to address caregiving's impact, but that's a column for another day. Until then, measure the pervasiveness and effects of caregiving on your workplace. Before you can establish or enhance your strategy to address the challenges of caregiving, you need to understand the extent of the problem in your workplace.

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

Inside HR Tech

By Steve Boese/Columnist



Navigating M&A in HR Tech

Recently, several significant mergers and acquisitions in the HR-technology market have made news. While such announcements get analyzed for their impact on share prices, market share and the software company's long-term futures, we often overlook one really important constituency impacted by M&A events: the customers of the company that gets acquired. They need to understand what an M&A event may mean for them—including changes that can significantly alter customers' HR-tech platforms and future directions.

If your company is a customer/user of an HR-technology solution that has been acquired by another HR-tech provider, here are three things to consider as you react to the news:

1. What is the vendor's (true) commitment to supporting the acquired products?

Just after an M&A event, it is common for the acquiring company to issue a statement about its commitment to the products and customers it has acquired. But looking to the future, customers need to understand the provider's intended approach to those solutions. Some important questions to ask of the provider include:

- How will the published product roadmap change?
- Will the underlying technologies change, and how?
- Will the process for updates, bug fixes, training and overall customer support change?
- Will the acquiring company continue to invest its internal R&D resources at current or increased levels?

2. How will working with the provider change after the M&A activity is completed?

A large part of the success of provider/customer partnerships is tied to "non-product" areas like company-culture alignment, personal relationships with key staff and the community of other partners and users, and the overall product ecosystem. Even things that seem less important, like whether the acquired company's annual customer and user conference (if it holds one) will continue, can be important indicators of how customers are going to be affected. After an M&A event, any adverse impact to the provider partnership could be a signal of even worse—or, shall we say, less-than-optimal—longer-term outcomes.

3. What are your other options?

In the current HR-tech environment, where increased M&A activity seems likely, it is a good idea to take an inventory of your current HR-technology solutions and assess a given solution's acquisition risk.

Solutions that are more niche in nature can often become targets of providers aiming to fold the capabilities into their larger product suites, with the smaller solution ceasing to be offered as a stand-alone product. Larger HR-tech solutions, while less likely to be acquisition targets, are more likely to survive as separate product lines after an acquisition.

Essentially, the larger the company getting acquired, the longer the runway existing customers have before being forced to make decisions about changing technology providers. But the bottom line is that HR leaders should work with their IT staff to have an up-to-date understanding of the HR-tech footprint at the organization and develop a rough plan of how to proceed if important partners and providers seem like acquisition targets.

If you are in search of new or replacement technology solutions, make plans to attend the HR Technology Conference in Las Vegas from Oct. 1 through Oct. 4, where all the important HR-technology solutions will be on 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

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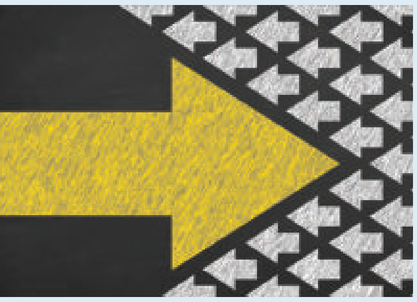


Are You Ready for Talent Disruption?

When U.S. business executives look into the proverbial crystal ball, what they mainly see on the talent front is disruption.

Mercer's *2019 Global Talent Trends* study—which surveyed more than 7,300 global senior business executives, HR leaders and employees from nine key industries—found that 65 percent of American execs predict serious disruption in the next three years, a significant 30 percent jump from last year's survey.

Why so much? Well, for one thing, says Ilya Bonic, president of Mercer's Career business, as those same executives seek to "future-fit" their significant human-capital risks—mainly, closing today's skills gap and overcoming employee-change fatigue—today's strategies can impede transformation progress. Yet, the Mercer study found, managing those concerns is critical: Just 37 percent rate their company's ability to mitigate human-capital risks as "very effective."

While organizations have moved from "anticipation to action in preparing for the future of work," Bonic says, "they risk bewildering people with too much change, ignoring the values individuals admire and inundating them with endless processes."

In today's uncertainty, Bonic says, employees crave stability. Mercer's study, in fact, uncovered that job security ranks among the top-three reasons that employees join and also stay with their employer. On the flip side, 20 percent are concerned that AI and automation will replace them. According to Kate Bravery, career global solutions leader at Mercer, the way to help employees feel secure is to foster human connections. Thriving employees (those prospering in the areas of health, wealth and career) are twice as likely as others to describe their roles as "relationship-focused" and their work environments as "collaborative."

"The future of work is about connectivity, creating a work environment that appeals to today's workforce by building a coherent sense of identity, sparking connections and using data to personalize the experience," Bravery says.

Mercer's study identifies four top trends that leading companies are pursuing in 2019: aligning work to future value, building brand resonance, curating the work experience and delivering talent-led change.

For example, in the area of aligning work to future value, HR's challenge is to build an integrated people strategy (an approach deployed nine times more frequently by high-growth companies) and leverage the right talent analytics to inform decisions on the future size and shape of the organization. But today, less than one-third of companies have good insights into the business impact of their buy, build, borrow and automate strategies, the survey found. "The key is aligning jobs and people to where value is being created and enabling a mechanism to reward future-fit skills and behaviors," Bravery says.

The study found about 60 percent of HR leaders are involved in both planning and executing major change projects, yet only two in five participated in the idea-generation stage of transformation initiatives. Also, HR sees employee morale as a roadblock to making changes stick; employee attrition and a decline in employee trust are among the top-four challenges.

Transformation efforts, Bonic says, should "focus on people-centered design and better talent metrics to understand how people are experiencing and embracing change," Bonic says.

—Tom Starner

Navigating Emerging Trends in HR Tech

Technology has revolutionized how HR processes and services are developed, delivered and evaluated. To separate the noise from the news, we asked an assortment of HR-tech experts to share their thoughts on the most important trends for HR leaders to follow.

Employee-Centric Products

There is an emerging shift toward using people-analytics projects to provide value to the employee, according to David Green, executive director of Insight222, a London-based networking, consulting and learning business focused on people analytics. This is manifesting itself in personalized recommendations in learning, along with individualized "nudge-based tips" to support better decision-making by managers and workers in areas such as productivity, collaboration, team management and wellbeing.

Indeed, learning and development is where HR tech has been lagging so far, according to Tom Haak, director of the Amsterdam-based HR Trend Institute.

"Most of what we see is old wine in new bottles, like making online learning solutions accessible," he says. "To really enable learning in the flow of work, we need HR-tech solutions that monitor and evaluate the work people are doing, and then offer personalized learning solutions, when required."

As employees recognize HR-tech solutions are designed primarily with the needs of the organization in mind, Haak expects to see a degree of resistance, as they ask, "What are the benefits for me?"

AI Technologies and Workforce Complexity

The increasingly pervasive deployment of AI-powered technologies is driving "the inevitable bifurcation of key HR functions into tactical versus strategic," according to Jeanne Achille, CEO of the Devon Group and program chair for the Women in HR Tech Summit at the upcoming HR Technology Conference & Exposition®. As the tactical

aspects of recruiting, learning and compensation are more easily automated through AI, Achille believes there will be a new emphasis on people-enabled strategic-relationship management. She predicts solutions such as organizational-network analytics will help identify and calibrate the intensity and range of an employee's internal and external influence, and these valuable data can inform hiring, succession planning, leadership development and talent mobility.

While many would like to believe that artificial intelligence, algorithms and machine learning are going to be the panacea that fixes all that ails HR, Stacey Harris, vice president of research and analytics at Sierra-Cedar, cautions there will be missteps, as people assume their organizations are simpler than they are. "We are going to come back around by the end of this year talking about the idea that workforce complexity is really the challenge that we have to address," says Harris. "To do that, we have to really look at the technologies that capture that complexity."

Humanizing the Technology

As organizations increasingly rely on data and algorithms to guide their decision-making, Harris says, HR needs to keep in mind that workers are "human beings with feelings and different approaches to how they are motivated." While modern technologies can suggest how long someone should spend on a task, or even a bathroom break, Harris stresses that factors such as how much time that same individual takes to voluntarily show a new person the ropes isn't considered. "Optimizing the workforce to the greatest extent" will require HR to look past the algorithm into what's really going on in the workplace.

Talent Improvements

Despite massive investments in HR tech, there remains a huge gap between the new solutions and the competencies required to implement them, according to Littal Shemer Haim, an Israel-based people-analytics consultant and HR-data strategist. She believes HR practitioners will embrace a data-driven mindset to adapt to the era of AI and analytics. This shift—which, she says, has begun in large organizations and will pick up speed in smaller companies this year—requires someone to match tech solutions to business and people needs, and manage data-privacy expectations of different stakeholders.

"Who could do this better than HR people?" says Shemer Haim. "It is their job, their duty and, in 2019, we will see them starting to close the gap between the new horizons that HR tech offers and their competencies to adopt it."

—Julie Cook Ramirez

Supreme Court Strikes Down Pay-Equity Case

A recent U.S. Supreme Court decision triggered by an untimely judicial death now plunges employers back into a state of uncertainty regarding a controversial pay-equity practice.

In February, SCOTUS vacated a 2018 federal appeals-court decision because one of the judges counted in the majority was deceased by the time the decision was published—ultimately reversing a landmark pay-equity ruling that concluded employers could not justify wage differentials between men and women by relying on prior salary.

According to a legal alert by Fisher Phillips' pay-equity practice, the case began after Aileen Rizo was hired as a math consultant by the Fresno County Office of Education in 2009. The county's Standard Operating Procedure for determining salary dictated that new employees would be given a 5 percent raise from the salary at their previous job and then placed into a structured salary schedule. Rizo was earning a little over $50,000 at her previous post in Arizona before joining Fresno County, so she was slotted into the appropriate step as dictated solely by that previous salary. The county did not take prior experience or any other factors into account when setting Rizo's salary.

A few years later, Rizo learned that male colleagues subsequently hired in similar roles had been placed into higher salary steps—assumedly because their salaries at previous employers had been higher than her previous salary. An internal complaint did not resolve the matter to her satisfaction, so she filed an Equal Pay Act claim against the county in 2014.

Although Rizo received a favorable ruling from a lower federal court, which would have allowed her case to proceed to trial, a three-judge panel of the 9th Circuit Court of Appeals reversed that decision in 2017 and ruled in the county's favor. Because this matter was deemed sufficiently significant, however, the 9th Circuit heard the matter en banc—meaning a full complement of 11 judges ruled on the matter, setting controlling law for all employers in its jurisdiction (which includes those in California, Washington, Nevada, Arizona, Oregon, Alaska, Hawaii, Idaho and Montana).

On April 9, 2018, the 9th Circuit's en banc panel made history by becoming the first federal appeals court to so explicitly reject the employer's contention that salary history could serve as a legitimate justification for a pay disparity under the EPA. While other circuit courts had already reached similar conclusions, none had done so in such a clear-cut and explicit manner. The employer had relied on a catchall provision of the statute that exempts the setting of disparate wages because of "a differential based on any other factor other than sex."

Because salary history is, technically, a factor "other than sex," the employer argued that it should be permitted to use it to justify any disparity. The en banc panel rejected the employer's argument, ruling that "prior salary alone or in combination with other factors cannot justify a wage differential. To hold otherwise—to allow employers to capitalize on the persistence of the wage gap and perpetuate that gap ad infinitum—would be contrary to the text and history of the Equal Pay Act, and would vitiate the very purpose for which the Act stands."

After the county asked the Supreme Court to examine the ruling, hoping for a last-ditch victory, the nation's highest court not only granted the county's request to hear the case, but also issued an unsigned opinion striking down the 9th Circuit's decision.

The reason for its ruling, however, had nothing to do with the merits of the case; the brief decision mentions nothing about pay equity at all. Instead, the reasoning behind the decision stems from the fact that one of the 9th Circuit judges listed in the majority of the en banc ruling died 11 days before the case was issued.

In its ruling on Monday, the Supreme Court gently slapped the 9th Circuit's judicial wrist, ruling it had erred by counting Judge Stephen Reinhardt as a member of the majority. "That practice," it said, "effectively allowed a deceased judge to exercise the judicial power of the United States after his death. But federal judges are appointed for life, not for eternity."

What's Next for Employers?

Fisher Phillips notes that, in light of this controversy, employers across the country—and especially those on the West Coast—must determine whether they should eliminate questions about salary history during the application process and compensation finalization.

While California and Oregon both have state laws barring employers from making such inquiries and using past salary history to establish compensation, what should employers in other states do?

They should begin by working with their counsel to conduct a privileged pay audit to determine if the company has compensation gaps, Fisher Phillips advises.

If any are identified, companies should work with their counsel to ascertain whether any are justifiable—perhaps because of differences in experience, education, ability, job performance, seniority, quality of work, quantity or another merit-based factor. Even in those states that have enacted salary-inquiry bans, liability from past inquiries may be lingering. In some states, undertaking such an internal audit and then acting to remedy the situation will create a safe harbor, shielding employers from pay-equity claims or damages.

"You might also consider eliminating questions relating to salary history from your interview protocol and job applications," the alert advises. "Instead, many employers now request an applicant's salary expectations at this stage in the process as a way to help negotiate a fair salary. You will also need to inform third-party reference-check businesses operating at your command, and your hiring managers conducting job interviews, about any changes in your practice."

—Michael J. O'Brien

A Skills Revolution

A new global survey by Korn Ferry finds employers are recruiting based on skills, not open positions. Among the findings of the research:

77% of surveyed employers are hiring for roles that didn't exist a year ago;

57% have hired a candidate with a specific skill set, even without a defined role for that person; and

61% are investing in upskilling current talent, as opposed to 39 percent that are looking more to external recruiting.

HR Tech Expands Asia Presence

HR luminaries Josh Bersin, Jason Averbook, Trish McFarlane and Steve Boese will be among the headliners speaking at both the HR Festival Asia in Singapore and HR Technology Conference & Exposition China in Shanghai this May.

These two events expand the reach of *HRE*'s HR Technology Conference—which is now in its 22nd year and will be held this year in Las Vegas Oct. 1 through Oct. 4—into the APAC region. HR Festival Asia will be held at the Suntec Singapore Convention & Exposition Centre in Singapore on May 8 and 9, while the HR Technology Conference & Exposition China, produced by LRP Media Group and Shanghai DLG Exhibitions & Events (Group) Co. Ltd., will be held at the Shanghai Exhibition Centre on May 14 and 15. (LRP Media is the publisher of *HRE* and produces the HR Technology Conference.)

At HR Festival Asia, Bersin, a leading industry analyst and thought leader, will address trends and strategies for managing the current and future workforce, while Averbook, a leading analyst and CEO of Leapgen, will explore the key steps for creating and defining a vision that accounts for the workforce experience. Boese, HR Technology Conference co-chair, and McFarlane, H3 HR Advisor CEO, will explore global HCM-technology trends and applications for the APAC region.

A Women in HR Tech event will also be featured at the festival.

Attendees of the Singapore event will be able to visit an exposition hall featuring more than 150 solution providers, including ADP, Indeed, Skillsoft, Cornerstone OnDemand, Microsoft and SAP. Other companies represented on the program include Workday and Ultimate Software.

At HR Technology Conference & Exposition China, Bersin will explore what lies ahead in HR technology and what employers need to do to prepare for it, while Averbook will focus on how to deliver a "digitized" workforce experience. Boese and McFarlane, meanwhile, will revisit HCM-tech trends and applications. (McFarlane is also program chair of the event.)

Shanghai is the site of the HR Technology Conference & Exposition China in May.

Ram Charan, a world-renowned advisor, author and speaker who has more than 35 years of experience working with many of the world's top CEOs and companies, will present the event's keynote, focusing on how digital giants such as Amazon and Alibaba are transforming business models—and what chief HR officers need to do to align themselves to this new reality.

University of Michigan's Ross School of Business professor Dave Ulrich will deliver a keynote at the event as well.

Representatives from Honeywell China, ADP, the China Action Learning Institute and Ultimate Software are also featured on the program.

HR Tech China includes an exposition floor that's more than 23,000 feet in size.

3 Tips to Improve Employee Healthcare Communication

Employers aren't doing a great job of communicating healthcare benefits to their workers, according to a recent survey by Maestro Health. In fact, 62 percent of 1,000 employed consumers surveyed said their employers don't serve as a resource for their healthcare-related questions. One-third of respondents said they don't understand their medical bills and 54 percent said they don't know what the term "self-funded healthcare" means.

Kevin Seeker, associate vice president of benefit communication strategy at Sun Life Financial U.S., says these survey results are disheartening because employers are the ones who must guide employees to help make the right benefits decisions for themselves and their dependents.

"Employers must choose the right platforms that support communication and education and be willing to evolve or adjust communications to suit varied workforce demographics," says Seeker. "It is also important to communicate in language that employees understand. 'Insurance speak' can be confusing."

For example, he says, when offering a high-deductible health plan with a health spending account, employees often become confused as to what their actual out-of-pocket expenses will be and how to best leverage health savings accounts.

To help improve healthcare communications, Seeker offers the following three tips for employers.

- Maintain benefits communication year-round, not just at enrollment season. Ongoing communications can be about specific benefits, wellness programs or other health- and benefit-related items. This practice will also help new hires who need to make benefits decisions rather quickly.
- Administer employee surveys that offer feedback on available products, plan designs and enrollment-decision support.
- Understand your workforce's demographics and accommodate them during enrollment—some people may prefer a digital experience while others still want to speak to real people. Vary your communications to include one-on-one or group meetings, telephone support and mobile applications.

During a time when healthcare costs continue to rise, employers should be committed to helping their employees choose health plans and other benefits appropriate for their needs.

Rob Butler, CEO of Maestro Health, notes that more than $10,000 per person annually is spent on healthcare in the U.S. "Understanding what people want when it comes to healthcare and benefits, and arming consumers with the tools to enhance their literacy will help us optimize the industry and improve consumers' individual health outcomes," says Butler.

An investment in effective communication, Seeker adds, can help ensure both employers and employees get the most value out of their benefits.

—Danielle Westermann King

Upcoming Events

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

May 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 cover 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.

Oct. 1-4 ***HRE*'s HR Technology Conference & Exposition®, The Venetian, Las Vegas.** Whether attendees are looking to increase their knowledge to buy and effectively implement new HR systems or to stay on top of this rapidly changing industry—success starts here. As the industry's leading independent event for 20-plus years, HR Tech has been a key catalyst for tens of thousands of HR and IT executives in their quest to leverage technology and secure HR's role as a pivotal component in their company's overall success. Hailed as the industry's "Town Hall Meeting," HR Tech is a once-a-year chance to learn from—and network with—respected thought leaders and like-minded professionals. HR Tech is not a user conference and does not sell speaking slots. That means each session gives practical and actionable takeaways—minus the sales pitch and vendor hype. Plus, home to the world's largest HR-technology expo—the size of seven football fields—HR Tech gives attendees the chance to compare more products and services side by side than any other event. For more information: LRP Media Group at www.HRTechConference.com.

What is Leading the Way in MPHRO Growth?

It's known as global multi-process HR outsourcing, or MPHRO, and apparently it's on a roll.

According to a new report from the Everest Group, the global MPHRO market is expected to continue at a 6 percent to 8 percent annual-growth rate over the next three years. That translates to more than $5 billion by 2020.

The growth will be fueled by employers increasingly seeking strategic partners with the expertise to support a next-generation HR model, says Anil Vijayan, Everest Group's practice director and co-author of the report. In that scenario, technology is leveraged to not only provide cost reduction and process efficiency but also to orchestrate a seamless, intuitive employee experience, he adds.

The researchers found that the basis of this next-generation MPHRO model are digital tools and concepts, primarily analytics, automation and cloud. For example, analytics solutions can have a significant impact in mitigating all business challenges faced by enterprises through enhanced visibility and control. Despite the growing adoption of basic analytics solutions, however, advanced-analytics penetration within HR still remains relatively low.

Among the report's findings:

- The MPHRO market has witnessed adoption from first-time outsourcers as they venture into cloud-based HR-services delivery;
- North America continues to dominate as the primary decision-making location. However, its share is slowly being eroded by Asia, Eastern Europe and the Middle East;
- MPHRO deals on third-party SaaS-based platforms are witnessing much faster adoption rates. Among prominent third-party platforms, Workday has witnessed the highest traction, followed by SAP SuccessFactors; and
- manufacturing and financial services still lead adoption in MPHRO, but non-traditional adopters such as healthcare and retail have seen an uptick in adoption.

Regarding the cloud, it is now a major disruptive force in re-engineering HR operations, as cloud-based solutions not only provide an elevated employee experience, but also offer an integrated view of the data. According to the report from the Everest Group, this allows enterprises (or providers) to glean strategic insights to overcome talent-related challenges.

"The most critical issues facing enterprises today are HR challenges, such as the scarcity of talent, the high cost of HR operations and providing employee experiences ... to maintain competitive positioning," Vijayan says.

Increasingly, he adds, enterprises are looking to their MPHRO service providers as strategic partners to guide them through HR digitalization.

"The importance of third-party advisory has increased sharply," Vijayan says, adding that, looking to the future, "digitally driven, orchestration-led engagements will form the primary-deal archetypes in the ever-evolving MPHRO marketplace."

—Tom Starner

Using Comp Plans to Reduce Unethical Behavior

In business, there's a delicate balance between incentivizing employees to achieve financial goals and running the risk of workers fudging their financial reporting for personal gain.

Understanding when people might give in to temptation to boost their own bank accounts is at the root of a recent study, says William J. Becker, co-author of the report and associate professor of management in the Pamplin College of Business at Virginia Tech.

The study, *The Effects of Goals and Pay Structure on Managerial Reporting Dishonesty*, showed that having cost goals decreases dishonesty when managers are paid a flat wage and increases dishonesty when managers are paid a bonus for hitting certain targets.

Becker worked with co-authors Stephen J. Sauer, an associate professor of consumer and organizational studies at Clarkson University's Reh School of Business, and Matthew S. Rodgers, an associate professor of management at Ithaca College.

Even though the business-school students knew they were participating in a company simulation involving financial-reporting information such as time and expense reports, they didn't

have a real-world reason to falsify reports, Becker says. Yet, they still did, by significant amounts.

Establishing goals and offering incentives work well separately, Becker says, but when they are linked, it can "supercharge the incentive to hit the target" and downplay values such as accurately reporting the costs and treating the client well. He says other studies have proven that, when rational decision-making is in conflict with emotions, feelings always win.

The study also observed a "slippery-step" effect, wherein dishonest behavior becomes increasingly worse once managers have crossed a certain threshold of dishonesty, Becker says.

Susan Holloway, director of executive compensation strategy at WorldatWork, says that, while incentive plans are a powerful way for a company to put a spotlight on what they want to achieve, "if left unchecked, it could lead to unethical behavior."

Careful compensation-plan design, she explains, should discourage "achievement at all costs" through checks and balances. These can include concrete, verifiable numbers, qualitative measures such as customer service or other quality metrics, report review by internal or external financial professionals, both short- and long-term incentive goals, and solid policies about misreporting.

Alan Johnson, managing director at Johnson Associates, an executive-compensation consulting firm, adds that a compensation plan based on sensible results reduces the chances that people will lie to meet a goal. "If we give you an impossible goal to keep your job, then you're probably going to cheat. There has to be a linear, rational relationship between the result and the payout."

Becker, whose background includes investigating workplace ethics and the role emotions play, notes: "We are creatures of our personality, environment and culture. Today, we have a short-term, results-now culture. When you have goals and incentivize them strongly, [people] say they don't care about being accurate."

"I think culture and the whole dynamics of the system around your goals is very important," adds Johnson. That means good companies acknowledge reasons why goals may not be met and support people trying to reach them. And, having plans in place to take rapid action if there are serious infractions means people will know that cheating "will cost you your job."

Johnson says problems arise when company culture allows infractions like cheating, misreporting and harassment to slide, "as long as the money is coming in."

Another way to curb misreporting is to make sure early on that people have the right skills and the capacity to succeed in their role, he notes. Moving people to more appropriate jobs or even out of the company will reduce desperate, emotion-based reporting.

Don Delves, managing director and executive compensation practice leader for Willis Towers Watson, says that HR plays a role in developing and implementing compensation and incentive plans, but the ultimate check is a company's board of directors.

"If a board is asking the right questions and [asking] if there are the right checks and balances in the system," Delves says, "they will ascertain what the risks are and are they being effectively managed."

It's also wise, says Delves, for HR to develop a good whistleblower program that allows employees to anonymously report misdeeds to a board of directors, committee or other organization outside the chain of command.

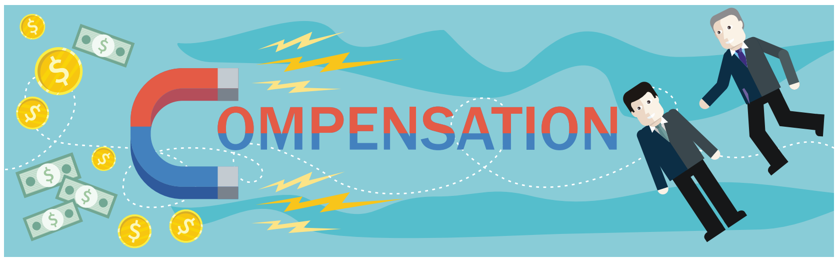
The bottom line is that, ultimately, there will always be people who try to game the system for their own advantage, Becker notes.

Although study participants started out being honest, over the course of simulations, incidents of misreporting gradually increased. That's because the emotional brake known as guilt gets worn down when temptation is present.

"You start out battling that guilt," Becker says, "but once you get the reward, it overwhelms your sense of guilt over misreporting. Then, the battle's lost."

—Maura C. Ciccarelli

The Compensation Conundrum



According to PayScale Inc.'s *2019 Compensation Best Practices Report*, based on a survey of more than 7,000 employers:

- **66 percent** cite employee retention as a major concern (compared to 59 percent last year);
- nearly **70 percent** of respondents project base-pay increases of 3 percent or less;
- more than **40 percent** give base-pay increase of at least 10 percent for some positions, particularly those in IT;
- **66 percent** are planning to use bonuses in 2019 to retain top performers in highly competitive jobs.

The Biggest Lies HR Should Stop Believing

Do cats really have nine lives? Well, that's debatable, but here's something else that makes use of the number nine: Marcus Buckingham's latest book.

In *Nine Lies About Work: A Freethinking Leader's Guide to the Real World*, the world-famous consultant (and opening keynoter at the HR Tech Conference a few years ago) offers his take on what's holding back everyone at the workplace.

The problem, Buckingham and co-author Ashley Goodall write, is that too many leaders (HR and otherwise) have bought into certain notions and stereotypes about what motivates and inspires people. This has led to processes and structures that serve only to reinforce these stereotypes and ultimately cause employees to simply disengage.

So, what are the nine biggest workplace lies that Buckingham is out to slay? Let's explore a few (Buckingham's not a bullet-points type of guy; if you want the comprehensive list, it's probably best to get the book).

One of them—fifth on the actual list—is that people need feedback. Feedback, as in regular and continuous, has become all the rage in certain sections of the HR universe. It's seen as a much-improved way to coach employees on their performance instead of the dreaded annual review. Many HR-tech vendors have jumped on the feedback bandwagon and are offering mobile versions of tools designed to supply employees with regular (constant?) feedback.

What employees really need, Buckingham writes, is advice and guidance, not feedback that can often take the form of unwelcome criticism. This advice does not need to be dispensed on a regular basis, he says, but should be offered when needed, include helpful examples and can even come in the form of questions—such as, "When you had a problem like this in the past, what did you do that worked?" What people really need is to excel, Buckingham writes. Feedback that is frequent, candid and critical can actually impede that.

Another lie—this one is No. 1—is that people care which company they work for. Not true, according to Buckingham. In this age of "best of" and "best places to work" lists, it may be easy to believe that people desperately care about this. Many HR leaders are deeply invested in getting their organizations onto such lists. However, he writes, although people do care which company they join, research shows that the quality of work you'll get from them once they do join depends very much on the team they're on, not the company. And well-led teams, not surprisingly, tend to get the best performers.

Then there's what Buckingham calls the "people have potential" lie, on which high-potential programs are based. Workplace theory holds that some people have high potential (the "hi-po's") and others have less (the "lo-po's"), he writes. Companies have invested in development programs for hi-po's as a means of building their pipeline of future leaders, investing little to nothing in the lo-po's. This amounts to what Buckingham describes as "a bizarre apartheid." Corporate leaders often say that "our people are our best asset," he writes. Wouldn't it follow, then, that they focus on helping all their people—not just some—develop their abilities so they can thrive in whichever job they're in?

—Andrew R. McIlvaine

Cover Story

Mind the (Skills) Gap

While most executives recognize the value in upskilling their workforce, few are prepared to actually tackle the skills gap head-on.

BY DANIELLE WESTERMANN KING

A high-tech client of Accenture approached the global management-consulting firm about reskilling its workforce and, within two years' time, Accenture was able to help transform this company's curriculum from 100 percent classroom-based learning to 75 percent digitally based. The result? Ellyn Shook, chief leadership and human resources officer at Accenture, says the client saw a 92 percent average increase in the number of people being trained per year.

For companies that want to remain competitive, upskilling (and/or reskilling) should be a No. 1 priority. McKinsey Global Institute predicts that, by 2030, approximately 14 percent of the workforce will have to change careers because of automation and artificial intelligence. That would leave millions of employees in the dust, with limited career options.

Antonis Christidis, a partner at Mercer, says the elimination of jobs isn't a new phenomenon; however, the pace of digital transformation is something we've never experienced before. Looking back to the first Industrial Revolution, many Americans were either working in agriculture or a skilled trade and, as factories started cropping up, there was a demand for unskilled labor. Americans went from working on farms to working in factories, a relatively easy transition because the demand for unskilled labor skyrocketed.

"What's happening now, however, is the layer of transactional jobs in the next 15 years will be eliminated—people without relevant skills won't have an easy transition like in years past," says Christidis. "If we don't start upskilling/reskilling now, we run the risk of a big part of society becoming irrelevant."

In a McKinsey survey of approximately 300 global executives, a majority of respondents said they'll need to retrain or replace more than a quarter of their workforce by 2023. Sixty-six percent of respondents rated reskilling/upskilling as a top-10 priority; however, only 16 percent reported feeling "very prepared" to tackle the skills-gap challenge.

Jaime Fall, director of UpSkill America, says that upskilling the current workforce is critical for retention because it's becoming harder to attract new employees.

"As skills needs continue to shift, employers look for people who come to the company not only with the right skills, but that they're a good culture fit," says Fall. "But those people already exist within the organization—why not do whatever is possible, within reason, to give current employees the skills or knowledge they need to be able to move up in their careers?"

To fully prepare for the future, employers must create a culture of learning that fully supports the rise of new skills. There are countless options for doing so, but UpSkill America has identified six models of upskilling: apprenticeships, pre-employment training, high-school completion/equivalency, employee training, certifications and/or college degrees.

No matter which avenue companies pursue, Accenture's Shook says, the time to upskill the workforce is now.

"Ultimately, to thrive—not just survive—in this time of high-velocity change, organizations and individuals need to embrace lifelong learning," she says. "Gone are the days when you learned a skill and practiced it throughout your career. The new life script is to learn, work and repeat."

Bridging the Divide

Accenture isn't just talking the talk—the firm is dedicated to upskilling its own workforce, along with helping clients do the same. Shook says that, in roughly three years, the company has "new-skilled" nearly 300,000 of its 469,000 employees worldwide.

"New-skilling our people was at the heart of our massive talent transformation to ensure they remain relevant and at the forefront of both technology and industry," she says. "To achieve this, we have an innovative learning culture, Accenture Connected Learning, which abandoned the one-size-fits-all curriculum to instead focus on learning opportunities that are highly customized for the individual and highly specialized based on our clients' needs."

Mike Fenlon, chief people officer at PwC, notes that upskilling has also been at the center of PwC's business model. All employees are asked to adopt a growth mindset because the company views learning as a lifelong commitment.

In the fall of 2017, PwC launched its Digital Fitness mobile app, which tests technical knowledge, as well as behavioral skills and relationships in the organization. Once complete, employees are presented with feedback on strengths and skills gaps and are then connected to learning assets within the app, including podcasts, articles, quizzes, videos and links to training courses.

Fenlon says the app is just the entry point. From there, employees set up their own Digital Fitness plan, in which they can chart their learning journey. As they complete learning "quests," employees are awarded with digital badges, which are real credentials that stay with them during their tenure at PwC and beyond.

"Ultimately, to thrive—not just survive—in this time of high-velocity change, organizations and individuals need to embrace lifelong learning."
—Ellyn Shook, Accenture CHRO

There are also fast-track programs like the Digital Academy, which is an intensive one-to-two-day training course in topics like robotics and data visualization, after which employees are expected to immediately apply the new skills internally or in serving PwC's clients. The company also offers a Digital Accelerators program, in which employees receive immersive training in any number of topics, including process automation, robotics, data visualization and AI. The Accelerators are rapidly redeployed to teams where they continue to learn and build skills over the course of 18 months. The expectation is that they'll accelerate the development of others and the creation of technology.

"Upskilling has been at the heart of our business model because our greatest asset is our people and their expertise," says Fenlon.

Over at IBM Corp., its global workforce of more than 380,000 has access to a whole host of learning and development programs, and the company recently embraced the era of "new-collar" workers—putting skills above degrees.

Kelli Jordan, director of career and skills at IBM, says the tech giant offers a digital-learning ecosystem called Your Learning, which has transformed the way in which employees learn. Learning is no longer a top-down activity, but something all employees are encouraged to do at their own pace. Your Learning is powered by Watson cognitive computing, which uses AI to understand the unique learning needs of every employee. With every interaction, Watson gets smarter and improves the learning recommendations for individuals.

Employees also have access to Watson Career Coach, which acts as an advisor that can offer career advice, identify lateral career moves and recommend ways to help build skills in an employee's desired career path.

The conversation around upskilling isn't complete without mentioning the more "conventional" route of learning: college. For instance, at Bright Horizons, a majority of employees are teachers who work in its early-childhood-education centers, yet many don't have a college degree. Chris Duchesne, vice president of client services at EdAssist, a division of Bright Horizons, says that, while these employees may have wanted to pursue higher education, it often comes down to a choice: Pay for your primary expenses or pay for an education.

"We removed the barrier to entry and participation on the part of employees by eliminating the financial concerns," says Duchesne about Bright Horizons' program, which offers no-cost tuition for employees who enroll in early-childhood-education degree programs.

Since launching the program in July 2018, more than 1,000 employees have enrolled and are on their upskilling journey working toward degree completion.

Overcoming Hurdles

While AI and automation are widening the skills gap, they also hold part of the solution. Mercer's Christidis says new jobs will arise from these advances. For instance, at one point in time, software development required quality-assurance testing but, with automation and AI, algorithms are now capable of testing code rather than humans, changing the software-developer role.

Netflix, for example, started a new domain called chaos engineering, he says. "The developers no longer had to test the code; rather, they now have to break things with a purpose to find problems. This didn't exist five years ago, and 10 years from now it may be fully automated. This loop is about continuous adjusting and being agile enough to meet these new skill needs."

In a recent Accenture survey of more than 1,200 executives, a majority of respondents believe intelligent technologies will create new opportunities for work in the next three to five years, and it will be important to learn new skills to work with these technologies. Unfortunately, only 3 percent said they intend to significantly increase investment in training and reskilling programs in the same timeframe.

Shook says concerns over cost are common among C-suite leaders.

"At Accenture, we actually lowered the cost of training hours by more than 25 percent since we began aggressively expanding our digital-learning channels, while increasing the number of training hours our people spend by 40 percent," she says.

Perhaps the biggest concern cited by experts is determining which skills will be needed in the future. UpSkill America's Fall says that, because technology and the necessary skill sets change so fast, it's hard to know what skills will be needed in two years. The challenge, then, is what do employers do absent this knowledge?

Fall recommends employers start creating a learning culture now so that, whatever skills are needed down the road, companies are responsive and have all the processes in place to roll out a successful upskilling initiative. Another critical part of this process is getting managers on board.

"Managers can be blockers for people getting promotions," he says. "Something that employers need to think about is, How do we ensure that managers understand the critical importance of developing the people beneath them so they can be successful in their current role?"

Sari Wilde, managing vice president at Gartner, says she's seen a discrepancy between the skill sets top companies are looking for and developing versus other employers.

Companies that are more successful in focusing on the right skills are "diversifying their input into skill identification," she says.

Wilde cites a tech company that used machine learning to scrape public data sources and determine who its competitors were hiring. Some of the business leaders didn't see a need to upskill, so this competitive analysis was necessary.

"They used this information to identify the skill sets their employees in specific roles needed to learn," says Wilde. "By looking at what skills their top competitors were trying to source, they proactively moved beyond business leaders who initially didn't understand the upskilling needs."

Christidis says an upskilling initiative must be anchored in a business need. Then, experts agree, organizations should engage in a skills assessment at the task level, as certain tasks are more likely to be automated or augmented than entire jobs.

Another key component to an upskilling initiative, Wilde adds, is employee motivation—top-down communication won't work. Instead, employers must demonstrate that this initiative is tied to personal growth—how employees will personally benefit from participating in upskilling.

To avoid overwhelming the business, start with one need at a time and pilot the initiative.

"Identify an acute business need, [and] identify a business champion who will help develop, launch, communicate and drive participation in the program," says EdAssist's Duchesne. "Then you can use the results as a basis to learn and create your scalable upskilling model."

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

For more on reskilling, see *HRE*'s interview with Willis Towers Watson Managing Director Ravin Jesuthasan on page 17.

Apprenticeships: Not Just for the Trades

In January, IBM Corp. and the Consumer Technology Association created the CTA Apprenticeship Coalition—a partnership formed to address the shortage of skilled workers in the technology sector. Jennifer Taylor, vice president of U.S. jobs at CTA, says open jobs in technology far outweigh the number of students graduating with computer-science degrees: 500,000 jobs versus 50,000 graduates a year. Additionally, the Department of Labor projected that, between 2016 and 2026, more than 1.2 million new (and retiring) jobs will need to be filled.

Kelli Jordan, director of career and skills at IBM, says the company launched a technology-apprenticeship program in support of IBM's goal of creating "new-collar" jobs and narrowing the technology-skills gap. The program was registered with the DOL in October 2017.

"Initially, there was a cohort of six software-engineer apprentices—our goal was to enroll at least 100 by the end of 2018," says Jordan. "In 15 months, we went from six to 200 apprentices across the U.S."

Now, IBM offers apprenticeships for 24 different roles, from software developers to security analysts and project managers. The apprenticeships are open to non-IBMers, and a recruiter assesses applicants' current skill sets. Jordan says that, for the software-developer apprenticeship, applicants need to have some familiarity with coding, whereas project managers are screened to see if they have a project-management mindset.

Apprenticeships are competency-based, and the bulk of the programs take approximately one year to complete, with between 200 and 300 hours of instruction. Competencies are assessed by managers, mentors and subject-matter experts. All apprentices are part of IBM teams, working on real-world projects and earning a salary. Once an apprentice graduates, he or she will either be offered a role at IBM or provided assistance with finding a job elsewhere.

Apprenti, an apprenticeship program from the Washington Technology Industry Association Workforce Institute, operates in a similar manner. According to Jennifer Carlson, executive director of the program, Apprenti acts as an intermediary for companies (like Accenture and Microsoft) to recruit, prescreen and prequalify apprentice candidates for a baseline set of competencies. The goal is to diversify the candidate pool by recruiting women, people of color, veterans and applicants representing other underserved demographics.

The final step in the apprenticeship process is an interview with the company hiring the apprentice, which ends with a firm offer, salary, title, benefits and a one-year commitment to training the apprentice. Before these new hires can start working, however, they must complete immersive classroom training to obtain a necessary baseline of technical skills. Carlson says the throughput rate from classroom to first day on the job is 90 percent.

"We train people from all walks of life because we firmly believe that competency is worth more than pedigree," says Carlson. "One consensus is, even college graduates with, say, an internship experience, aren't coming to the job work-ready. Companies are invested in recruiting these people, paying top dollar for those fresh out of college with a computer-science degree and are still investing three to four months of training so [they] can be job-ready."

Human Resource Executive HR Technology Conference & Exposition

Human-capital expert Ravin Jesuthasan explores what business leaders need to do to maximize emerging technologies, such as AI and machine learning.

Reimagining the Future of Work

As companies increasingly embrace emerging technologies, such as robotics, artificial intelligence and machine learning, they must simultaneously address a series of questions: What's the best way to apply these technologies to their respective companies? Do they require making a stark choice between human and machines—or do they call for a more hybrid approach? How does the organizational culture need to change for businesses to thrive in this environment?

These are some of the questions Ravin Jesuthasan will explore in his keynote, "Reinventing Jobs: Automation and the Future of Work," at October's HR Technology Conference in Las Vegas. Jesuthasan, managing director at Willis Towers Watson and a recognized global thought leader on the future of work, recently co-authored a book with University of Southern California's Marshall School of Business professor John Boudreau titled *Reinventing Jobs: A 4-Step Approach for Applying Automation to Work.*

HRE Editor David Shadovitz recently spoke to Jesuthasan about what these technological developments mean for HR and business leaders. Excerpts from that conversation follow.

Much has been said and written about how automation, such as AI and robotics, is going to impact jobs in the coming months and years. What's your take?

I think it's going to occur fairly quickly, but also a lot more nuanced than perhaps many people think. The reason for that is AI is progressing tremendously, but it operates in some very narrow and specific domains. So, the application of AI in, for example, banking (say, augmenting the work of a teller, perhaps) is growing in leaps and bounds, but it's in a very narrow and specific domain. The same [is the case] with the use of technologies like robotic-process automation for highly routinized, repetitive, rules-based work being done by white-collar workers.

Automation doesn't affect jobs directly. It affects the component tasks. What we've seen with this new breed of automation, like robotic-process automation, AI [and the like], is they do one of three things: They substitute certain types of tasks, they augment many others and they create new types of human tasks.

I think the big shift that humanity is going to face is the rapidly shifting skill premiums that are going to underpin these changes.

Look at accounting, a profession that's been around for 500 years in some shape or form. By most estimates, we will see more change in that profession over the next five years on account of AI and robotic-process automation than we've seen in the previous 500 years, and it's because, as more technologies come in, they're going to substitute all of that routine, repetitive, analytical work. They're going to augment a lot of critical decision-making and judgment-type skills, and then they're going to create new types of work associated with training the algorithms, calibrating them to ensure we're removing bias, etc. In the past, the premium on skills may have been on the technical aspects of the work. But going forward, that premium will shift so that it's much more [centered] on human [aspects, such as] communication skills and the ability to convey empathy and care.

Are there certain industries that are going to be impacted by this more than others?

One is any white-collar work, which hasn't changed very much [until now]. Blue-collar work has been affected a lot by automation over the last two industrial revolutions, but we're seeing white-collar work really in the crosshairs, if you will, of this Fourth Industrial Revolution. With white-collar work, it's anything that is highly repetitive and rules-based. So, professions like legal and accounting … are being significantly disrupted, but you're also seeing a lot of use of automation in industries like oil and gas, and mining, where the proliferation of robotics is allowing organizations to [automate] work that is dull, dirty or dangerous. This is work in which you can't have a single person making a mistake. The same [is the case] with an airline pilot.

So, those are types of work that lend themselves very quickly and optimally to substitution through the use of automation. They are process industries where the consequences of an error are pretty significant to society and the organization.

You refer in your book to "human-automation combinations." Can you elaborate on what you mean by that?

Let me go back to my accounting example. You might find that, for a mid-level accountant, maybe 40 percent of our existing body of work is substituted by robotic-process automation. Another 30 percent is perhaps augmented through the use of AI [and] the use of smart systems that coach that person [and] maybe provide recommendations for how she might do a job. Then there is potentially another 30 percent of new work that's created by the presence of that automation.

So, the work is shifting from doing the highly routine, analytical things to communicating about them to providing insight and judgment from that person's experience. The person is liberated from the mind-numbing sort of analysis that is highly repetitive so she or he can apply [her or his] cognitive and communication skills to deliver greater value to customers. That's what [John and I] mean by getting to the optimal combinations because automation will do these three things simultaneously across any grouping of jobs: It will substitute some things, it will augment others and it will create new human work.

Given these developments, are there certain things employers should be doing to reskill their workforces?

Absolutely. I presented at Davos [in January], and reskilling was one of the most hotly debated and talked-about topics at that prestigious event.

On the macro level, it changes how we think about education, both at the early-childhood stage all the way up to adult education, but it also [has implications for] organizations. Today, the way we organize work is in jobs. Virtually every element of the talent lifecycle within the organization [is tied to that]: how we pay people, how we develop them, how we deploy them. These are all based on this notion of a person in a position. Going forward, what I think is going to be called for is a much more skills-based architecture that allows the organization to flex and pivot in a much more agile way. So, instead of having the job architecture be the anchor for the talent lifecycle, a skills-based architecture is what is increasingly going to be called for.

So, how will that impact how companies are going about learning and development?

I think one is recognition that we need to shift from a traditional mindset around training, where it was an organizationally driven process [and] largely technical in nature, to where reskilling and development are staples of how the organization operates. They're not things that we can increase when times are good and then decrease when times are bad.

In the past, we provided security through defined-benefit plans, through commitments of employment for life, etc. Going forward, given the world we live in, that security is going to increasingly come from the promise that we are going to keep our talent relevant.

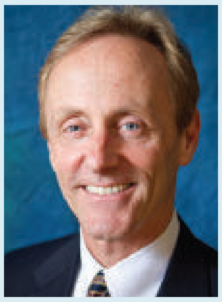
Now, that doesn't mean we will be the ones employing those skills; it might be someone else. But our promise to that talent needs to be that we will ensure that they are continuously relevant, whether it's within our business model or elsewhere. Some of the things that I've seen—which I think are absolutely heading in the right direction—are organizations giving people visibility into what new work is coming and what new skills are [in demand]. It allows them to see the gap between their skills and these new skills—and then access an HR-curated portfolio of developmental options.

Can you cite an example of a company that's doing a good job reskilling its workforce?

AT&T has probably done as much on the reskilling front as anyone else. Its leadership is committed to ensuring the continued relevance of its workforce. There is no promise that they will never have any layoffs … but the reskilling imperative has been raised in the organization, and everyone has made it a cultural imperative. Everyone sees that they have to continue to stay relevant [and]

HR IN THE FLOW OF WORK

By Josh Bersin/Columnist



A New Approach to Employee Experience

The employee experience—what employees encounter, observe and feel throughout their employment journey—is an important but very complex topic. One might think that, with a decade of economic growth and an explosion of technology at work, most employees would be having positive experiences. However, employees are feeling overloaded by their digital tools, they want to spend more time with their families and friends, and they want to focus on health, career and meaning at work. So, there's still much to work on.

Yet, before you and your team create yet another program to enhance your employees' experiences, I think it's important to take a step back and ask, "What do we really want to accomplish for our employees, and why are we employing them in the first place?"

Until recently, most companies hired people to get specific types of work done. Companies had customers to serve, products to build and services to provide, so they hired people to fill very defined jobs. HR tailored work experiences around these jobs—which meant providing tools, job aids, training and incentives to make sure employees got their specific tasks done.

In recent years, however, the role of employees has begun to change. Now, most executives are realizing that their workforces are intrinsically linked to business growth, agility and innovation. More and more companies are empowering employees to make decisions related to their jobs and letting them design their own way of working. In a highly empowered organization, employees may have multiple work locations; they may be very mobile and manage their own work hours; and, in some cases, they can set their own pay, either by doing more work or asking for more jobs to do.

Today, if you look at the fastest-growing jobs with the highest salaries in most industries, you'll find they are all positions that require empowerment—such as designers, engineers, scientists and healthcare workers. These are employees who create things, serve others and are very highly motivated by their end-to-end experience at work. To attract and retain such employees, HR teams have started to lavish more benefits, adopt flexible-work options and create new programs for health, wellbeing and career development. I've talked with HR leaders whose companies have added a long list of benefits and wellbeing programs with the aim of further improving the employee experience, and they're still finding ways to add more.

Let me encourage you to think about the employee experience differently—in a way that's not related to various benefit offerings. While we all want work to be productive, enjoyable and positive for our careers and finances—we also want something more. People come to work to be part of something bigger than themselves. They want to spend their time doing something meaningful, contribute to progress and help others.

Research shows that feelings of belonging, purpose and progress are what really matter most to employees. Certainly, they want to be paid fairly and well. But, beyond that, employees want to know they are accomplishing something of value.

Maslow's hierarchy of needs puts self-actualization (achieving one's full potential) at the top. Recent Deloitte research shows that "being appreciated" is more important than a raise, and research I just completed with LinkedIn shows that "loving your job" and "feeling like you're moving ahead" is three to four times more important than earnings. The 2018 research report *The Motivational Potential of Meaningful Work*, published by the Public Library of Science, showed a strong correlation between meaningful work and engagement and performance. The report links meaningful work to increases in strengths use (employees are more inclined to use their best skills and maximum effort), in-role performance and employee wellbeing, both at work and home, as well as decreases in employee burnout.

If we really want to build a "perfect" employee experience at work, we can't just rely on the benefits, perks and reward systems. We must focus on making jobs and work meaningful, giving people a sense of trust and fairness, and making sure the work we ask employees to do is valued and considered by everyone on the team. These softer, cultural aspects of work are often overlooked in times of growth or stress, but ultimately, they are still the most important things people care about.

There's no question 2019 will be an uncertain year in many ways. Let's focus on creating perfect employee experiences by emphasizing belonging, trust and purpose in the year ahead. These are things that play to our strengths in HR, and they help us make everything else we do better as a result.

I'll address the topic of employee experience in much more detail at this year's HR Technology Conference in Las Vegas. Additionally, I also discuss the relationship between technology and the day-to-day employee experience in a report titled *HR Technology Market 2019: Disruption Ahead* that was recently produced in partnership with LRP Media Group.

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.

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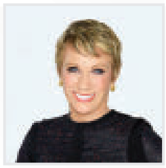

OPENING KEYNOTE

Barbara Corcoran

Star of ABC's **Shark Tank**

DAY 2 KEYNOTE

Josh Bersin

World-Renowned Industry Analyst

CLOSING KEYNOTE

Ravin Jesuthasan

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tap into the resources they're being provided.

How does all of this feed into a company's hiring strategy?

I think that's probably going to be one of the most dramatic changes because, today, the way we recruit is largely based on traditional factors like … employment qualifications. What degree do you have? Where did you get that degree? What was your GPA? What other work experiences do you have? Were you a member of the basketball team? All of these are really inadequate and poor proxies for the ability of someone to contribute within a business model. So, I think there is going to be a shift from employment qualifications to what we think of as work-readiness.

More and more organizations want to see individuals demonstrate the skills that they're going to be employing in performing their work. So, they will be relying less and less on someone's degree as being the criteria, less and less relying on someone's sort of pedigree … as being the proxy for how they will perform. Increasingly, they will be getting into skills-based assessments, more simulations, and greater use of virtual and augmented reality to allow people to demonstrate whether they can actually perform, as opposed to trusting they can.

What kind of impact do you see these developments having on leadership? Will there be certain skills leaders are going to need to succeed?

In the first part of our book, John and I focused on the transformation of work, including getting to these optimal combinations of humans and machines. The second part of the book [focused on] how does the organization, culture and leadership need to change? The application of technology is not an isolated thing that is limited to going out and getting some machines—and then sticking them on the shop floor. The presence of these new combinations of humans and machines raises all sorts of questions about leadership and culture.

Probably the biggest shift for leaders is the growing demand for them to be able to orchestrate this new ecosystem for work. That means understanding all of the different options available to get the work of their enterprise done and understanding when one makes sense more than another. When do I use a gig worker versus an FTE? When do I use … robotic-process automation versus a gig worker? When do I use IBM Watson for a particular need that I have?

So, what does that mean then for HR executives?

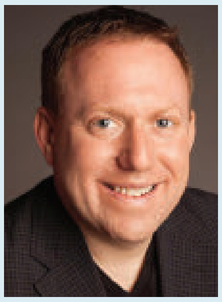
I really think this Fourth Industrial Revolution has the potential to be the golden age of HR if we seize it. The reason I say that is because the complexities of getting work done are increasing exponentially with all of this automation and the democratization of work. I've seen really progressive HR functions say, in light of these changes, we, in HR, need to shift from being just stewards of employment and all of the things that we do to enable and support employment to becoming stewards of work. So, we're going to be the ones who sit alongside business leaders and help them figure out how best to execute on these different work options and how best to curate talent experiences for every human being who touches our mission and purpose, whether it's the employee of the outsourcer or the FTE. How do we get every one of those people aligned to and contributing discretionary effort because they feel vested in our mission and purpose?

That's a huge opportunity for this profession, one that starts with shifting from thinking about our role as being limited to stewarding employment to one that's more stewards of work and the advisors to business leaders on how to orchestrate this new ecosystem.

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

PEOPLE SIDE OF DIGITAL

By Jason Averbook/Columnist



Making Design Thinking Work for HR

It's everywhere you look these days: "modern HR, "the new HR," the "future of work"—all of which naturally leads to discussions of new skills needed in the modern world of HR. We can't pick up a magazine or attend a conference without seeing one of these critical skills mentioned: design thinking.

What is design thinking? Simply put, it's designing with intentionality. The hype around design thinking is fascinating to me because one might be tempted to think HR has never designed processes, capabilities or tools with intentionality. We have, actually. But the audience has changed.

What HR professionals once designed for HR professionals (processes, workflows, etc.) they now design for the entire workforce—a workforce that's busier, more easily distracted, has more noise coming at it from all directions and is being asked to do more than ever before. It's a phenomenon ripe with irony; we have ready access to so much information, so much technology, we're always on and always connected. We can quickly become counterproductive and overwhelmed if we don't protect and preserve mindful focus and productivity.

So, what's the keyword and critical factor here? Empathy.

Breaking down the definition, we can take design as the plan produced to show the look and function of something before it is made. Then comes thinking—the process of using one's mind to consider or reason about something. This means truly reimagining how things have been done in the past and focusing on our workforce of today. Finally, we apply empathy—the ability to understand and share the feelings of another. When we bring these concepts together—design, thinking and empathy—we are presented with an explosive approach to rethinking the world of HR forever, with our workforce at the core.

Has HR not employed empathy in the past? Of course, but we have been empathetic toward our own function and use cases, not toward this new audience called the workforce. Considering this new audience, what are three ways design thinking truly benefits HR and changes the way we will work forever?

Enables effortless capabilities—Design thinking allows us to push people capabilities to the workforce, using empathy to consider what they're doing on a daily basis in their real jobs. This means we want those capabilities to come to them naturally, in an effortless way. Workforce experience should be singularly focused on making sure we design the way we consume people capabilities in an effortless manner.

Drives addiction—Design thinking enables HR to drive adoption but toward addiction. For far too long, our primary measure of success with the tools we implement is simple adoption. Are we using them? But to realize meaningful business value, we need to drive toward and measure addiction. What we really want is for people to become addicted to the tools provided, addicted to our employee-value proposition and addicted to working in our organization.

Harnesses the power of data—Finally, HR should be designing with an output or an end in mind: data, which can make HR the most powerful, value-driving function in an organization. HR manages workforce experience, productivity, output, compensation, benefits, rewards, and where and how to deploy skills to achieve business goals. This produces an incredible amount of data (or should), which means analytics—which means HR produces critical business intelligence the organization can use. We designed processes and capabilities in the past to serve ourselves as HR professionals, but when we leverage design thinking in an intentional way, we suddenly produce processes that give us data to serve the business like never before.

Design thinking is not new and certainly not new to HR; the only new ingredient is the audience we're designing for. And what's most important about the concept of design thinking is that we get out of the HR function, we get into the business and we get into the minds of our employees and managers. We do that by being empathetic toward the needs of the workforce. Most importantly, we embrace the fact that HR is strategic in the business, not a function to the business.

In order to be strategic in the business, we have to be in the business. We have to design for the business and design with the business. Our thinking has to be tied to how can we best provide a strategic advantage to our company with "our important asset, our people."

In summary: HR, you're kind of a big deal.

Jason Averbook is a leading analyst, thought leader and consultant in the area of HR, the future of work and the impact technology can have on that future. He is the co-founder and CEO of Leapgen, a global consultancy helping organizations shape their future workplace. Send questions or comments to hreletters@lrp.com.

Human Resource Executive HEALTH & BENEFITS LEADERSHIP CONFERENCE

An organization's purpose can change everything—for better or worse—and employee buy-in is vital to purpose-driven success. BY VIC STRECHER

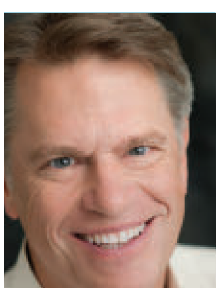
Mission Accomplished

Our waitress at Zingerman's Roadhouse in Ann Arbor, Mich., brings a plate of the restaurant's fabulous fried chicken. "The pieces looked a little smaller than usual today, so I brought you five instead of four. Hope you don't mind," she says with a wink. The simple act fits Zingerman's mission—the "why" of the company.

"We share the Zingerman's experience: selling food that makes you happy, giving service that makes you smile, in passionate pursuit of our mission, showing love and care in all our actions, to enrich as many lives as we possibly can." It's clear that my waitress is aligned with this statement of purpose. She's engaged in her job. I'm smiling. Mission accomplished.

Ari Weinzweig, co-founder of Zingerman's, is also happy and smiling. His 1982 hole-in-the-wall deli is now a $50 million enterprise. Nonetheless, he still stops by to refill our water glasses and ask how we're doing. When asked about Zingerman's mission, he says that it's the foundation of the business: "No matter how lost or frustrated we may feel, our mission is always there, much like the North Star, to help guide us."

Today more than ever, change is the only constant for organizations. As Amy Wrzesniewski of the Yale School of Management states: "Increasing emphasis is placed on the importance of work as a source of fulfillment, meaning and purpose in life today, as individuals spend more time at work and change jobs more often and readily than in the past." Open-office plans, flex schedules, remote work and unconventional benefits underscore just a few of the tactical approaches organizations have taken to stay up-to-date and improve employee retention and engagement, and organizational performance. But it takes more than tactics. It takes purpose.



Vic Strecher

In these times of great change, we might benefit from revisiting goals of the ancient Greek philosophers: to find and live in accordance with one's best self. This bright, shining North Star helps both individuals and organizations navigate through turbulence, reduce conflict and fear, and embrace life's challenges. And it pays off. Purposeful organizations, as I will explain during my upcoming keynote at this month's Health & Benefits Leadership Conference in Las Vegas, are more likely to retain their top talent and their customers, and dramatically outperform both the S&P 500 and so-called "good-to-great" companies. So, it should come as no surprise that purpose is getting a lot of attention these days. It's not a fad any more than Aristotle was a fad. It's a basic imperative.

Some organizations were founded with a singular purpose that guides their decision-making. Nick Craig, in his book *Leading From Purpose: Clarity and the Confidence to Act When It Matters Most*, illustrates the journey of Starbucks founder Howard Schultz "... through having purpose, losing it and getting it back." To Schultz, the romance and theater of coffee was the centralizing force in the creation of Starbucks' purpose: to inspire and nurture the human spirit, one person, one cup and one neighborhood at a time. And it certainly worked. Schultz found himself at the helm of a cultural movement, not just a humble coffee shop with a global presence.

But when Schultz stepped aside as CEO to watch his company from the sidelines, the organization grew larger every day (as comics would jest, "They're now building a Starbucks inside of Starbucks!"), and the company started to become untethered from its original purpose. Not surprisingly, the financial status of Starbucks started to deteriorate simultaneously alongside its drift away from the founding principles and core values that made it so successful. Schultz felt compelled to step in and reassume the role of CEO to realign the company with its North Star. The transition was not easy and there were many difficult decisions along the way, but the company began to thrive again after recommitting to its original founding principles.

In 2005, Steve Jobs stated in his commencement address to Stanford University graduates: "Death is very likely the single best invention of life.

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The Future of Voluntary Benefits

Shawn Austin, SVP of Voluntary Benefits, Liberty Mutual Insurance

Q: What are the biggest challenges facing HR leaders today as far as employee benefits are concerned?

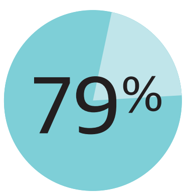
A: HR leaders today are faced with the challenge of truly customizing a benefits package to meet the needs of a multigenerational, diverse population while managing the bottom line. Now more than ever, employees are taking a comprehensive look at the benefits that employers offer. While in the past a competitive salary, health insurance, and paid vacation time may have been enough, we are now transitioning to a new set of standard benefits that employees are expecting to see, such as flexible work arrangements, paid parental leave, and supplemental health benefits. Among the benefits <u>not</u> currently offered by employers, supplemental health benefits were the most sought-after[1]. Employers are noticing the rapidly changing environment and are adjusting to ensure they are well-positioned to adapt to these expectations that top talent has today.

Of these new offerings, supplemental health benefits have been a particularly strong area of focus for employees, given the steep and rising cost of health care. These benefits will help HR managers provide a competitive benefits package that will deliver financial protection to their employees, reducing the risk of out-of-pocket gaps from major medical insurance in the event an employee becomes ill or injured. This is illustrated by out-of-pocket medical expenses, which have continued to rise. They went from $3,470 in 2012 and $4,316 in 2015 to $4,704 in 2018—a 36 percent increase over the past six years.[2] This is a significant cost for individuals and families to plan for and only grows larger in the event of an unexpected injury, such as a concussion or broken arm, or an illness, such as cancer or a heart attack. Supplemental health insurance helps cover these costs by providing a lump-sum cash payment directly to employees—so they decide how to spend it, whether it's on deductibles and co-pays or everyday living expenses like grocery delivery or child care. This helps shift the employee's focus to what's most important: recovery.

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

A: To stay competitive and meet the needs of a diverse employee population—both current and prospective—employers must assess their benefits portfolio and how it compares to other top companies. They should consider whether they're offering flexible, customized supplemental health benefits options that help protect employees from high out-of-pocket health care costs.

Seventy-nine percent of HR managers indicate that the ability to customize coverage is important and therefore are making sure they're providing options to employees.[3]



Employers should avoid offering cookie-cutter benefits packages, which will run the risk of overinsuring employees at a high cost, leaving them with coverage they don't need. Conversely, this could also leave some employees—those looking to purchase a less expensive benefits package—underinsured. Now is the perfect time of year to review your offerings and evaluate whether a change is needed for the next enrollment season.

Q: Which areas of employee benefits are especially ripe for innovation?

A: In today's competitive market, benefits providers are always looking to transform their offerings to improve the experience for both HR managers and employees. Technology and education will evolve greatly in this space.

Benefits providers must stay ahead of changes in technology to be in line with the latest capabilities and bring that start-to-finish value to HR managers. Liberty Mutual is staying at the forefront of this to bring best-in-class technology to our employer partners that fits their preferred benefits administration.

Similarly, a critical focus is the front-end user experience, including easy benefits selection and simple-to-understand coverage options. Liberty Mutual is building a portfolio of unique tools for employees to help educate them on w hat they're buying. We're just scratching the surface, and we look forward to the innovation we can bring to continue helping people preserve and protect what they earn, build, own, and cherish.

[1&3]Source: Liberty Mutual Voluntary Benefits Study 2018
[2]Source: Milliman Medical Index, 2018

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It is life's change agent." He had been diagnosed with pancreatic cancer a year before—he thought at the time he had beat the disease but it ultimately took his life six years later—and he was talking about his own life and the deep transformation sparked by recognizing that we're here on this planet for just a blink of an eye. He may have also been referring to Apple. Like Starbucks, Apple needed Jobs' return to reinvigorate the innovative spirit and purpose of the company: "to put a dent in the universe."

On the other end of the spectrum are organizations that view purpose as just another buzzword in a long list of failed experiments. What these organizations tend to get wrong is that they fail to create an authentic purpose. Think about the times you've heard an organizational mission statement that sounded like it was written by a committee. In 2012, *Forbes* pointed out that Wells Fargo's mission statement had doubled in size to 37 pages since it was created in 1994. Enough said?

Well, perhaps not enough. You may have heard of Mike Davis, CEO of the now-defunct Tiger Oil Co., who wrote famous memos in the 1970s, such as: "Do not speak to me when you see me. If I want to speak to you, I will do so. I want to save my throat. I don't want to ruin it by saying hello to all of you sons of bitches." At least he's honest! Far worse are companies (we all know them) whose lofty mission statements are quietly scoffed at by their own workforce. Working in these companies is like spending most of your waking hours in one of Dante's inner circles of hell. And there are lots of them; it's no wonder that the majority of employees in the U.S. are not engaged in their work.

Robert Quinn of the Ross School of Business at the University of Michigan and Anjan Thakor of the Olin Business School at Washington University wrote a cover story last summer for the *Harvard Business Review* titled "Creating a Purpose-Driven Organization," in which they outlined eight essential steps to embracing purpose. When an organization is working on creating a purpose, it is essential to "... discover it through empathy—by feeling and understanding the deepest common needs of your workforce. That involves asking provocative questions, listening and reflecting." An organizational purpose that is in alignment with its workforce inspires engagement, resilience, productivity and happiness. A misalignment of purpose produces the opposite.

Purpose Attracts Talent ...

One way this dynamic is created is by having an organizational purpose that attracts like-minded employees. In an article titled *Finding Success by Putting Company Culture First*, Diana Ransom quotes a 10-year Patagonia veteran employee and avid mountain climber: "The time we spend outside the office helps us manage the storytelling process around our products. We're designing ski and surfing apparel, we need to be traveling and trying things out." Patagonia's success is, in part, a function of attracting talent to the brand. If I want to "save our home planet"—Patagonia's purpose—I'll be more likely to want to work there. If I want to be a "relentless ally for your financial wellbeing," I'm going to be attracted to Ally Financial. And if I don't want to "give service that makes you smile," I'm not going to be employed very long at Zingerman's Roadhouse.

People with a strong purpose are more likely to live longer, are less likely to suffer a stroke or heart attack or develop Alzheimer's disease, and have higher pain thresholds ...

... And Talent Needs to be Nurtured, On Purpose

Having a strong purpose and direction is associated with greater resilience to the aftermath of earthquakes and tsunamis, return from war, cancer and loss of a loved one. People with a strong purpose are more likely to live longer, are less likely to suffer a stroke or heart attack or develop Alzheimer's disease, have higher pain thresholds, and have fewer pro-inflammatory cells and more antibodies expressed by their genes. Side effects of this wonder drug? Strong purpose is associated with higher income and net worth. It's also associated with better sex. Enough said? We'd all take this purpose pill.

Employees want purpose—often termed "meaningful work"—because they know what's good for them. A recent study showed that college graduates are willing to accept $20,000 less in salary if they believe the work will be meaningful. The same study found that an employer can increase the perception of meaningful work. And it is a perception, regardless of whether you're a CEO or a janitor. Remember the early 1960s story of John F. Kennedy asking a custodian at NASA what he did? The custodian responded, "Well, Mr. President, I'm helping put a man on the moon."

In recent research using brain imaging, individuals with strong purpose were found to have less activation in a part of the brain associated with inner conflict. This makes sense, since purposeful people are directed, as Aristotle said, by their best self—and when these best selves are connected with the company's purpose, everyone starts rowing in the same direction.

A company culture that fosters purposeful living will also experience benefits in other unexpected areas, including diversity and inclusion. Founder and CEO Andrea Hoffman of Culture Shift Labs, a leading D&I consultancy, described the role purpose plays in her work in an interview in a recent *Forbes* post: "If you create a company culture that shows people 'they are enough,' everyone wins. If you are regularly programming employee experiences, interactions and exchanges (and rewarding that behavior), that fosters the humanity in all of us. Everyone wins." Research from Cornell University demonstrated that individuals who were asked to briefly write about their purpose in life became four times more interested in living in an ethnically diverse community and far less likely to feel nervous and afraid in an ethnically diverse environment.

A Shared Purpose

In Deloitte's 2014 *Core Beliefs & Culture Survey*, employees who felt that their company had a strong sense of purpose were four times more likely to indicate that their company had strong employee satisfaction. Two-thirds of employees surveyed thought that businesses don't do enough to create a sense of purpose. So what can you do? Here are three places to start:

Our best selves: One way to prime purposeful thinking is to consider what you're like at your best. This self-affirmation has been shown to produce greater performance and openness to change. What would happen if an entire organization went through this process? When I ask employees to think about their best selves at work, words like "engaged," "focused" and "dedicated" pop up in a word cloud. The group affirmation creates emotion and connects individuals.

Volunteerism: A recent study demonstrated that company-facilitated volunteering stimulated a sense of meaning at work. A great example of this is H-E-B, the largest grocery-store chain in Texas. During extreme flooding throughout the state, H-E-B employees provided food and other supplies to individuals in need, and it was among the first stores to reopen its doors. There's a reason employees consistently rank H-E-B as one of the top companies to work for.

Tell stories: In June, accounting company KPMG offered its 27,000 employees an incentive of two extra paid days off if they sent 10,000 stories about how their work makes a difference before Thanksgiving. The employees blew through the goal by the Fourth of July and, by Thanksgiving, KPMG received 42,000 stories, with titles like "We champion democracy," "I combat terrorism" and "I help farms grow." This is yet another form of group affirmation; people want—no, they need—to feel connected in a common purpose.

In his 1897 book *Suicide*, Emile Durkheim, the French father of modern sociology, writes that, to remedy the then-increasing prevalence of suicide (which, sadly, is again resurging), "a man must feel himself more solidarity with a collective existence which precedes him in time, which survives him and which encompasses him at all points. If this occurs, he will no longer find the only aim of his conduct in himself and, understanding that he is the instrument of a purpose greater than himself, he will see that he is not without significance." Durkheim even states that the best place for this to occur is in the "occupational group or corporation." And he was a communist!

Finishing my fabulous fried chicken dinner at Zingerman's Roadhouse, I happily pay the very non-communistic tab, adding 25 percent for my waitress. I've succumb to Zingerman's mission of "showing love and care in all our actions to enrich as many lives as we possibly can." Hey, I don't mind being a sucker if I can be enriched.

Vic Strecher is a professor at the University of Michigan School of Public Health and founder and CEO of Kumanu Inc. Kumanu's PurposeCloud platform transforms and integrates people and wellbeing strategies to improve lives, strengthen organizations and create greater alignment with purpose. Send questions or comments to hreletters@lrp.com.

RECRUITING TRENDS & TALENT TECH

What's on The Minds of TA Leaders?

From diversity to development, talent-acquisition leaders sounded off on the issues they're navigating at Recruiting Trends & Talent Tech LIVE!. BY JEN COLLETTA

Talent mobility, development, and diversity and inclusion are among the topics keeping many TA professionals up at night.

That's the consensus that emerged during an interactive session at Recruiting Trends & Talent Tech LIVE! The February conference drew roughly 700 people from the recruiting and HR community to Las Vegas to explore the future of talent acquisition.

In a Feb. 21 workshop, seasoned TA leaders and professionals working in the field came together to discuss the biggest challenges they're facing—and brainstorm solutions. Marie Artim, vice president of global talent acquisition at Enterprise Holdings, and Kristen Weirick, vice president of global talent acquisition at AbbVie, were the featured panelists in the event that was moderated by CareerXroads co-founder Gerry Crispin and President Chris Hoyt.

Buy Versus Build

Among the issues the speakers identified as leading TA challenges is the "buy versus build" debate—whether it's better to invest in external candidates or to build internal talent pools.

Artim said Enterprise tends to promote from within more than others in its industry, with 17,000 internal moves last year. However, more work needs to be done, she said, to ensure the right people move to the right jobs—so that they're ultimately retained.

"Every conference I'm at, even here, people say they love to hire Enterprise people. It's a compliment, but we have data that have proven we have people leaving us to do jobs that we have open every day," Artim said. "So we have to figure out how to make a better match, using science, to help people figure out their path through this massive organization."

Last summer, the organization rolled out an internal-recruiting marketing strategy. Beyond the job board and email blasts about open positions, the TA team is now also using internal social-media platforms and blogs to focus employees' attention on mobility.

"Employee experience is woven in, to tell the story of mobility, the opportunities in the business and the different paths from where people can come," she said.

Crispin polled the audience and found very few organizations represented had a defined internal-recruiting marketing strategy akin to Enterprise's.

"There's an opportunity for us to be as strategic internally as we are externally," Artim said.

The considerations involved in that process, Weirick said, include determining whether internal hiring should be competitive versus intentional, as well as identifying the critical skills that need to be developed among the current workforce.

HR and TA leaders need to know their talent—at all levels—to understand the moves they need to make and that the company needs them to make, she said.

Diving into Development

To help current TA leaders focus on their own development, Weirick and Artim shared insights about the sources that fueled the momentum of their career paths.

"I think the best development came from doing," Weirick said. "It's having roles that give you the opportunity to stretch your wings—and sometimes take a nosedive and break a wing here and there." TA leaders, she added, also need to learn to trust the other members of their teams. There's no way for the head of TA to be a technical expert in every single area of the function—it's just too big, she said.

Moving away from trying to be the most competent in every facet of TA to "being someone who leads others by learning from your team is a huge transitional shift that happens in every good leader," she said. "You have to trust your team."

Tapping into mentorship opportunities across the organization is also key, added Artim. While fellow leaders in the HR space have been essential to her development, working with other business leaders from different areas has also given her a more well-rounded understanding of the company and her contributions to it, she said.

"And within the industry," Artim added, "get out of the office. Build relationships over time that you can cultivate, that you can learn from. You can learn as much about what you need to do by just listening, finding out what others are doing and figuring out how it transfers."

Inviting Inclusion to Dance

"We have to continue to invite diversity to the party, but we need to make sure we're asking inclusion to dance."—Cynthia Marshall, CEO of the NBA's Dallas Mavericks

The speakers shared this quote from Marshall—the first black woman to serve as CEO of an NBA team—to drive home the point that diversity falls flat without true inclusion efforts.

"If you don't have a culture of inclusion—an organization where every voice is being heard, regardless of who it comes from—diversity is not going to thrive," Weirick said. Having top leadership role model this idea is essential, she added.

At Enterprise, Artim said, the CEO and COO are both women, which is an important first step toward the principle that inclusion should be shown, not told. "You can say you're doing different things, but you have to really show it; that's where the rubber meets the road."

When it comes to embedding D&I in talent acquisition, Weirick said, one of the biggest challenges for today's TA leaders is accessing diverse talent, which is connected to finding the right sources.

"If you're sourcing talent from the right places, you'll have more diversity in your initial pool—and that should then carry through the TA process, as long as there isn't an internal, systemic issue," she said. "The more [diversity] you have at the front end, the better off you'll be."

Instead of just focusing on attaining a certain number of diverse candidates, Hoyt added, TA can also set requirements for diversity of interviewers—and if the team has to dig deep to meet that requirement, that could suggest a problem.

Accountability is also a key consideration, Crispin added, as recruiters should be expected to generate diverse pools. However, many organizations don't provide any demographic data about candidates to recruiters—only about half of Fortune 500 companies do, he said.

"All those recruiters are working twice as hard to figure out who these people are since you don't give them the data," Crispin said. "You have to hold recruiters accountable, so they should be able to have the data—and know how to use it in a way that adds value."

Approximately 50 exhibitors displayed and discussed TA technologies and solutions during the three-day Recruiting Trends & Talent Tech LIVE! in Las Vegas.

How Waste Management is Transforming Hiring

BY DAVID SHADOVITZ

Think blue-collar workers aren't comfortable using technology? Well, think again.

At Waste Management, which has more than 42,000 employees in the U.S. and Canada, technology is playing a huge role in improving the speed of its hiring process, reducing it by six days. At the same time, and perhaps more importantly, it's been instrumental in creating a better experience for job candidates, many of whom are drivers and technicians.

Blue-collar workers today represent about 10 percent of the U.S. workforce, said Kurt Heikkinen, president and CEO of Montage, a provider of interviewing tools that worked with WM to transform its recruiting processes.

"After years of decline, it now represents one of the fastest-growing segments of the workforce," he said, adding that there's been a resurgence of jobs in industries such as construction, mining and manufacturing.

Speaking at a session titled "How Waste Management Leverages Tech to Engage Blue-Collar Workers" during RTTT LIVE!, Heikkinen said the expectations of today's job candidates, including those applying for blue-collar jobs, mirror the expectations of today's consumers.

"Just as people expect a fast, easy, tech-enabled process at home and in daily life," he explained, "today's candidates expect the same or even more when it comes to their hiring experience."

WM Director of Talent Acquisition Alyson Lupa noted that speed and convenience have been two major areas of focus for her team.

To achieve those objectives, she said, WM implemented on-demand voice technology so candidates could engage in the process when they're available, not when recruiters are available. By adding a voice-recorded option, candidates can do a phone screen when it is convenient for them, said Lupa, noting that, between the hours of 9 and 5, many may be behind the wheel of a vehicle.

Lupa emphasized the word *option*, since candidates still have the ability to participate in a live screen.

At first, she recalled, some members of the talent-acquisition team wondered if the voice-recorded option might be too impersonal. "But it's really about the approach," she explained. "When we send out the email, we're communicating the … flexibility and ability to move forward in the process quicker."

Lupa and her team also made sure that the voice recording didn't sound like it was coming from a robot. "I personally helped our team record the questions we were asking the candidates," she said.

As to whether the change is paying off for WM, Lupa is convinced the answer is an unequivocal yes, citing the fact that the number of candidates applying through the phone continues to climb daily.

Getting Ready for the Future of Recruiting

BY JEN COLLETTA

The future will be here before we know it … and we need to be ready.

That was the message Rusty Rueff sought to impart during his opening-keynote address at the conference.

"The future is going to show up a lot faster than we think," Rueff said, using the year 2040 as an example. "Sept. 11 was 19 years ago—that feels like it was just yesterday—and 21 years away, 2040 is right there. We've got to ready ourselves for it."

HR and recruiting professionals have a particular responsibility to be forward-thinking, he added, as the advent of new technology is going to drastically shape the world of work in the coming decades. He likened those who work in modern talent acquisition to crossing guards—they need to figure out how to protect talent as tech moves forward, how to avoid accidents and how to keep traffic moving smoothly.

One of the best ways for HR leaders and recruiters to navigate that challenge boils down to basic education: "You have to read, you have to watch, you have to listen." Keeping your finger on the pulse of the intersection of tech and talent is essential to staying ahead of the curve, he said.

"And because we practice a craft, we can," he added, noting that—unlike the regimented field of medicine—talent acquisition is a craft, not a profession, allowing for flexibility in confronting challenges.

Just what challenges are in the forecast?

On the talent side, candidates are going to seek greater transparency and have new expectations for employers.

Artificial intelligence and machine learning will become more embedded in recruiting technology, and will become more affordable.

Modern technology, Rueff added, is "on top of the river," as opposed to when it used to challenge TA professionals to "bend the river." As an example, he cited his decade-long tenure with PepsiCo, during which time he attempted to institute a new ATS that required all of his recruiters to code candidates with three colors—red, yellow or green—depending on their potential, a task he said they wouldn't have done with or without that technology.

"Technology doesn't make us any less lazy than we were before we had technology," he said, noting that today's tech advancements—as opposed to challenging us to behave differently—embrace how we actually work and are "making us move faster down the river."

Work itself is also going to change because of technology—just as some smartphones have become half the size and twice as powerful as they were a decade ago, work itself will become more discreet yet will need to be completed twice as fast in the coming years.

Data will be a key differentiator in helping HR leaders and recruiters navigate those challenges. They need to think like data scientists, become reliant on data and use them to identify trends. Don't be afraid to experiment, Rueff added.

One of the most common fears regarding evolving recruiting technology is the potential for bias, he noted, which underscores the need for HR and recruiting leaders to dive deep into the technology that will be powering their recruiting systems.

"We can control bias because we own the algorithms; we're the risk variable here," he said. "We're the bias—conscious or unconscious. We're the front line."

Don't be scared of technology bias, he cautioned—be aware of it and work to control it.

Doing so can help TA professionals harness the full potential of their craft in the future, he said.

"We have a higher calling: to eliminate the wrong hire," he said. "If we can take up that calling, we can change our companies, we can change our communities and we can change the world."

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

Recruiting Trends & Talent Tech LIVE! will be held May 13 through May 15, 2020 at Caesars Palace in Las Vegas. Go to https://recruitingtrendsconf.com/ for more information.

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Let's Talk Benefits

New employee benefits and well-being programs are cropping up in organizations all over—including many that are both innovative and practical. No matter the category benefits fall under, employers need to utilize them to recruit, retain and engage their talent. In this special Q&A section, benefits experts offer their insights into some of the biggest benefits-related issues currently plaguing employers and HR leaders.

On the following pages, experts share their thoughts on how to address these challenges, whether it's incorporating people analytics and artificial intelligence into benefits programs, offering enhanced benefits communications or ensuring that programs appropriately span a multigenerational workforce. As you read on, we hope you pick up a few pearls of wisdom that you can use to maximize your employee-benefits offerings.

Q&A on Benefits

Alison Peterson
Partner
Aon

Dany Mathieu
Senior Vice President
Aon

Q: What are the biggest challenges facing HR leaders today, as far as employee benefits are concerned?

A: (AP): Getting the cost and benefits balance correct. Companies want to make sure they are getting the best return on their investment, but one of the challenges in delivering valued benefits is catering to the different generational needs and desires in the workplace. Customizing certain benefits is very difficult and expensive to do.

(DM): Yes, that challenge applies globally as well. One of the things employers are doing is improving employee communication and education regarding healthcare and other benefits to make sure employees understand the value they are receiving from the employer. Companies are also using global wellbeing programs to help employees make more informed life choices without forcing them to do something or coming across as paternalistic.

(AP): I would also add that most new hires are excited about the new job opportunity and are more likely to ask about the corporate culture, office environment and perks. Therefore, the value these employees receive through traditional benefits—which is significant—is harder to articulate because many employees assume these are offered and don't look at the cost breakdown if they are new to the firm.

Q: Where do you expect to see HR and benefits leaders focusing their attention in the coming months to address these challenges?

A: (DM): Aon recently conducted a survey of benefits leaders at companies across the globe and found that a majority of organizations plan to implement or fine-tune their financial-wellbeing programs. A lot of younger employees never received basic education on personal finance. Employers that are spending significant amounts of money in retirement savings, employee-stock-purchase programs and other savings vehicles want to see higher employee participation.

Along with that, we're also seeing a shift from traditional wellness programs that focus more on physical fitness to wellbeing initiatives that embrace a broader definition of wellness, including physical, social, financial and emotional. Some of that shift is in response to younger millennials, who have different expectations of what the work environment will be like. They want work to be fun and don't necessarily delineate between work and their personal life; the two are very much integrated. They are looking for organizations that can offer more holistic wellbeing programs.

(AP): I also see more companies focusing on customizing their benefits to meet the diverse needs and desires of the workforce despite the difficulty in doing so. Our research has found the No. 1 reward most employees value is base pay, followed by short-term incentives. But, after that, when looking at things like long-term incentives (which many employees aren't eligible for) and benefits, the types of offerings that employees value is all over the map. HR and benefits leaders have their work cut out for them.

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

A: (DM): Companies are trying to figure out a way to promote families in an era when you're always "on" at work. A big element of this is developing more comprehensive family-leave policies, including paternal and maternal leave, fertility treatments, adoption assistance and elder care. Improved family-leave policies can also help companies attract and retain more women in the workforce, which is a goal of many organizations across the world.

(AP): While traditional benefits like retirement savings and healthcare are really important, where employers can distinguish themselves is around perks, allowances and leave—particularly when catering to younger generations in the workforce.

(DM): Younger generations often want to be part of community building in the workplace. So, while flexible working arrangements are valued, a lot of younger employees also want a corporate culture that promotes community. This can include shared working environments, fun activities and perks in the office, and company-sponsored social events and charitable programs.

If you have questions about your benefits programs or want to learn more about how Aon partners with organizations to develop a compelling total-rewards strategy, please contact us at consulting@radford.com.

Q&A on Benefits

Craig Rubino
Director, Corporate Services
E*TRADE Financial Corp.

Q: What are the biggest challenges facing HR leaders today, as far as employee benefits are concerned?

A: Employee benefits are a great way to attract and retain talent, but they come with challenges, including rising costs, limited staff resources and the issue of how to assess program effectiveness. Successful leaders must continually assess whether benefit programs meet cultural and organizational goals, with the knowledge that each benefit has its own set of desired outcomes.

To do so, technology-focused HR leaders are making use of analytics. Ideally, data should show how successful the organization is in eliminating unnecessary costs, enhancing technology experiences and developing engagement strategies to attract and retain top talent.

Increasingly, HR leaders are also using artificial intelligence to address organizational goals. According to a 2017 Accenture report, businesses that successfully apply artificial intelligence could increase profitability by an average of 38 percent by 2035.[1]

But this emerging technology itself presents another challenge. Not every firm has sufficient in-house capabilities or the know-how to understand how to make artificial intelligence work for them. This makes finding the right technology provider critical.

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

A: In the digital age, HR leaders can no longer rely on legacy systems and antiquated ways of doing business. An attitude of "we've always done it that way" can be toxic to a growing organization. In fact, many HR leaders regularly conduct diagnostic checks of benefit programs to discover where legacy systems exist and how they can root out efficiencies.

Increasingly, HR leaders are utilizing advanced technology to address some of their biggest challenges. Technology can expand the value of HR benefit plans by lowering costs, improving efficiency and increasing employee engagement.

When deployed effectively, technology shouldn't be a burden—it should be a time saver that allows HR leaders to more efficiently administer benefit programs. Take, for example, equity-compensation plans: Today's modern technology platforms can automate many of the most time-consuming tasks and help simplify some of the complexities of stock-plan administration.

Over time, predictive analytics and artificial intelligence could play a larger role in addressing HR challenges, while driving operational efficiency across the entire enterprise. A recent Accenture study concluded that artificial intelligence will revolutionize how businesses compete and help increase corporate profitability.[2]

Imagine an equity-compensation program—supported by AI—that could learn when companies will grant equity compensation and could execute daily tasks with a few instructions, simplifying the entire process.

That's the potential of artificial intelligence.

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

A: When it comes to innovation, the lowest-hanging fruit are event-based activities that are predictable and routine. These are areas that make the most sense for employers to automate if they're not doing so already. In such cases, it can be counterproductive to let a human perform a manual task when it could be executed by a machine.

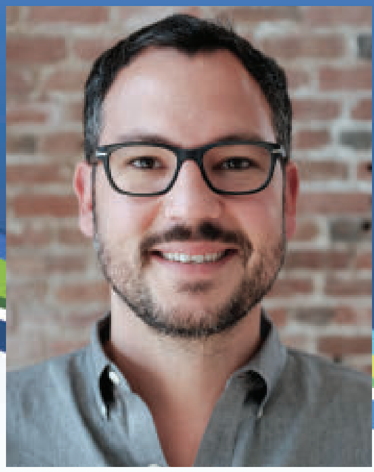
But the entire process of administering benefit programs is also ripe for innovation. And some of the most advanced innovations are coming by way of artificial intelligence. For example, consider a plan to introduce a new equity-compensation program. In this case, the HR leader would like to measure how equity-grant activity relates to employee retention and job satisfaction. Artificial intelligence can help predict employee behavior, suggest trends for utilizing key information and assist with crucial decision-making.

In this way, artificial intelligence is not only helping to deploy the equity-compensation program, but also gathering information and providing analysis on desired metrics to assist HR leaders in making key decisions.

Of course, humans will continue to play an important role in administering employee-benefit programs, but forward-thinking HR leaders are welcoming machines into their world. What was once considered the realm of science fiction is now becoming a critical component of HR success.

[1]Accenture. *How AI Boosts Industry Profits and Innovation.* https://www.accenture.com/us-en/insight-ai-industry-growth.
[2]Accenture. *Accenture Report: Artificial Intelligence Has Potential to Increase Corporate Profitability in 16 Industries by an Average of 38 Percent by 2035.* June 21, 2017. https://newsroom.accenture.com/news/accenture-report-artificial-intelligence-has-potential-to-increase-corporate-profitability-in-16-industries-by-an-average-of-38-percent-by-2035.htm.

Q&A on Benefits



David Vivero
CEO
Amino

Q: What are the biggest challenges facing HR leaders today, as far as employee benefits are concerned?

A: Over the past several years, HR leaders have been confronted with two competing priorities that are increasingly difficult to balance: investing in great healthcare benefits that attract and retain employees and managing rising healthcare costs.

Investing in great healthcare benefits is a powerful way to differentiate your company, recruit the best talent and retain employees. In fact, 56 percent of employees say health coverage is a key factor in whether they decide to stay at their job[1]. But, at the same time, the underlying costs of providing medical benefits continue to rise. The cost of employer-sponsored healthcare benefits is expected to approach $15,000 per employee next year, as it continues to outpace inflation[2].

It's easy to reduce healthcare costs by shrinking your benefits, limiting employees' choices and offering a bare-bones plan. The challenge is to control costs in a way that doesn't erode the attractiveness of your benefits program or the trust you've built with your employees. Balancing those two competing priorities is a huge challenge for HR leaders today.

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

A: As healthcare costs are shifted onto employees, I see HR and benefits leaders focusing their attention on financial wellness.

Interestingly, the No. 1 financial concern for employees today isn't retirement, student loans or even unemployment—it's healthcare. While about 83 percent of companies today offer a financial-wellness program, only 12 percent of employees say their company is helping them manage and save for healthcare costs[3].

I see HR and benefits leaders across all industries homing in on this issue. They're starting to invest in helping employees not only avoid unnecessary health expenses, but actively make smart, cost-effective choices and save money for future healthcare expenses. This requires lots of financial guidance and support beyond open enrollment.

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

A: Two areas really stand out to me as ripe for innovation.

First is how people are getting paid. Almost half of Americans are unable to scrape together $400 in case of an emergency[4]. Wages are rising in some areas, but not in a way that's life-changing for so many people in America. Paying people in more flexible ways and helping employees save, budget and borrow to succeed in an environment in which their expenses don't match their income is an enormous opportunity for innovation.

Second is how employees and their families budget and pay for healthcare. With healthcare poised to be almost 20 percent of GDP by 2027, the burden of healthcare is eclipsing so many other aspects of employees' personal and financial lives[5]. Most employers have been dissatisfied with the level of healthcare innovation and member experience that has been afforded to their employees, and they're looking for better solutions.

A surprisingly high share of an employee's health and financial life is shaped by the decisions of the benefits department. Over the next few years, I expect we'll see employer-led innovations that align the financial experience employees want with the financial results that HR and benefits leaders need, particularly when it comes to healthcare.

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[1] SHRM, *Employees Are More Likely to Stay If They Like Their Health Plan*, 2018.
[2] SHRM, *For 2019, Employers Adjust Health Benefits as Costs Near $15,000 Per Employee*, 2018.
[3] Prudential, *Benefits Today and Beyond Research*, 2017.
[4] CNN, *40% of Americans Can't Cover a $400 Emergency Expense*, 2018.
[5] HealthDayNews, *National Health Spending Set to Increase 5.5% Annually*, 2019.

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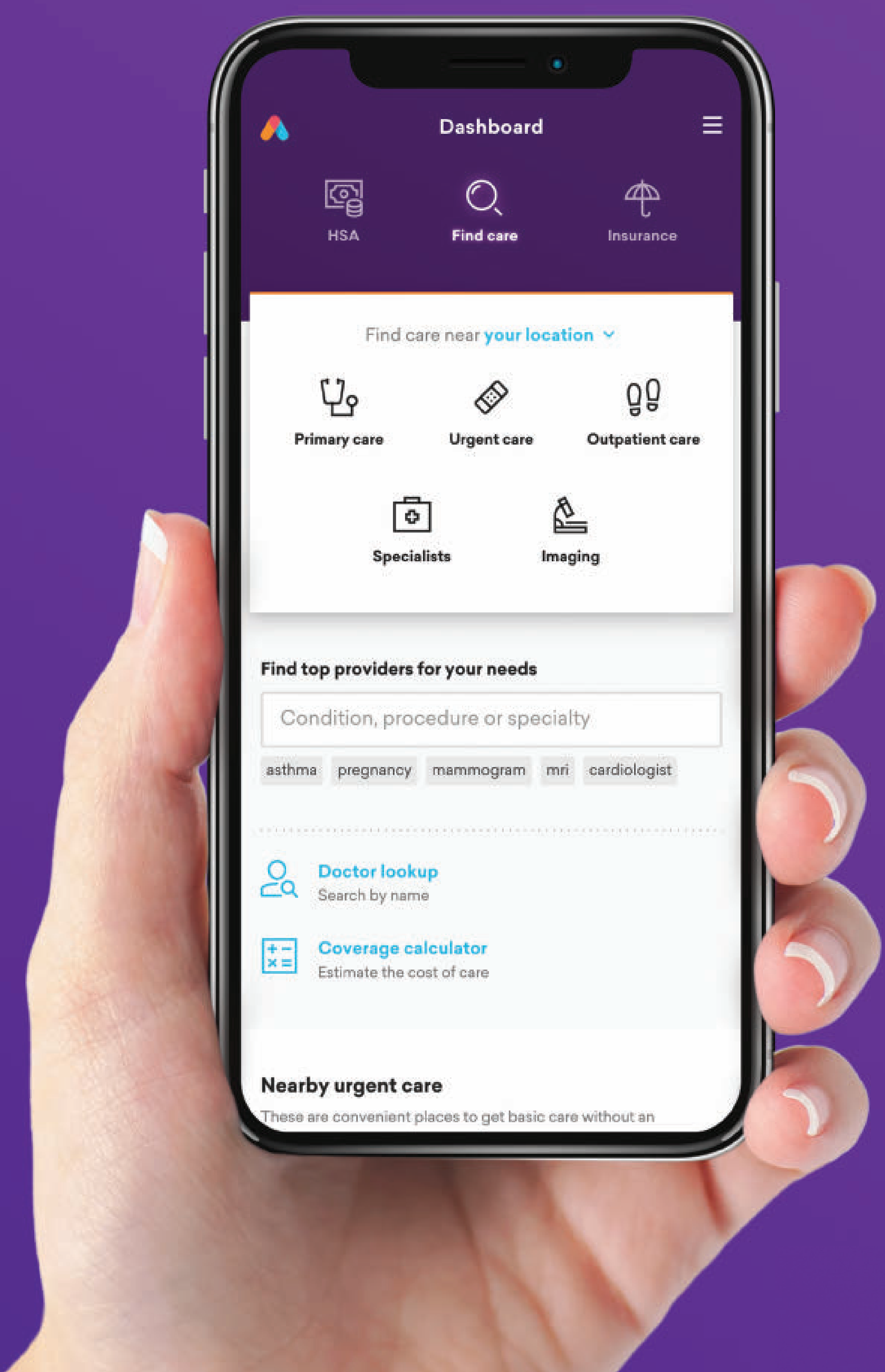

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Q&A on Benefits

Sally Prather
Vice President, Insurance Services
Paychex

Q: What are the biggest challenges facing HR leaders today, as far as employee benefits are concerned?

A: One of the greatest employee-benefits challenges HR leaders face is effective communication and engagement with an increasingly diverse employee population. Baby boomers, millennials and Gen Z each account for a significant portion of the workforce today, and each has unique benefits needs, primary communication methods, self-service expectations and levels of tech-savviness. It's critical that business owners stay apprised of and ready to accommodate varying employee priorities and preferences.

Employers can also struggle to keep information simple and provide employees with the tools they need to make informed insurance decisions. As a result, employees often lack the education needed to compare plan options and select the one that's right for them. When asked in a recent Paychex survey, employees were split on the most complicated aspect of making benefits elections. The top-three responses were: keeping up with plan changes, trying to predict personal and family needs, and evaluating all the providers and plan options.

It doesn't have to cost much money or time—a few additional resources or training sessions can make all the difference. If employees feel like they understand how to get the most out of their benefits, they may feel more satisfied with their overall compensation and be more likely to stay with the organization—something that's especially important in today's tight labor market. In a similar way, benefits play a huge role in recruitment and retention. Offering a comprehensive benefits package aligned with employee needs and trends can help employers stand out to potential applicants.

Business leaders might consider purchasing an assessment tool to evaluate if and where their benefits packages are lacking and what updates they can make to be more competitive. An assessment tool can return great value, as HR leaders gain the data analytics needed to benchmark trends and identify and address gaps in their plan offerings.

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

A: First, HR leaders and benefits managers should determine where they can improve their communication and education efforts. When preparing for open enrollment, HR leaders should consider which channels they can use to communicate key points and plan changes to employees. These can include email blasts, posters in common areas, informational sessions, webinars, pamphlets and even one-on-one conversations. Takeaway literature that lists each plan side by side, allowing for easy comparison, is a valuable asset for employees.

HR leaders should also embrace anything that simplifies benefits management. Nearly three-quarters (71 percent) of employees surveyed agreed they want employers to provide a high level of employee self-service that enables them to conduct multiple HR tasks, including updating personal details, viewing benefits elections and managing retirement. Employees expect easy access to their information and the ability to make changes on-the-go via mobile devices. And it's not just millennials; the 50- to 65-year-old employee group overwhelmingly (96 percent) agreed that HR applications should be simple and mirror the experience of consumer apps.

Employers should consider ramping up their voluntary-benefits offerings to differentiate themselves in the tight labor market. These can include discounted gym memberships, free parking, identity-theft protection, counseling services and non-traditional offerings that are becoming increasingly important as the meaning of work-life balance evolves. As part of that, employers should consider personalized offerings that allow individuals to customize their benefits plan, knowing that employees value different benefits based on their unique situation.

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

A: There is an appetite for any and all resources that help clarify and simplify benefits administration. Examples include tools that help employees schedule appointments with providers and concierge-like benefit offerings that support employees in getting access to care. There's also an opportunity to increase transparency in the healthcare-cost structure and simplify the provider-billing process so participants clearly understand what's covered, what's not and why.

Employees are also eager for their employers to adopt mobile-enabled solutions so they can access information about their benefits from anywhere. Analytics and reporting are gaining traction, too, as companies look to evaluate and update their benefits based on the impact they're having on recruitment and retention.

Q&A on Benefits

Liz Ahmed
Executive Vice President, People and Communications
Unum

Q: What are the biggest challenges facing HR leaders today, as far as employee benefits are concerned?

A: Creating benefits packages and programs that reflect the priorities and needs of an increasingly diverse workforce continues to be one of the biggest challenges HR leaders face. We have five generations at work together—including millennials, now the largest cohort—and a growing focus on inclusion across widely diverse demographics and perspectives. The challenges are complex, but the opportunities to grow an engaged, thriving workforce are tremendous.

Another top challenge is ensuring benefits programs address the increasing financial fragility of America's workers. Two in five working-age people in the U.S.—even those earning good wages—are considered financially fragile, unable to come up with $400 in an emergency to cover the cost of a midsize budget shock such as a car repair or medical bill within a month. This problem is exacerbated by the crushing burden of student debt many younger workers carry, which now tops an estimated $1.5 trillion. It's not surprising that more than 25 percent of full-time workers between 23 and 53 named finances as the top cause of daily stress in a recent Colonial Life survey.

Helping employees achieve a healthy work-life balance is a third major challenge. Companies are increasingly focused on programs such as paid family leave, where we see employers stepping in where the federal government has been slow to act, as well as more options for remote working and other time-off options such as sabbaticals.

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

A: Since most employers hold annual benefits enrollments in the fall, it's not too soon for HR leaders to begin focusing their attention on employee engagement and benefits communication. Ensuring employees know about their benefits and how to take advantage of them is critically important to optimize the investment employers are making in these programs and to ensure employees are making the most of the resources available to them for total wellbeing. Doing this well requires a high-tech/high-touch approach and multiple communication channels (not just throwing everything on a website).

As far as benefits themselves, HR leaders will likely be focusing attention on ensuring their programs address the full spectrum of employee wellbeing: physical, financial, emotional and mental. These benefits can include paid family leave, student-debt-repayment tools, and diversity and inclusion efforts such as employee-resource groups. Employers are starting to focus more resources on emotional wellbeing and behavioral health to erase the stigma sometimes attached to them and provide stronger support for employees through resilience and employee-assistance programs. Looking further ahead, I believe the concept of wellbeing will continue to evolve over the next few years to include less-traditional aspects such as community involvement and career health.

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

A: There's a tremendous opportunity for expansion in financial-wellness benefits, including programs and tools for student-debt repayment and increasing financial literacy.

Another area where we expect to see increased innovation is in family-leave benefits. Employers and their employees greatly need tools to simplify the leave process, so it's treated as a life event rather than a series of disjointed processes. This is also important for the compliance side of an HR organization, as leave legislation and administration become increasingly complex, difficult and potentially risky.

Finally, I would say employers can be more innovative by simply approaching benefits with a much wider mindset and viewpoint. They can expand their thinking about benefits from focusing on healthcare and retirement to other types of protection and support employees need. That can mean benefits such as disability and life coverage that fill financial gaps in health coverage or even programs that protect personal information, such as identity-theft protection.


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Q&A on Benefits

Rae Shanahan
Chief Strategy Officer
Businessolver

Q: What are the biggest challenges facing HR leaders today, as far as employee benefits are concerned?

A: Benefits are front and center because of their power to support recruitment and retention in this record-breaking labor market. Other recent events have also drawn attention to some bigger issues that are causing HR to recast our view of "traditional" benefits.

I think the government shutdown earlier this year shed light on how fragile the finances of many American workers really are. There were so many stories of people whose lives were upended because of a sudden loss of income. While the headlines were about government employees, a lot of working Americans are struggling just as much. In fact, the Federal Reserve recently found that 40 percent of people say they wouldn't be able to cover an unexpected $400 expense.

This is a big challenge for HR for several reasons. When workers are struggling financially, they can't bring their best to work. It impacts their attendance, engagement and productivity. They are stressed, and that impacts both their physical health and emotional wellbeing. These are key areas that HR leaders are expected to help address.

But there's good news. Employees are looking to their employers to support their holistic wellbeing, including their financial and emotional wellbeing. In other words, we can turn this from a challenge into an opportunity.

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

A: HR leaders will be looking at their benefits offerings with the lens of employees' holistic wellbeing—physical, financial and mental. I think we'll see a special focus on financial wellbeing, as it has a direct impact on emotional wellbeing and physical health.

And, that's not just looking at long-term financial goals—like retirement or funding kids' college education—though those continue to be important challenges that can and do cause people stress.

We'll see much more attention on the everyday stressors, like an unexpected car repair, a late credit-card bill or rent that's due this week. These are the things that employees are struggling with right now, today.

So, HR and benefits teams will be focusing more on how to help employees meet their financial concerns in the "here and now." We've already seen organizations stepping up with programs to help with crippling student-loan debt that impacts almost everyone in the workforce, from new-graduate Gen Zs, millennials who are still paying off loans while trying to buy a house or start a family, and Gen X and boomers who are helping kids or grandkids.

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

A: In this market, employers are in the position of having to work on retention every day. We know that, at any given moment, a large part of our workforce is considering jumping ship. So, differentiating yourself as an employer is key. And that requires demonstrating empathy and addressing your employees' holistic wellbeing.

We've been studying empathy in the workplace for several years now, and employees consistently say they are willing to work longer and harder for an empathetic employer that understands their personal situation. They also say they are more willing to stay with an empathetic employer or move to an organization that demonstrates more empathy.

So, benefits that demonstrate empathy are where the innovation is going to happen.

Employees are stressed about their finances and about their lives. Benefits programs that successfully help them deal with these stressors are empathetic, and these types of programs will continue to evolve and mature.

Benefits like payroll deductions that seed emergency-savings accounts, enhanced parental leave, a stronger focus on mental-health benefits including mental-health days, and flexible work arrangements are all highly empathetic and speak volumes about who you are as an employer. Innovations in these areas will help employers continue to differentiate, now and in the future.

Q&A on Benefits

Ingrid Tolentino
CEO
Hyatt Legal Plans

Q: What are the biggest challenges facing HR leaders today, as far as employee benefits are concerned?

A: In this time of record-low unemployment, employers are tasked with how to attract and retain talent. This is when it becomes even more important for companies to differentiate themselves through their benefit offerings. The 16th *Annual MetLife U.S. Employee Benefit Trends Study* (*EBTS*) found that 73 percent of employees agree that having benefits customized to meet their needs would increase their loyalty to their employer. Benefits such as critical illness, group legal plans or financial-planning assistance provide employees with the opportunity to save money on issues they face or help them to plan for their future more confidently. When employees have experience with these benefits and see their value, they really appreciate the benefits their company offers.

Another issue many employers are facing is a wide range of ages in the workforce. Many baby boomers are delaying retirement and a whole new generation, Gen Z, is entering the workforce. When you have five different generations in the workforce, it's important to consider the different benefit needs each generation may be facing. While some are planning for retirement or caring for aging family members, others may be dealing with a heavy load of student-loan debt or starting a family. Meeting your employees' benefit needs by offering them a choice of voluntary-benefit options really goes a long way to increase their loyalty in a competitive job market.

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

A: Financial wellness is going to continue to be a key focus for employers who are trying to meet the needs of a diverse population of employees. No matter what age or life stage an employee is in, he or she is dealing with some sort of financial stress and is looking to the employer for help. The *MetLife EBTS* found that a majority of employees agree that employers have a responsibility for their financial wellbeing.

There are many benefits an employer can offer that help employees with financial-wellness issues. A group legal plan, for example, not only provides affordable access to attorneys, but it also provides access to financial-planning workshops. These workshops help employees make a plan for their future and connect them to resources that can provide retirement and estate-planning help. A group legal plan also saves employees a significant amount of money when they are dealing with important life events, such as getting married, buying a home or taking care of an elderly parent. There are expensive legal issues involved in these events, so having access to legal help is something many employees can use.

While voluntary benefits are typically paid by the employee through payroll deduction, we have seen a trend lately of employers offering employer-paid voluntary-benefit options. Since many voluntary benefits, such as legal plans, are offered at inexpensive rates, covering the cost of the benefit is an inexpensive way for employers to contribute to their employees' financial wellbeing. We expect this may grow in popularity as employers look for ways that they can stand out and provide benefits at a lower cost to their employees.

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

A: The employee-benefits field is getting more innovative, as employees increasingly demand "customized" benefits plans. We have seen some of the companies that offer our legal plan reflecting this trend—providing adoption assistance or surrogacy or fertility benefits to their employees, for example. We know that our legal plan aligns well with what employers are doing for these issues, so it's good to see employers recognizing these employee needs.

With this increase in benefit options, one area that is really ripe for innovation is voluntary-benefits enrollment and communication. With so many options available to employees, they can become overwhelmed by their choices. It's become even more important to educate employees about these benefits and how they work. The *15th Annual MetLife Employee Benefit Trends Survey* found only 37 percent of employees strongly agree that their employers do a good job of explaining their benefits to them. Using an enrollment and communications firm is one way many companies are improving communications around benefits. These firms can help employees navigate the enrollment process, allowing the HR and benefits team to focus on other issues.

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3 Ways to Tackle Talent Challenges

New research uncovers talent-management gaps that private companies can remedy in the short term.

BY ERICA VOLINI

With unemployment near all-time lows, it's no secret that many companies big and small are facing worker shortages. Manufacturers are often struggling to replace retiring workers on assembly lines. A lack of skilled tradesmen is delaying a lot of housing construction. There aren't enough truckers to transport all the oil coming out of the ground because of increased production.

While the skills shortage can be tough on all employers, it's an especially thorny issue for private companies. Many lack the name recognition of their bigger public counterparts, and they may not be as ready or willing to win the talent war by offering higher compensation. While many private companies are large and multinational in scope, there are also those at the other end of the spectrum—small start-ups that are big on promise but short on track records. All these factors can make it more difficult for private employers to not only recruit but also retain their existing staff at a time when inboxes are filling up with job offers.

Recent research conducted by Deloitte shed some light on the scope of the global challenge and identified talent-management gaps that private companies can remedy in the short term.

First was Deloitte's global business survey, which found that decision-makers often find themselves caught between two powerful trends: the need to hire new workers to meet increasing demand and an intensifying battle for a shrinking pool of skilled workers. The second study, *Deloitte Human Capital's 2018 Trends Report*, culled responses from more than 11,000 companies—more than half of them private—and isolated steps companies can take to address current talent challenges.

Together, the research points to three areas where private companies can use their organizational advantages to better manage today's talent challenges:

1. Encourage more C-suite collaboration.

Private companies are known for being agile, with fewer reporting lines among executives and a streamlined corporate structure that helps get things done. Surprisingly, though, many leaders at the top of these organizations simply aren't collaborating. In this year's *Human Capital Trends* survey, a stunning 73 percent of both public and private executives told us their C-suite leaders rarely, if ever, work together on projects or strategic initiatives. Forty-three percent of private companies say their chief experience officers collaborate to troubleshoot organizational challenges, while about 28 percent collaborate on long-term initiatives.

The next generation of talent is often drawn to private companies due to better access to leadership; this is one of the strongest advantages they have over organizations with a more matrixed structure. But access doesn't mean impromptu conversations in the elevator between an employee and a direct superior. It means the chance to work side by side with leaders across the organization, giving employees the opportunity to demonstrate what they have to offer and gain potential sponsors for future opportunities and increased job mobility.

As networks of teams replace hierarchies, the C-suite must follow suit. The *Human Capital Trends* survey found that, compared to companies whose leadership operates in silos, those in which C-suite executives regularly collaborate are one-third more likely to be growing by at least 10 percent.

2. Double down on training and leadership development.

With the global labor market as tight as it is, you might think private companies would be mainly focused on finding new workers and paying them more—but you'd be wrong. Our global private survey found that private company executives' top talent priorities for this year are training and leadership development.

This makes sense on two fronts. One, investing in existing workers lets them know they are valued and, therefore, they may be less likely to leave. And, second, it also addresses rampant skills shortages by bringing in promising hires with superior soft skills and teaching them the hard skills they'll need to thrive. Companies shouldn't just fall back on instructor-led educational programs. They should embrace alternative types of ongoing educational experiences that expose employees to different learning opportunities and allow them to innovate.

3. Stay flexible with a hybrid workforce.

It's no secret that the number of contingent and temporary workers continues to rise. By 2020, 37 percent of our *Human Capital Trends* respondents predict they will use more contractors, while 33 percent say they'll turn more to freelancers and 28 percent will increasingly rely on gig workers, who are considered independent contractors.

Private companies are in a prime spot to take advantage of this trend, as they are known for offering flexible work schedules and helping employees maintain a healthy work/life balance. Right now, only 15 percent of such organizations say they have a defined strategy and established processes for using non-traditional labor pools.

As larger companies rethink remote-working policies, private companies have an opportunity to build strong contingent workforces. Video and other technologies now enable employees to "work together" even when they're physically apart. However, you need formal processes around when those meetings should occur and for designing other ways to integrate your in-house and outside talent.

It's a great time to be a job seeker, but an equally opportune one for private-company employers. In our experience working with top-shelf talent-management leaders, we know that winning the talent war involves a multi-pronged effort. It can take years to build best-in-class human-capital capabilities, but all three of these approaches outlined above can net you and your organization some big wins, even in the short term.

Erica Volini is the U.S. Human Capital leader for Deloitte Consulting, responsible for the 4,000-plus practitioners who are focused on helping organizations solve their most complex and pressing human-capital issues. Send questions or comments about this story to hreletters@lrp.com.

Who Will Be the 2019 HR Executive of the Year?

TIME TO SUBMIT YOUR NOMINATION! DEADLINE: MAY 1, 2019

To nominate an HR executive, please visit the Awards section of HRExecutive.com and click on HR Executive of the Year. Requests for nomination forms can also be emailed to hreletters@lrp.com.

The nation's businesses and government agencies employ tens of thousands of human resource executives. Yet only a handful of these professionals can be considered the best in their field.

To recognize those who have demonstrated their excellence, ***Human Resource Executive***® established the HR Executive of the Year and HR Honor Roll competition 31 years ago.

We're now inviting you, our readers, to nominate executives for our 2019 selection process. If you know of a senior HR professional who excels in his or her job, we'd like to hear from you. To be considered, a candidate must have overall responsibility for the entire HR function in his or her organization and five or more years of experience in the HR field. Only one individual will be named HR Executive of the Year; up to four people can be named to the HR Honor Roll. Candidates for the HR Honor Roll will be divided into two categories based on their organizations' sizes: those that have fewer than 7,500 employees and those that have 7,500 or more employees. A panel of distinguished judges will review the nominations and select the winners. The 2019 HR Executive of the Year and those professionals joining the Honor Roll will be featured in a future issue of ***Human Resource Executive***®.

2018 HR Executive of the Year
DIANE GHERSON
Senior Vice President of Human Resources
IBM

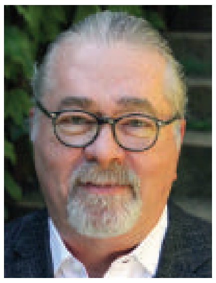
2017 HR Executive of the Year
LISA BUCKINGHAM
Executive Vice President and Chief Human Resources, Brand and Enterprise Communications Officer
Lincoln Financial Group

2016 HR Executive of the Year
BARRY MELNKOVIC
Executive Vice President,
Chief Human Capital Officer
Amtrak

Human Resource Executive

Emerging Intelligence

By John Sumser/Columnist



The New Potential of Intelligent Tools

We are in a new phase in the evolution of technology. Whereas 20th-century enterprise-HR software provided data storage and retrieval (i.e., people entered the data, the machine reformatted them but returned the same data), intelligent tools today create and improve data.

Digital tools built with data as their foundation are different than those built with code as the foundation.

The new tools require a different set of skills for analysis. Machines are entering the workforce as assistants—not in the mobile-phone sense, but in the "person who makes helpful additions" sense. Rather than answering questions as they arise (which is very challenging for a machine), the emerging tools add color and quality to ongoing decision-making processes. Increased data volume can also increase the number of decisions to be made, and machines will start making some of them. Better and more decisions—that's the underlying promise of the first wave of intelligent tools.

It is critical for HR departments (widely known as risk-averse technology laggards) to get on board quickly. Companies with the technology will rapidly outpace those without it. As the tech matures, it will be harder to catch up.

The early stages of the transition are best understood as "the end of stupid" rather than "the beginning of smart." The current technology cannot replace any level of decision-making that requires nuance or judgment, but machines will provide members of the HR team ever-increasing amounts of input into the decisions they do make. However, the only tools that deliver meaningful ROI and actual productivity improvements involve robotic-process automation.

Evidence-based decision-making is slowly making its way into the HR toolkit. Yet, many HR professionals are not trained to make a quantitative case for a decision. A large part of the department is rooted in qualitative problems like conflict resolution, performance improvement and compliance training.

Where detail and precision are required (benefits administration, payroll, tax issues and system-of-record data), the emphasis is on data entry and accounting-like activities. Many organizations put these functions under finance rather than HR.

The dramatic increase in the volume of quantitative HR data is hard to overestimate. New data include highly refined labor-market analyses, structural analyses of job skills, behavioral maps of organizational networks, deep assessments, feedback from work-related devices, social-media inputs and detailed measures of skills deficits. The flood of new data will require HR to aggressively increase how it measures and manages the influx; those that meet the challenge will prosper by more effectively hiring, retaining and deploying their workforce.

Intelligent technology is unlikely to deliver a traditional ROI in the short- to medium-term; this is a five- to seven-year bet rather than something that pays for itself quickly. Becoming a data-driven HR department that uses intelligent technology is a journey. Pivots and improvements in understanding are key parts of the early-stage investment.

The workplace is already spilling over with improved performance-feedback loops, quantification of employee behavior, data from external sources and learning from sources beyond corporate control. Intelligent technologies enable HR to better manage itself and the workforce—an investment that makes it possible to remain on course.

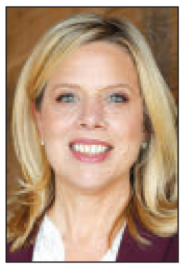
At the HR Technology Conference in October, I will deliver a series of presentations, panels and demos that illuminate the possibilities of the current intelligent tools in HR.

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

People

Compiled by Danielle Westermann King

Jacqui Canney, executive vice president and chief people officer at Walmart, will leave the retail giant in June to join multinational advertising and public relations company *WPP*. In her new role as global chief people officer, Canney will lead all aspects of people strategy, rewards, talent management, recruiting, and leadership development and learning.



Canney joined Walmart in 2015 and helped shape the company's people strategy, focusing on changing how employees work in today's technology-driven environment. Before Walmart, she worked at Accenture for 25 years.

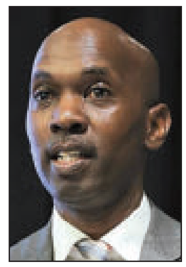
Canney earned a bachelor's degree in accounting from Boston College.

Robyn Smith has been promoted to executive vice president of HR at *Jackson Healthcare*, a family of highly specialized healthcare-focused staffing, search and technology companies, where she has worked since 2011. She was instrumental in modernizing the organization's HR processes and championed the creation of an on-site child-care and development center, set to open in the fall of 2019.

In her new role, Smith will oversee HR operations, talent acquisition, training and development, benefits, HCM, and employment policies and procedures.

She holds a bachelor's degree in business administration in management, with a concentration in HR, from Kennesaw State University.

Northeast Ohio Medical University has appointed **Andre Burton** as vice president for human resources and diversity, a role he held in an interim position since October. In that role, he led the university's institutional review of HR processes and implemented its voluntary-separation program. He previously served as the university's executive director of diversity, equity and inclusion.



Prior to joining Northeast Ohio Medical University, Burton was the district director of diversity and inclusion at Cuyahoga Community College. He holds a law degree from Cleveland State University's Cleveland-Marshall College of Law.

Jason Whetstone has joined *Clinical Innovations*, a medical-device company focused on labor and delivery and neonatal intensive care, as vice president of HR.

Whetsone has more than 15 years of experience at Fortune 500 companies. Most recently, he served as senior director of human resources for Polaris Industries' engineering and lean organizations. Before that, he held numerous HR-leadership roles at General Mills.

Whetstone earned a bachelor's degree in Spanish and a master's of business administration in organizational behavior from Brigham Young University.

HR Marketplace

Below is a listing of products, services and solutions for human resource executives and their organizations. To receive more information from the suppliers featured in this special advertising section, please contact them directly.

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HR Marketplace

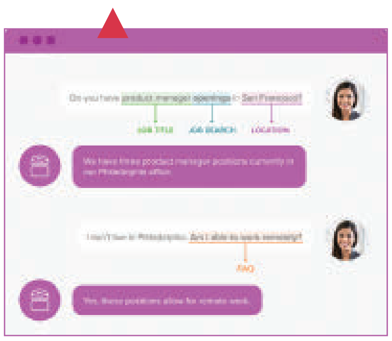
Products & Services

Compiled by Danielle Westermann King

Tapping into Bot Technology

Phenom People, a global talent-relationship-marketing company, released two new bots for real-time engagement with passive and active job seekers. Phenom Bot and Phenom Bot Plus use conversational artificial intelligence designed to get smarter with every interaction. The bot technology aims to help talent-acquisition teams increase personalization, while automating the qualification and scheduling processes.

According to the company, Phenom Bot greets candidates on the career site with automated messages, asks questions to learn more about their needs and personalizes the conversation based on the responses. Phenom Bot Plus does all of this, as well as screens candidates, schedules interviews and answers candidate FAQs.



www.phenompeople.com/artificial-intelligence

Fitness in a Box

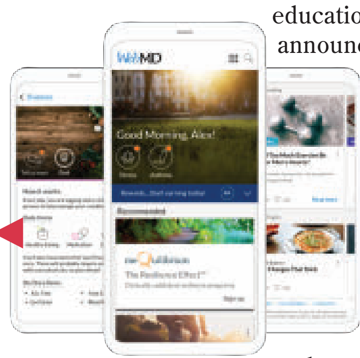
Espresa, an employee-programs-automation platform, now offers a new platform called Fitness in a Box, which the company says offers HR and benefits professionals a "turnkey," automated, on-site wellness solution.

Features of Fitness in a Box include: a large pool of pre-vetted instructors, therapists, doctors and other vendors; in-platform scheduling and check-in functionality; in-platform promotional materials; and reports on employee-program ratings, participation and costs.

https://global.espresa.com/fitness-in-a-box/

Wellness in ONE Place

WebMD Health Services has announced the launch of its digital wellbeing platform, WebMD ONE. The solution was designed to give individuals the option to choose activities, goals and interactions that are most relevant to them. The platform includes other WedMD solutions, such as health assessments, telephonic and digital coaching, and the Digital Health Assistant.



WebMD ONE collects data based on user interactions and suggests recommended next steps. It also features a "What I'm Working On" section designed to keep employees focused on their wellbeing goals and pulse surveys that collect information about user needs, habits and satisfaction.

www.webmdhealthservices.com/campaign/demo/

A Crystal Ball for Compensation

PayScale, a compensation-software company, now provides customers with access to company-sourced compensation data collected from more than 2 million employees at 1,143 companies. The data sets are updated every quarter, rather than annually. Clients have the opportunity to evaluate multiple compensation-data sources, which the company says can help them make smarter, more informed decisions about pay at their organizations.

www.payscale.com/hr/company-sourced-data

Enhancing Employee Training

Borderless Learning, an online-education platform, recently announced the release of LearnPlan, a cloud-software tool that aims to help employers better communicate (and improve participation in) company learning and training. Employers can assign learning plans by role and customize plans for each individual.

LearnPlan also provides an At a Glance GAP Analysis that shows employers and employees their progress within the learning plan.

https://borderless-learning.com/learnplan/

Employee Engagement, the Social Edition

Engagement- and loyalty-platform company Augeo now offers REACH, an employee-engagement solution with a social spin. REACH ties together four elements of the employee experience: rewards and recognition tools, an offer network, voluntary-benefits collection and SocialStack.

SocialStack was created to modernize reward and recognition programs by updating work-communication channels with short-form, direct dialogue among employees, teams and "shared-interest" communities. A news feed keeps employees updated on company happenings and provides activity logs for work groups to track projects.

https://augeomarketing.com/platforms/employee

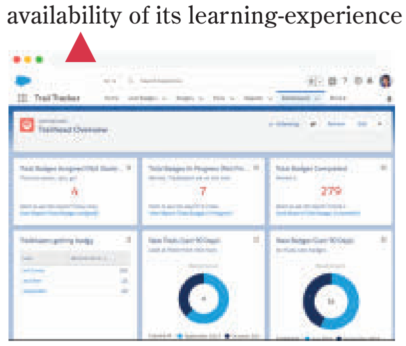
Unsure About D&I? There's an Assessment for That

Exude Inc., an insurance and human-capital consulting firm, has released a diversity and inclusion assessment. The assessment follows a three-step process involving intake, design and data analysis. It can be used to facilitate meetings with key stakeholders, build a customized assessment and recommend next steps in creating a D&I strategy.

www.exudeinc.com

Forge Your Own Upskilling Path

Salesforce recently announced the availability of its learning-experience platform, myTrailhead. This solution will allow employers to access and personalize Trailhead, Salesforce's learning cloud. Companies can insert their own learning content, create custom content or access Trailhead's existing, public learning materials, which include more than 500 modules, covering everything from the basics of blockchain to the development of soft skills.



The platform offers employers a Trail Tracker app, which assigns, tracks and reports on badges earned by a team with pre-built reports and dashboards.

https://trailhead.salesforce.com/en/mytrailhead

By The Numbers | Figures from the workplace and beyond

COMPILED BY *HRE* STAFF

43%

Percentage of news items in daily employee-communications newsletters that are read between noon and 6 p.m.; 39 percent are read between 6 a.m. and noon.

Source: Speakap's *Q4 2018 State of Frontline Employee Communications*

60%

Percentage of organizations with talent networks that also have employer-brand content on their career sites, such as employee stories or military/veteran initiatives.

Source: SmashFly Technologies

1,500

The number of customer-facing employees, out of 2,000 surveyed, who say they can't effectively serve customers because of disjointed communications technologies. The workers say their ineffective tech products make it difficult to collaborate with co-workers, hinder productivity and make them unhappy at work.

Source: RingCentral

$72,500

What students at Princeton University expect to make after graduating college—or $200 less than what they end up earning.

Source: LendEDU

71%

Percentage of surveyed employees who say they expect employers to provide them with a high level of employee self-service that allows them to accomplish HR tasks (update an address, enter a life event, fill out tax forms, report hours, manage retirement, etc.) on their own.

Source: Paychex

75%

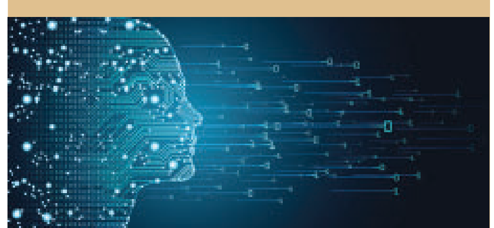
The acceptance rate for H-1B visas in the first three months of fiscal year 2019, which fell from 96 percent in fiscal year 2015.

Source: U.S. Customs and Immigration Services

43%

Percentage of surveyed HR pros who say they are knowledgeable about artificial intelligence, up from 36 percent in 2017.

Source: *The State of Artificial Intelligence in HR*



4%

The unemployment rate in January 2019.

Source: U.S. Bureau of Labor Statistics

38%

Percentage of small businesses that are planning to spend more on HR tech in the next three years, the fastest-growing segment.

Source: Sierra-Cedar's *2018-19 HR Systems Survey*

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