Human Resource Executive®

Piecing Together Talent

Retention is increasingly becoming tied to the strength of an organization's teams, which have the ability to power business success.
Page 12

"I'm working for beauty that begins with nature."

— *Valerie Vilbon, Boutique Manager*
L'Occitane en Provence

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COVER STORY

Piecing Together Talent

BY ANDREW R. MCILVAINE

In today's war for talent, more companies should be focusing not just on creating cultures that will attract top talent but also on creating teams that will make those workers want to stay at the organization, experts say. Employee engagement, productivity and retention are all influenced by the teams employees work with every day, so it's key that teams are made of—and led by—the right people. Page **12**

HR Tech
How Digital Tech is Changing HR   16

BY TONY DIROMUALDO AND FRANCO GIRIMONTE

Ahead of their presentation at the HR Technology Conference in Las Vegas in October, experts from the Hackett Group explore the transformative impact of digital technology. Also in this section, columnist Jason Averbook looks at enhancing workforce experience with technology, while columnist Josh Bersin explores the intersection of health tech and HR tech. Also, read a report recapping the highlights of the HR Technology Conference & Exposition China and find out what some of the HR Tech Influencers think about how technology is changing the way people work.

Health & Benefits
Innovating to Improve Mental Health   29

BY JEN COLLETTA

At the April Health & Benefits Leadership Conference, representatives of Microsoft, AiR Healthcare Solutions and the American Psychological Association shared what their respective organizations are doing to create cultures in which workers are empowered to address mental health. Also in this section, read tips about the best ways to improve psychological safety in the workplace.

Recruiting
How to Build a World-Class Sourcing Team   34

BY MAURA C. CICCARELLI

Sourcing has become an increasingly popular approach for companies searching for top candidates, and it has especially drawn more attention in today's tight labor market. Find out how experts say HR organizations can build the best sourcing team to meet their unique talent needs.

HR Leadership
Could Co-Working Work for You?   36

BY CRAIG GUILLOT

Co-working spaces are exploding across the country, and they're no longer just for solitary freelancers looking to get out of the house. Employers are now placing workers in co-working spaces to help meet evolving needs arising from the changing nature of work. However, a solid co-working program must be carefully planned, taking into account the needs of both the employer and the employees.

16

29

34

36

Cover illustration by Sue Casper

Departments

Columns

HR Leadership

By Eva Sage-Gavin/Columnist

Is Your Future Inclusive?

The future of work will require new skills—and CHROs can lead that charge.

It's rare that I have a conversation with a CHRO in this digitally fueled era that doesn't somewhere, somehow involve questions like these: "How do I get people and machines to work together? How do I create and sustain a hybrid workforce that is productive and healthy? How do I create jobs that are engaging?"

These leaders realize the importance of championing an inclusive future now—one in which our people remain employable in jobs that challenge them in the most positive ways. On this issue, there is so much promise, but we need to move now.

The good news is, there are solutions.

We need to prepare our workforces for the future of work versus remaining in a present that is anything but static. As we move further into a digital future, workers are performing interactive and collaborative tasks more frequently and repetitive ones less often. Recent research shows that uniquely human skills are coming to the competitive fore; for almost every single role, a combination of complex reasoning, creativity, socio-emotional intelligence and sensory-perception skills are increasingly relevant.

It might surprise you that new research shows us—in a digital age—that "empathy and support" roles currently comprise the largest share of employment in the U.S. and will require a major increase in workers over the next decade.

I see leadership teams and boards facing this change head-on now to position their workforces wisely for the future. They are emphasizing several areas of action:

Experiential Learning

The Dartmouth Center for the Advancement of Learning conducted a review of research on the known outcomes of experiential learning—finding that the very skills that are growing in demand (complex reasoning, critical thinking, creativity and socio-emotional intelligence) are the ones best acquired through experiential-learning techniques. Organizations from the Swiss government to Walmart are using apprenticeship programs to help students and new employees transition to new work, emphasizing learning by doing.

And it's not just happening in skilled-trade or lower-level jobs, which is a common misconception. High-performing firms are three times more likely to use experiential learning for frontline and executive-level leaders than other positions.

A Focus on the Individual

Most of us recognize the value of a broad variety of skills across our workforces, but leading companies are placing greater emphasis on diversifying workers' skills. Take marketers, for instance. Traditionally considered "creative" roles, marketers now need analytical skills to interpret customer data of all types—from social media to channel preferences. And data scientists, while ostensibly "numbers" roles, are called upon more often to communicate their findings in easily digestible stories as "sense-makers."

Empowerment of the Most Vulnerable

According to research from Accenture, workers in less complex roles are seven times more likely to be in jobs that could be automated. A Pew Research Center study found that only six of 10 workers with secondary schooling or less identified themselves as lifelong learners.

We can all attest to the fact that inclusivity does not happen in a vacuum. It requires public/private partnerships—schools, governments and businesses working together to move the needle. Sometimes this happens globally, but sometimes, it's micro-change—and that can be equally as effective.

A few years ago at the World Economic Forum, Satya Nadella, Microsoft CEO, said: "Any kind of job is going to have a digital component. It doesn't mean everyone's got to be a computer scientist." He went on to say leaders must invest in learning not just for students, but for employees who risk displacement mid-career.

I couldn't agree more. I'm having a lot of really exciting conversations with C-suite leaders about how to make that happen. An inclusive future is within reach. But it takes focused action now. Our workforces deserve no less.

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 hrletters@lrp.com.

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By Carol Harnett/Columnist

How to Give Employees What they Want

I've been carrying a "what if" question with me for a long time: What if we paid employees when they couldn't work?

I tested this question while speaking at a conference for HR leaders, whose responses ranged from head-nodding acknowledgment that we needed to tackle the associated topics of paid leave and flexibility with more rigor to a frustrated statement that "employees want us to pay them for not working."

When MetLife asked employees what emerging benefits interested them most, in its recent *U.S. Employee Benefits Trends Study*, more than a third of the responses were associated with flexibility and paid absence, including unlimited paid time off, phased retirement, paid sabbatical, and the ability to work abroad or take work assignments in a foreign country.

As if anticipating that wish list, the Australia branch of EY introduced three flexible workplace policies on April 1. The accounting firm now offers six to 12 weeks—which can be taken in one or two blocks—of employee-funded "life leave" each year to allow associates time to travel, work part-time or just relax. The company also now allows employees to work full-time during the school year and take school holidays off or adopt a part-time work arrangement for up to three months.

These policies apply to the entire population—not simply working parents. This is an important approach to keep in mind in the U.S., since half of both men and women between the ages of 20 and 65 are single.

Back in the U.S., Springfield, Mass.-based Massachusetts Mutual Life Insurance Co. introduced sweeping improvements to its employee-benefits structure earlier this year. Among the changes, the company removed conditional definitions of "family," explains Claudia Coplein, the head of health and wellness for the insurance and financial-services firm. "Everyone's circle of loved ones is different and can include former college roommates and neighbors," she says.

MassMutual expanded or altered four of its leave programs, for which all employees are eligible from the first day of employment:

Paid absence: The carrier abandoned its tenure-based structure to have access to short-term disability begin on the first day of absence, and it covers 100% of salary for the first 10 weeks. The remaining 16 weeks are paid at 60% of salary, and MassMutual pays the premiums.

Caregiving: Employees receive up to two paid weeks each year to care for any person the worker considers to be a family member and whose health condition meets the family-medical-leave definition.

Maternity and parental leave: MassMutual created a standalone maternity-leave program, providing 10 weeks off at full salary. After that time, women can participate in the parental-leave program (available to all new parents), which provides eight weeks of full salary. Workers may tap into this program intermittently or continuously for up to a year.

Bereavement: MassMutual developed an industry-leading bereavement policy that allows employees to take up to 15 days off at full salary for each loss of a loved one—with the employee deciding who fits that definition.

As we consider how these companies are handling the call for paid absence, my hope is that the next time you hear the question, "What if we paid employees when they couldn't work?" your response will be: "What if we did?"

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.

Talent Management

By Peter Cappelli/Columnist

Investing in Workers Pays Off

Doesn't it just warm your heart when someone outside of HR makes the case that paying more attention to employees is the key to business success? In this case, it's my colleagues in operations research, who focused their study, *Setting Retail Staffing Levels: A Methodology Validated with Implementation*, on bricks-and-mortar retail.

In an industry with low margins, where the conventional wisdom is led by Walmart, the key to success is lowering operating costs. A big part of those costs is in labor, so it is no surprise that the retail industry has been a leader in using more part-time and temp workers to keep labor costs down, holding the line on wages, not training, and, with few exceptions, seeing employees as a cost to be minimized. There is no doubt that these businesses fight for every dollar of margin and do not have the luxury of the huge profits per employee that trend-setting tech companies use to fund innovations.

The two-part Wharton study began with a look at the performance of individual stores in big retail chains, data that were compared to employee inputs: i.e., staffing levels. Researchers found that companies were often staffing their stores far too lean, and that many stores performed better and were more profitable with higher staffing levels. So, the stores were making more money (with all other things being equal) when they spent more on employees.

They also found that retailers didn't do a very good job tying staffing levels to actual demand in those stores. In fact, they set staffing levels identically across stores, even when the needs of the stores varied considerably. The average store did not appear to be understaffed, but there were enough that were understaffed that the effect on overall company profitability was substantial.

Studies with this method are reasonably common in academic research, but my colleagues were able to do something quite different. They persuaded the retail chain to run an experiment with them and raise staffing levels to the amount that their analysis of historical data suggested would be optimal. Yes, labor costs obviously jumped when they did that, but so did revenue. In retail, labor is a small percentage of costs—the biggest chunk is the cost of the products they sell. So, the net effect was an increase in profits of $7.4 million across 168 stores on an annual basis.

In separate analyses, they found that an hour of training per month for employees with sales responsibilities contributed to a 6% increase in revenue for that employee per month, far more than the cost of the training.

What's the takeaway from this? One question worth pondering is: Why should more staffing and training pay off? Especially now, with the growth of online retail, the one thing stores still have going for them is customer contact with salespeople. If retailers cut that down to almost nothing, then they have effectively eliminated their competitive advantage against online stores.

The company that was the subject of the study is apparently taking away a lot from these findings and is trying to implement them elsewhere. Will anyone else when they learn about the results? What will CFOs think about this study? It has all the hard numbers and careful analyses that they appreciate, and retail stores are struggling to find any way to make financial progress. What's your guess?

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.

Emerging Intelligence

By John Sumser/Columnist

12 Ways to Get Fired as CHRO

These are challenging times for CHROs. Blizzards of new technology, industrial disruption, changing social norms and evolving employee expectations all have many C-suite leaders suggesting that strategic vision is impossible. Right now, nothing could be easier than hiding behind stacks of reports that document incremental problem solving. But nothing could be more damaging.

Underneath all the turbulence, HR is becoming a science focused on the unique data and circumstances of the organization. We are navigating the same transition that medicine experienced in the middle of the 19th century—from guru-led folk wisdom to disciplined science.

Today's CHRO is faced with a crushing set of opportunities to screw up. But waiting for someone else to figure it out so that the process is risk-free is exactly how it doesn't work anymore. More than ever, the HR function requires clear, value-oriented leadership. (Get a handle on what HR is becoming at the HR Technology Conference this October in Las Vegas.)

Here are a dozen ways to do the CHRO job badly enough to get replaced:

Use ROI as the exclusive hurdle for new projects. In HR, this limits projects to things that reduce costs and improve efficiency.

Continue to ignore data governance. HR's data are important assets that must be tended properly. It's hard and politically challenging.

Implement AI pilot programs. Understand the problem you're solving before implementing technology.

Install a "conversational" chatbot. The organizational, financial, maintenance and operational consequences of these imperfect tools are not well understood.

Pretend people analytics is a new way to talk about reports. People analytics works when the HR team is curious and wants to see things clearly.

Keep saying, "Data science is too expensive." Yes, data scientists command heartbreaking salaries. No, you can't live without one.

Treat your data as if they weren't evidence. Every interaction is documented in the contemporary organization. The pool of HR data is a pot of gold for a plaintiff's attorneys. Be the first to understand data, not the last.

Indiscriminately use benchmarks. Benchmarks are like fashion catalogs: The models always look better than you.

Stay too busy for an HR-tech strategy. Like the projects that will actually help with HR's transformation, you can't calculate the ROI for having a clear picture of where you are going.

Ignore the 50% failure rate in recruiting. Managers say half of new hires are understood to be mistakes within 18 months. Retention focuses on perpetuating these bad decisions.

Insist there is no way to imagine HR five years from now. The shifting ground makes it easy to value urgency and efficiency, but reactive thinking always obscures long-term perspective.

Implement solutions that solve the 80% of issues that don't matter. Tech vendors often claim 80% efficiency in their offerings; it's that 20% that is worrisome.

Weathering the next three to five years of HR's evolution requires a proactive stance focused on creating value for the company while eliminating practices that destroy it. Expect a lot of churn at the top.

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.

HR News

The Continuing Concern of Compliance

In its eighth annual employer survey—which polled more than 1,330 in-house counsel, HR leaders and C-suite executives—employment law firm Littler Mendelson found HR and business leaders tackling increasingly complex compliance challenges, mainly focused on preventing workplace harassment and pay inequality.

According to Michael Lotito, co-chair of Littler's Workplace Policy Institute, changes under the Trump administration are proving slow to materialize, so employers report feeling very little relief from federal regulation and enforcement.

For instance, the survey shows that employers perceive the impact of various regulatory issues on workplaces to be relatively unchanged from last year. Those polled say enforcement of federal employment laws by the Department of Labor is their leading concern, with 78% anticipating a "moderate or significant" impact on their workplaces over the next year (up slightly from 74% in the 2018 survey). In the 2017 and 2018 surveys, 77% said the same of enforcement by the Equal Employment Opportunity Commission.

"Despite the lack of activity on regulatory matters over the past two years, agencies are moving quickly to complete their regulatory agendas before the 2020 election season," Lotito says, noting that 2019 "is a year of preparation, as the race is on to finalize rules that could have an enormous impact for employers."

This includes the DOL's proposed rule to revise the "white-collar" overtime-exemption regulations, which the majority of employers were already preparing to comply with prior to the release of the proposal. In addition to the 42% of respondents who instituted changes prior to the injunction of the 2016 rule, 40% are reviewing job descriptions to verify the classification of current employees and 36% are auditing compensation to identify those employees likely to be impacted.

"With the DOL targeting an effective date in the first quarter of 2020, companies may not have much time to come into compliance if the rule is not finalized until fall of 2019," says Tammy McCutchen, Littler principal and former administrator of the DOL's wage-and-hour division. "Those that wait for the final rule to make decisions on classification and salary levels may be too late to comply by the effective date."

State and local employment laws are also creating persistent compliance challenges across a range of issues. Paid sick-leave requirements rank No. 1, with 69% of respondents indicating difficulty in complying with a growing patchwork of laws often conflicting in nature, followed by marijuana legalization (54%) and background checks (52%).

Finally, employers are getting more serious in curbing sexual harassment in their workplaces by providing additional training to supervisors and/or employees (63% in the 2019 survey, up from 55% in 2018); updating HR policies or handbooks (51% in 2019, up from 38% last year); and more proactively addressing complaints and potential misconduct (37% this year, up from 29% in 2018).

"[The] #MeToo [movement] has touched every industry; it impacts all types of companies, large or small, high-profile or even no profile," says Helene Wasserman, co-chair of Littler's litigation and trials practice group. "The survey data shows that most companies are taking this issue seriously and are focused on providing training and updating policies and procedures to ensure employees are treated fairly and feel safe in the workplace."

—*Tom Starner*

How Widespread Is Pain-Med Usage in the Workplace?

Pain-medication usage—and abuse—is more common than you may think, according to a new study by the Integrated Benefits Institute that finds one-third of the U.S. workforce uses prescription pain medications.

When it comes to addressing the opioids epidemic, employers often center on the risk of on-the-job accidents or difficulties in filling job vacancies in areas heavily affected by addiction and dependence. But according to the IBI study, "this may not only underrepresent the more pervasive productivity impact of lost work time, but also obscures the larger issues of chronic pain and substance use more generally."

The IBI study is based on data from the *National Survey on Drug Use and Health*, a cross-sectional survey of U.S. households that provides national estimates for the use of drugs, alcohol and tobacco among the civilian population over age 12. The study used data from 2015-2017, including about the appropriate use (i.e., prescribed) of pain relievers, as well as the problematic use (i.e., abuse and dependence).

Among the findings, rates of alcohol abuse and dependence exceed the problematic use of pain relievers and other prescription medications.

Excess absences associated with pain relievers were greater than excess absences associated with any other substance. On average, non-problematic use of pain relievers was associated with .8 days of excess absences per month compared with non-users. The problematic use of pain relievers was associated with two absences, or 1.2 excess days per month, compared with non-users.

Generally, excess absences associated with problematic use of substances was significantly greater than for non-problematic use.

Assuming a 20-day work month, the use of pain relievers was associated with a loss of about 1.3% of the monthly labor capacity of 1,000 workers. The non-problematic use of pain relievers accounts for nearly all (96%) of those losses.

So what can employers glean from this information?

"When we look at usage of pain relievers and other opioids," says Brian Gifford, director of research and analytics at IBI, "the vast majority of it is by prescription for someone with an injury, surgery or chronic pain. So, if we are going to look at the opioids epidemic, then we have to understand it within a larger context, and that is there are a lot of pain medications being prescribed to the workforce."

Gifford, who recently moderated a panel session on the opioid crisis at April's Health & Benefits Leadership Conference, says both he and researcher Erin L. Peterson were surprised by the "magnitude" of the number of Americans battling various forms of pain.

"We understood there'd be quite a bit of people experiencing pain in the workforce," he says, "but when we came up with the finding that one in three workers are using pain medications, that seems like a large amount."

Generally speaking, Gifford says, for almost every substance, "when we see people develop dependence, our findings are that people are going to have more sick-day absences than those who are using pain medications non-problematically."

Sick days can add up and drag down a company's bottom line, which Gifford says should drive home an important message: "It's happening in your workforce; even when people are using their prescriptions appropriately, there's a business consequence to that."

The study includes five points of guidance for employers, including using confidential health-risk assessments to identify employee issues and use of medications with potential for abuse. "Ensure that covered topics include such health risks as alcohol, tobacco and illicit-drug use, but also the prevalence of painful conditions for which opioids may be prescribed. Given the sensitive nature of this information, it may be necessary to partner with third-party organizations."

According to Gifford, "the most important thing for employers is that they have a comprehensive and integrative substance-abuse approach" that accounts for different forms of substance abuse.

"Because when, unfortunately, the next substance-abuse crisis comes around," he says, "they won't have to start from scratch."

—*Michael J. O'Brien*
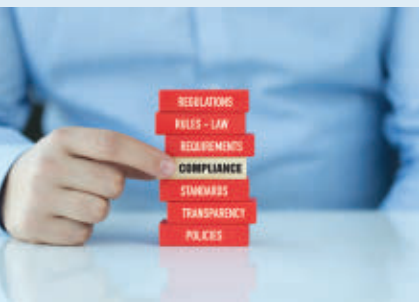
Enhancing Communication with Collaboration

For many organizations, systems with a knowledge base can increase employee engagement, eliminate paper processes, and make information available faster and in more useful ways for employees, experts say.

According to Craig Johnson, a partner in Mercer's career business, many knowledge-base tools have typically focused on helping the organization track and complete tasks (i.e., submit and track a query to HR), while today's solutions are also addressing the end-user experience.

"It is not enough for these platforms to simply work—they need to be easy for end users to access and use because a lack of traffic [or] usage results in reduced ROI," he says.

To help make that happen, SocialChorus, a global-workforce-communications platform, just launched Content Planner, an enterprise-level, strategic-planning tool that gives organizations one place to plan their content strategies and measure the impact of employee communications. According to Tim Christensen, chief technology officer at SocialChorus, Content Planner offers a high-level view of communications programs to strategically plan content, as well as the ability to easily collaborate on review cycles, evaluate past performance and even predict the future performance of posts.

"From hiring to reviews to D&I, HR leaders are tasked with many initiatives at once, and this can often create disjointed, one-off comms plans," he says. "With Content Planner, our goal is to make the employee experience more connected, engaging and useful."

Christensen says Content Planner can help customers be more strategic by publishing within the context of their communications plan and leveraging insights to identify the best opportunities to engage their employees.

"They can plan for the future, collaborate with other teams, measure their results and even predict the effectiveness of what they have planned," he says.

Christensen adds that digital transformation is a major undertaking for many companies, and employee communications is an integral part of this. Not only are HR leaders and communicators responsible for developing an effective employee-communications plan, but they are also increasingly required to demonstrate the value and impact of internal communications on the business.

However, Christensen says, many HR leaders are currently "flying blind," which puts them at a disadvantage when it comes to reaching employees.

"Unlike marketing and sales, which have long had strategic tools for planning and measurement, [HR leaders] simply haven't had the same tools to measure metrics and connect the impact of communications to HR programs," he says, adding that, by syncing to one system and partnering across IT, HR and communications, SocialChorus is helping customers connect all of their communications strategies, all from one platform and in a way that allows them to demonstrate the impact on the business.

According to Joelle Kaufman, chief marketing officer at Dynamic Signal, an employee-communication and engagement platform that competes in the same space as SocialChorus, prioritizing and investing in strategic workforce communication is foundational to growing a business, improving agility and reducing turnover.

"We work with our customers to understand what we call the 'employee lifetime value' and how to increase and extend it at every inflection point," she says.

Dynamic Signal's Employee Communications and Engagement Platform, Kaufman says, can be used to encourage employee referrals for candidates (social recruiting) and accelerate onboarding using content categories, video, audio and interactive polls and surveys (Dynamic Signal customers report 19% faster onboarding). It is also used for ongoing training, development and engagement efforts. To that end, the company's customers report 17% faster training, 32% more employees reached and a 30% increase in employee engagement. Kaufman adds that customers report 16% higher productivity, 11% less turnover and 20% faster adoption of company initiatives.

"Successful organizations recognize that their customer experience is intimately connected to their employee experience," Kaufman says.

Mercer's Johnson says that, despite ongoing improvements in these digital tools, challenges remain.

"These systems are only as good as the quality of the information that is loaded into the knowledge base," he cautions, citing outdated policy information in a knowledge base that may result in an employee getting the wrong information.

Governance is another challenge, Johnson says, noting a structure to address the care and feeding of the knowledge base can mitigate headaches down the line.

"Often, the hard work begins when a system goes live," he says. "As these technologies continue to evolve and the end-user experiences become more advanced, good content and good governance will still be two issues that need to be addressed."

—Tom Starner

Improve Your Workplace with Immersive Tech

Tech gurus predict that, within the next few years, the immersive technologies of XR—including augmented reality (AR), virtual reality (VR) and mixed reality (MR)—could be as ubiquitous as today's mobile devices.

If that comes to pass, will those currently exotic technologies deliver a serious impact in the workplace and within the HR landscape? There certainly appears to be interest among employers, according to a new survey of 200 start-up founders, tech execs, investors and consultants by global law firm Perkins Coie LLP and the XR Association.

Generally, respondents in the survey, now in its third iteration, found experience issues, such as bulky hardware or technical glitches, to be the biggest obstacles for mass adoption of AR (26%) and VR (27%). That's down from last year, when user experience was at 39% for AR and 41% for VR. Adoption reservations aside, XR's time in the workplace will come, according to one expert.

"The idea of VR and AR as a means of connecting people to the digital world in a much more natural and human way is profound," says Tipatat Chennavasin, general partner at Venture Reality Fund. "It allows us to redefine computer literacy—we can adapt the computer to the way we think and want to work."

Among the study findings, 78% of respondents agreed that "XR is highly applicable to workforce development at this time." And when asked about the top workforce uses for XR, there was a connection between providing access to all information in real time and facilitating training and mirroring real-life experiences.

Putting aside issues of cost and scalability, it's not surprising that a large majority believes XR can benefit workforce development, says Perkins Coie's Ann Marie Painter, a Dallas-based partner and firmwide chair of its labor and employment practice.

"Given the lasting impact of the #MeToo movement and the increased focus on addressing unconscious bias in the workplace, XR could offer some truly innovative options for employers to offer training and education that will make a lasting difference at a personal and emotional depth," she says, adding that positive responses in the survey about creativity also resonate for workplace use.

"There is no question that issues surrounding privacy interests and record retention, for example, will come up in the process," Painter notes, "but there is no reason not to look for ways to start to incorporate XR, given the potential payoff."

—Tom Starner

Making Your Podcasts Pop

Everywhere you look (or listen), you can find them. From subways and buses to park benches, health clubs and cafés, people are immersed in listening to podcasts. Whatever your interest—true crime, politics, business, psychology or entertainment—there's a podcast for that.

Naturally, it was just a matter of time before employers harnessed the power of the podcast to communicate with the workforce. According to the *Wall Street Journal*, approximately 30 companies in the S&P 500 have developed employee-oriented podcasts. American Airlines, Verizon, Apple, Mastercard, Home Depot, Netflix and a host of other organizations are all producing them, with varying degrees of success.

Employers are turning to podcasts largely because traditional methods of employee communication have grown old and tired—and easy to ignore.

"If you ask any internal-communications team, the biggest problem isn't producing content, it's getting anyone to pay attention to it," says James Ellis, an employer-brand and recruitment-marketing consultant, keynote speaker and podcaster. "Intranets are never visited, emails are never read and employers are desperate for new ways to generate traction with employees."

Caterpillar Inc. launched its podcast two years ago to give employees more choice for how they access company news, according to Rachel Potts, the company's head of enterprise communications. While podcasts are a new and novel vehicle for communicating to the workforce, employers are still plagued by one "massive hurdle," says Ellis: convincing employees to spend their personal time listening to company news.

We asked experts for their advice on how to overcome this challenge. Here's what they came up with:

Select an Engaging Host

People want to be entertained, plain and simple. That doesn't mean you need to enlist the services of Jimmy Fallon or James Corden for your employee podcast, but you do need someone with a modicum of charisma. According to Ellis, many of the "obvious candidates," like the vice president of communications or the CEO, are "horrible choices," as they lack the ability to present subject matter in an engaging manner.

At Caterpillar, host Rusty Dunn is a former broadcaster with a "gift for making people feel comfortable when they sit down with him," says Potts. "He leads a very natural and casual conversation that really appeals to employees." That appeal has led some within the organization to brand Dunn "the Ryan Seacrest of Caterpillar."

Keep it Short

The idea is to get people to voluntarily take time out of their evening, weekend or commute to listen to work-related content, so it's best to keep a podcast short, says Will Ruch, CEO and strategic lead at Milwaukee-based Versant, and co-author, with Patricia Nazemetz, of *HR and Marketing: Power Partners: The Competitive Advantage That Will Transform Your Business and Establish a Culture of Performance*. "Media is being consumed today so quickly and there is so much of it, so organizations need to focus on getting to the point quickly," says Ruch. "Episodes that can be consumed in shorter quantities are very popular."

Make it Real

It's all too easy for employers to "play it safe and gray" when putting together an employee podcast, says Richard Veal, global practice director, communication and change management at Willis Towers Watson. The result is "dull, weak content" that fails to engage the workforce—and rarely garners a listen. Far better, says Veal, is a focus on not being so corporate.

On Caterpillar's podcast, for example, executives are encouraged to share personal stories that give employees insights into how their home lives impact their work lives. Caterpillar's virtual product development manager shared the story of her son coming out as transgender and how that affected her approach to conversations around inclusion in the workplace. The most popular Caterpillar podcast featured an interview with a retired group president discussing his battle with ALS. The "very raw and poignant" podcast was recorded in front of a live audience of employees, who were allowed to pose their own questions of the ailing executive.

Give Employees a Voice

Andy Warhol once spoke of everyone having 15 minutes of fame. That notion has never been truer than today, as YouTube, Instagram, Facebook and other social-media channels have given everyone the opportunity to produce accessible content. Employer podcasts present a tremendous opportunity to share the voice of the employee, which also helps boost interest from their peers.

"The way you attract employees to listen to a podcast is to put employees in the podcast," says Ellis. "If you tell the stories of employees and what they are doing and how they are changing things, that creates a connection that increases the likelihood someone will listen." It also gives employees motivation to earn a spot on the podcast themselves, says Ellis.

Sharing employee stories—in conjunction with the other tips—also provides a bottom-line benefit for employers, in that the podcast can serve as a recruiting tool for new employees, according to Veal.

"The inside-track type of content to give potential recruits a feel for what it's like to work at the organization can be highly effective," she says.

—Julie Cook Ramirez

Opening the Wallet for Wellness

A new report on employer-wellbeing spending from Fidelity Investments and the National Business Group on Health found:

- a slight decrease in per-employee spending (from $784 in 2018 to $762);

- U.S.-based jumbo, large and midsize companies plan to spend an average of $3.6 million on wellbeing programs this year;

- 40% of wellness spending is allotted for financial incentives; and

- 33% of employers will increase financial incentives in the next three to five years.

Upcoming Events

Aug. 12-15 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 shows 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 topics in ergonomics. For more information: LRP Media Group at www.ErgoExpo.com.

Sept. 10-12 2019 Learning & Leadership Development Conference, Encore Boston Harbor, Boston. Attendees will receive the tools and strategies needed to identify, develop and coach leaders to better engage and retain teams, and will find out how retention is the hard-won outcome of engaging and challenging talent. For more information: Human Capital Institute at https://lldconference.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 offers 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.

Oct. 27–30 The HRSouthwest Conference, Fort Worth Convention Center, Fort Worth, Texas. This conference offers educational sessions on relevant HR topics, including employment law, healthcare, talent management and more. Attendees will have networking opportunities and interaction with the expert lineup of educational speakers. For more information: The HRSouthwest Conference at https://hrsouthwest.com.

Nov. 6-8 National Workers' Compensation and Disability Conference® & Expo, Mandalay Bay, Las Vegas. Thousands of workers' compensation and disability-management professionals from across the nation come together for this once-a-year event that's not to be missed! NWCDC offers endless opportunities that will propel workers' comp and disability-management programs forward. With more than 35 sessions spanning six unique program tracks, NWCDC will help attendees gain new ideas on how to use workers' comp programs to engage absent workers, speed return-to-work and much more. For more information: LRP Media Group at www.WCConference.com.

Nov. 14–15 HR Comply 2019, Renaissance Nashville, Nashville, Tenn. This event is formerly the Advanced Employment Issues Symposium. It is a leading human capital management conference for HR professionals, executives and in-house counsel. The content and expert presenters will help attendees get ahead of workplace policy updates with an overview of breaking updates and proven best practices. For more information: BLR at https://live.blr.com/event/hr-comply.

Unlocking the Quality-of-Hire Conundrum

You've no doubt heard this old expression more times than you can count: "If you find yourself in a hole, stop digging."

Sure, OK. But what if you don't realize you're in a hole in the first place? In other words, what if your hiring practices—as an example—are actually missing the mark when it comes to bringing in the type of people who will help your organization soar? Even worse, what if they're bringing in people who are doing just the opposite?

Judging by a recent survey, many companies aren't tracking the quality of their new hires at all. In many cases, the survey finds, it's because they don't know where to start.

"It's a process that often feels overwhelming at first," says Madeline Laurano, founder of Aptitude Research Partners, which conducted the survey.

The ARP survey finds that quality of hire is on the minds of corporate leaders these days: Over 60% of companies cite identifying quality hires as the top challenge they're facing this year. However, only 26% of companies have a formal methodology for defining quality of hire. One in three say they would like to track quality of hire but aren't sure where to begin.

The effort pays off, according to the study: Companies that improve quality of hire are three times as likely to see an improvement in first-year retention and also first-year performance than companies that don't. However, a number of things tend to stand in the way of companies that attempt to measure quality of hire, says Laurano. A main one is the often-contentious relationship between recruiters and hiring managers, she says.

"Hiring managers often aren't working with TA the way they should be," she says.

A recommended first step is a conversation between hiring managers and talent acquisition on what constitutes a great hire at the company, says Laurano.

"It's important to ensure that everyone's in agreement on what makes someone 'great' at a particular organization," she says.

Indeed, the study finds that 54% of companies say they do a better job of tracking quality of hire when there's collaboration between talent acquisition and hiring managers.

One of the key steps to determining quality of hire is recognizing the difference between that and "quality of candidate," says Laurano. Candidate quality is typically determined by a person's performance at his or her previous jobs. Quality of hire, meanwhile, typically measures things like first-year retention, performance and fit. A crucial measure, of course, is hiring-manager satisfaction with the new hire's performance, she says.

By establishing a formal methodology on what constitutes a quality hire, companies can create a consistent way to identify and retain good employees throughout the organization.

"When there isn't a formal methodology, decisions end up getting made that don't provide for that quality of hire," says Laurano.

Tom McGuire agrees that it's important to measure quality of hire—but the main focus should be on key employees.

"My view is that it's most important to do this for jobs that contribute a lot of intellectual capital to a company," says McGuire, managing director of consulting firm Talent Growth Advisors.

The average company's market value is based primarily on the intellectual capital it owns, whether it's brands, patents or technologies, he says. Certain roles within a company contribute directly to that intellectual capital—and, in those roles, "that's where the difference between good and great is dramatic," says McGuire, who co-authored the book *Talent Valuation: Accelerate Market Capitalization Through Your Most Important Asset.*

When it comes to such high-value roles, he says, studies done by Gartner and others show that the difference between "average" and "great" is a factor of 12 or more. In other words, filling these roles with great people will likely have a huge impact on the organization.

In terms of measuring quality of hire for high-value roles, McGuire says, the first step should be consensus among company leaders as to what constitutes a high-value role in the first place.

"Normally, if you get the senior company leaders together and give them 30 seconds to answer the question, you'll get responses like 'sales leader,' " he says. "But if you give them 30 minutes to think about it, you'll often end up with different answers."

HR should also carefully track performance data for high-value roles, monitoring things like promotions and retention rates.

Many ATS products come with capabilities that let HR track the sources of high-quality hires. By combining performance data and source-of-hire data, HR should be able to get a good sense of what's working and what isn't with respect to attracting and keeping top talent in key roles, says McGuire.

At iCIMS, a fast-growing HCM-technology vendor, the company carefully tracks new-hire job performance along with hiring-manager satisfaction, says Amy Warner, director of talent acquisition.

"We're always tracking the performance of new hires over time—this gives us updates on an employee's general happiness, successes and areas of opportunity in real time," she says.

Warner cites the company's onboarding program as a strength. New hires at iCIMS are provided with a 90-day plan that outlines their specific objectives and the metrics the company uses to track progress and productivity. They're also given information on career advancement and set up with formal check-ins with their manager. The goal, she says, is to help minimize the risk of losing top performers while enabling the company to determine quality of hire from the start.

Warner also measures net-promoter scores that are included in hiring-manager surveys. The surveys include questions such as, "If given the opportunity again, would you hire this person to iCIMS?" and "If given the opportunity again, would you hire this person for this role?"

"The results provide us with honest feedback that we can use to inform future hiring decisions," says Warner.

When it comes to helping companies measure quality of hire, the HR-tech-vendor community needs to do more, says Laurano.

"We're starting to see more vendors out there thinking strategically about this to help companies do a better job on this metric," she says. "But there's definitely more work that needs to be done and more education that needs to happen."

—*Andrew R. McIlvaine*

HRE Wins 7 Azbee Awards

The American Society of Business Publication Editors recently honored *Human Resource Executive*® with seven Azbee awards, which recognize editorial excellence.

The publication received two national nods: as a finalist for Website of the Year, shared by Michael J. O'Brien, Danielle Westermann King, David Shadovitz, Jen Colletta and Andrew R. McIlvaine; and a bronze award in the Individual Profile category for McIlvaine's "Transforming Big Blue" cover story. This piece was also recognized with a gold award for the Mid Atlantic region.

Other regional honors include: a bronze award in the Case History category for Westermann King's "Doing Global Good"; a silver award in the Company Profile category for Colletta's "Transitioning the Workplace"; a silver award in the Front-Cover Illustration category for "The Making of a Digital Leader" by Sue Casper; and a bronze award in Single-Topic Coverage by a Team for HR technology.

ASBPE was founded in 1964 as the professional association for editors, writers, art directors and designers employed at business, trade and specialty press outlets. The Azbee competition launched in 1997 and is considered one of the most competitive editorial contests for professional publications, honoring work featured in magazines and digital media.

Piecing Together Talent

BY ANDREW R. McILVAINE

Corporate culture may not matter nearly as much as an organization's teams—and the people who lead them.

Marcus Buckingham believes the concept of "corporate culture" may be a tad over-rated.

In fact, although culture is often touted as one of the most important factors in attracting and retaining talent, he believes there's a much more important element that often gets overlooked: teams, and the people who lead them.

In Buckingham's latest book, *Nine Lies About Work: A Freethinking Leader's Guide to the Real World*, the world-famous consultant, along with co-author Ashley Goodall, writes that too many leaders (HR and otherwise) have bought into certain notions 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 become disengaged.

Lie No. 1, Buckingham and Goodall write, is that people care which company they work for. While there may be a surfeit of "best places to work" lists, and many HR leaders are desperate to get their organizations onto such lists to help them stand out in the war for talent, research shows that the quality of work you'll get from people once they do join depends very much on the *team* they're on, not the company.

Employee engagement, productivity and retention (all vitally important to HR) are primarily influenced by the teams that people work for and the leaders of those teams, Buckingham and Goodall write.

"Teams still matter, we've just lost sight of them," says Buckingham, author of the bestselling *First, Break All the Rules* and head of people and performance research at the ADP Research Institute. As assembly lines started to play a dominant role in the workplace, the work done by teams became obscured by "process," he says.

From the outside looking in, people are often interested in an organization's culture and perks. But once they join, says Goodall, "all of that stuff vanishes and the culture becomes much less important than the people around you every day: Do they help you and support you? The product of work is the product of the team.

"This is not a new thing; it's eternal, but somehow we've missed it," adds Goodall, senior vice president of leadership and team intelligence at global technology firm Cisco.

Cisco itself routinely ranks as one of the best places to work, coming in at No. 6 this year on *Fortune*'s 100 Best Companies to Work For. At the company, all work is done by teams, says Goodall.

"We want to do three things: create amazing tech, sell it and service that tech for our customers," he says. "Each of those things is done by a team working together."

Adds Buckingham: "Cisco is a great example of what happens when you make teams your source of insight and curiosity."

What Makes a Great Team

Teams are becoming increasingly important throughout all industries, not just the tech sector.

At Combined Insurance, a Chicago-based firm with 5,400 employees in North America, project-based teams are playing a prominent role as the company adapts to changes in the insurance sector.

"We have more advanced initiatives that require larger team-based projects," says Assistant Vice President for Talent Acquisition Melanie Lundberg. "Process automation is big in insurance and requires a lot of stakeholders."

Whether it's dynamic process improvements, new-tech implementations or redesigning end-to-end processes, the need for more cross-collaboration among different functions at Continental Insurance has never been greater, says Lundberg. "I think, because of the level of complexity and how agile we all need to be now, it just requires more work with people from different functions collaborating together."

At Surgical Care Affiliates, which operates 215 outpatient surgical centers throughout the U.S., having effective teams is critical to the company's mission of growing its business by offering high-quality surgeries at lower costs than hospitals. So far, it's seen success, with 92% of patients indicating they'd recommend the company's services to others. However, keeping the momentum going requires highly engaged teams, says Vice President of HR Warren J. Cinnick.

Each of SCA's centers is considered a team, comprising about 40 people led by a CEO. The leaders are designated "CEO" instead of "administrator," as is common in the healthcare field, for a good reason, says Cinnick.

"They interact with the physicians who are co-owners of the facility, they interact with the community and with patients, and they own the [profit and loss] of each center," he says. "As a result, we thought we'd elevate their vision of themselves by calling them CEOs."

The job of team leader is a vital one, yet most companies have not prioritized it, says Goodall.

"For anyone seeking to build great teams, it starts with great team leaders," he says. "It's not an add-on job, it is the thing. I think companies have gotten very careless of the fact that leading a team is a job and, arguably, the most important job in any organization."

The best teams are often led by so-called "connector managers," says Sari Wilde, managing vice president of Gartner's HR practice.

Wilde, who's conducted extensive research on leadership and is co-author of the upcoming book *The Connector Manager: Why Some Leaders Build Exceptional Talent—And Others Don't*, says such leaders possess five core leadership qualities. Three of them are curiosity about people and ideas, an openness to learning from different perspectives and demonstrating courage in challenging situations.

"These are leaders who are confident in their decisions and are not going to shy away from making difficult choices," she says.

The fourth area involves transparency and self-awareness. "It's the willingness to show vulnerability, that you're aware of your own strengths and weaknesses," says Wilde. "So many managers want to be seen as the best at everything, but connectors are OK admitting they don't know something and encourage others to be transparent as well."

The fifth quality is judicious generosity. "They aren't just generous with the time they spend coaching others, but with sharing credit for results and allocating power across the team," she says.

Anita Williams Woolley, associate professor of organizational behavior and theory at Carnegie-Mellon University's Tepper School of Business, has studied what makes teams successful.

Great teams have cognitive diversity and collaborative ability, she says. They also tend to have more women.

"Social perceptiveness is the ability to pick up on the subtle cues with the people one is interacting with, and women tend to score higher on that than men," says Woolley. "So, having more women tends to raise teams' ability on that, and that fosters greater collaborative behaviors."

Effective teams also have team leaders who not only understand and appreciate the need for collaboration and cognitive diversity, she says, but ensure their team has clear goals and the time and resources to be productive.

"Teams often get assembled with people who are already serving on other teams and who end up getting pulled in too many different directions," says Woolley. "Setting a team up for success includes providing them clarity on what they're supposed to accomplish and giving them the time to do it."

Supporting Team Leaders

At Cisco, which has nearly 75,000 employees spread around the world, the company has devoted extensive time and resources to ensuring its teams are well led and have what they need, says Goodall.

The most important criterion for a team leader at Cisco is "appetite," he says. "We try to find people who are fascinated by the endless challenges of leading a team and are energized to learn how to do it."

One way the company does that is by offering learning programs targeted at aspiring leaders so they can learn about the role of team leader and decide if it's for them. For existing team leaders who're hoping to move up in the organization, Cisco looks hard at whether they're meeting its minimum expectations of team leadership—by, for example, giving frequent strengths-

Piecing Together Talent

based attention to team members and engaging the entire team in discussions about how they can be more like the company's best teams.

In 2016, the company selected a sample of 97 of its best teams by asking leaders across the organization to nominate the teams "they'd like to clone," says Goodall. It also selected a comparison group of several thousand team members. Each group then answered a dozen questions about their team experience, drawn from prior research on team excellence.

"We discovered that members of our best teams were disproportionately more likely to report they were using their strengths every day, were supported by their teammates and felt that they shared a common understanding of excellence with the people on their team," he says.

These and other findings were incorporated into a survey tool available to any team leader at Cisco. They can use the tool to benchmark their own team against the best teams and use it to facilitate a discussion within the team on what's working and what they'd like to build on, says Goodall.

Cisco doesn't send its team leaders off-site for training. Instead, company-trained facilitators work with teams on-site in order to ensure their workflow isn't interrupted, says Goodall.

"The norm for any sort of training for teamwork is that you send someone off-site for training and hope whatever they learn somehow translates back to the real-world messiness of the daily work," he says. Given the sheer number of teams and team leaders at

Cisco, this would be burdensomely expensive and impractical, he adds. By working with teams and their leaders directly, facilitators ensure the training can be applied immediately to their day-to-day work.

At Continental Insurance, the company's lean operating model has led Lundberg to rely mostly on internal resources to train teams and their leaders. She herself will oversee a course on project leadership later this year. She also taps leaders within the company who've been certified by the Project Management Institute to assist with training.

"One of the best ways HR can develop other leaders is by using the leaders you have to lead in-house development programs," she says. "They know the business and the people, and it gets you away from having to use the big, expensive consultancies."

At SCA, team leaders receive coaching in three fundamentals: hiring, onboarding and feedback.

"If you hire people effectively, you'll end up with great people," says Cinnick. "If you onboard them effectively, that's another part of having a great team. And then if you give them feedback that's kind, caring and upbeat, that is essential."

All CEOs complete the company's CEO Development Program to learn those fundamentals.

"Our strategy is to help them be awesome, to lead and engage these teams," says Cinnick.

The CEOs are evaluated on the fundamentals by metrics such as first-year turnover for new hires, how

fast new hires achieve productivity compared with SCA's other centers and whether a center's employees are receiving regular feedback that helps them achieve their goals, says Cinnick.

With centers spread across 34 states, monitoring and sustaining team engagement levels isn't easy for SCA, Cinnick admits. CEOs are expected to help maintain engagement by keeping their teams focused on SCA's six values: clinical quality, integrity, service excellence, teamwork, accountability and continuous improvement.

"Our leaders are trained to have regular reviews of those values during morning meetings," he says. A CEO will typically ask a team member to speak about one of the values—what it means to them, how it applies to the center's patients and physician-partners. "There's a thoughtful, intentional attempt across all sites to do that."

SCA's employee-engagement surveys, which are administered by Aon, have risen steadily over the years and currently show an engagement score of 78, says Cinnick. "When we get to 80, that's considered best-in-class, and we hope to reach that this year."

The Role of Tech

When it comes to helping HR identify and support workplace teams, the tech sector has been lacking, says Buckingham.

"Most of our HR systems are extensions of ERP systems," he says. "We think of people as extensions of our budgetary processes—how much they cost, and so on—and that's where we get our HCM systems."

The enterprise tools widely used today don't show teams, says Buckingham. Teams tend not to be reflected in organizational charts, even though the majority of work today is accomplished via teams.

However, newer tools, such as Slack and Webex Teams, are making it easier for managers to assemble and lead teams, he says.

"These are collaboration tools and, when they're designed well, they hit team leaders in stride," says Buckingham. "You start putting tools like them in managers' hands and teams start emerging."

Vendors such as SAP SuccessFactors and Infor have also introduced new tools designed to help team leaders. SAP SuccessFactors' Cultivate app provides team leaders with data on who they talk to the most and how much feedback they give.

"It can lead managers to have very different conversations with their teams, get coaching in the moment so they can rectify things or have more upfront conversations that help build relationships and trust," says Brigette McInnis-Day, HR strategy officer at SAP SuccessFactors.

Infor's Team Dynamics tool is designed to "look at the degree of behavioral alignment on a team," says Jill Strange, the company's vice president of talent applications. "We use our talent-science assessment to look at how aligned or diverse a team is and suggest configurations for a team based on the goal."

Meanwhile, Infor's Team Insights tool is designed to help team leaders determine where their team is most behaviorally aligned, whether it needs greater diversity and what impact moving certain employees in and out of a team might have, she says.

Looking ahead, a focus of HR tech will be on helping organizations create, train and manage effective teams, says Buckingham.

"Moving forward, the challenge in learning is how do you take real-time data about a team, the skills and strengths of the people within it—and whether engagement is up or down—and use that to trigger the delivery of relevant presentations to the team?" he says.

For example, when a new person joins a team, the system would be triggered to give that employee data on other members of the team. If a team leader sees engagement scores dip, the system would be able to deliver suggestions on what he or she could do to re-energize the team. It could also deliver coaching that's customized to who the person is as a team leader, says Buckingham.

"Over time, learning will become real-world, individualized coaching delivered through tech, in real time," he says. "That's the future."

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Experts from the Hackett Group explore the HR transformations on the horizon.
BY TONY DIROMUALDO AND FRANCO GIRIMONTE

How Digital Tech is Changing HR

The transformative impact of digital technology is just beginning to be felt in HR. No part of the function will go untouched, as it radically alters the types of services offered and how they are delivered. Digital technology provides managers and employees direct access to increasing amounts of information, insights, tools and expertise. To fully leverage digital technology's potential, HR must rethink its organization structure, processes and roles, and shift its primary focus away from administration and transaction processing to delivering people-management capabilities that drive superior performance. We will be presenting more on this topic at the HR Technology Conference & Exposition® in Las Vegas in October.

Impact on Organizational Structures

Today's predominant HR organizational model of corporate center, global business services/shared services, centers of excellence and field-based HR will remain for the foreseeable future, at least on the surface. What will change is the amount and type of work each entity performs, including work done through digital technologies and third parties. Smart automation (e.g., robotic-process automation, cognitive computing, chatbots/virtual assistants, etc.) will handle most of the routine workload across HR. (The Hackett Group's benchmarks show the typical HR organization currently devotes half of its staff and budgets to administration and transaction processing.) This will allow HR to dramatically redeploy staff—far fewer will work in areas such as GBS/shared services, and more will take on high-impact activities, such as talent strategy, HR-program innovation, organizational change, analytics and acting as trusted advisers to senior leaders.

Below, we discuss each of the main components of the future HR model:

Business partners become truly strategic. Few would debate that HR business partners should handle strategic or high-value activities. But many currently spend much of their time dealing with day-to-day HR issues. In the future, these activities will be largely supported by self-service and digital assistants, as well as operational COEs. These capabilities, fortified by analytics and artificial intelligence, will finally give HR business partners the time, tools and insights needed to productively work with senior leaders to create and implement talent strategies, make the right investments in people, carry out their leadership and people-management responsibilities more effectively, and create successful and sustainable organizational cultures.

Self-service expands to full-service. The concept of self-service will radically change from today's HR administration-centric model, emphasizing data input and information access to HCM systems, to one featuring direct access to a digital-productivity platform of information, services, tools and analytical insights for the workforce and managers. Designed for omni-channel accessibility and enhanced by analytics and AI, it will draw on company-wide and external capabilities. For example, employees will have access to personal digital assistants, productivity tools, performance coaching, personalized training and customized career-development guidance. Managers too will benefit from a wide array of tools (real-time feedback apps and digital-coaching aids, for example), helping them perform their people-management responsibilities better.

Global business services/shared services shift from transaction processing to platform management. Today, GBS organizations mostly handle HR transactional and administrative tasks, as well as those related to talent management, such as recruiting and learning administration. In the future, software robots will perform these tasks, freeing up GBS staff to focus on operational platform-management activities, such as programming and monitoring software robots, maintaining analytics engines and algorithms, monitoring service-delivery performance, leading continuous improvement initiatives and implementing new services. As a result, we expect GBS/shared-services organizations (especially those that are highly dependent on labor arbitrage) to shrink.

Centers of excellence expand scope and impact. COEs will create more digitally enabled capabilities and maximize their impact by assisting with the implementation of tools and programs. Furthermore, their role will change from primary internal source of knowledge and expertise to product manager, overseeing development, selection and delivery of needed programs, tools and capabilities.

COEs will focus on business-oriented themes, such as workforce intelligence, talent development, organizational effectiveness and continuous transformation. For these types of activities, COEs will increasingly support the business directly rather than going through intermediaries.

External providers are seamlessly integrated into service delivery. HR will rely more on third-party platforms and providers, including business-to-business networks, for a variety of operational and strategic services. These will include HR process-as-a-service vendor platforms and offerings, a diverse array of knowledge networks and data collected via digital technologies, including smart devices, such as wearables, smart badges and sensors.

CHROs become enterprise human capital leaders. Digital transformation will increase the importance of integrating

human capital strategy and weaving HCM services into the strategic and operational fabric of the business. The most successful CHROs will act as human capital leaders for the enterprise, working with top executives of the business and the board of directors on strategic people issues, such as culture and values, quality of leadership, talent strategy, employee engagement and workforce performance.

Impact on HR Processes and Roles

Digital technologies will have a major impact on the way HR processes and roles are performed. Below, we discuss some of the most compelling examples:

Recruiting and staffing become truly candidate-centric; roles highly specialized. As adoption of digital technologies grows, talent acquisition COEs will shift to techniques used by sales and marketing organizations to attract customers, communicate the employer-value proposition and engage potential candidates in a personalized manner by leveraging demographic and behavioral data. Increasingly detailed data about candidates will fuel advanced analytical analysis. This will help companies better understand the drivers of acceptances and rejections, characteristics of candidates with the best organizational fit and greatest potential for success, and the most fruitful sources of quality hires.

The work involved in recruiting and staffing will evolve into specialized roles devoted to different steps of the process. For example, recruiting-solutions architects will focus on understanding the service required by different customer segments (candidates, employees, managers) and designing the best possible service. Candidate-experience managers will endeavor to create the conditions for successful sourcing, with an emphasis on leveraging social media and maintaining strong connections with the corporate brand. Sourcing-development managers will build candidate pipelines via diverse sources, including non-traditional and skill-specific talent pools (contractors/freelancers, global/regional talent pools).

Learning and development is personalized; roles focus on learning enablement. Digital technology will blur the lines between formal and informal learning methods, making it possible to deliver personalized, just-in-time, context-specific training and learning support. Analytics capabilities will anticipate staff learning needs and suggest the most effective training methods. Insights from analyzing training-participant data will improve HR's understanding of the drivers of effective training and pinpoint methods that generate measurable improvements in performance.

The work of the learning and development organization will shift to learning enablement and culture development, rather than

Meeting Expectations for Experience

Modern enterprise is obsessed with workforce experience. We live in an experience economy. We are a society of digital natives. And we are surrounded by a mobile-first world in which information, goods and services come to us easily, at the sound of our voice or the tap of a screen.

If you don't think you're a digital native, consider this: Do you use email or write handwritten letters? Do you own a smartphone? Know how to text? Have you ever ordered anything online? And I'm not talking about technological prowess; we adapt to technology more than we adopt it. Over time and without batting an eye, in every generation and across the globe, our everyday lives have made us digital natives.

Today's workforce sets the experience bar higher than ever before, but the workplace itself struggles to adapt. Organizations must provide a competitive, compelling and meaningful workforce experience in order to compete and thrive. But you can't give employees what they want if you don't listen to what they say. It seems there's a massive experience gap to be addressed.

According to the Bureau of Labor Statistics, 2 million employees turn over every month because of negative experiences in the workplace. There appears to be a significant gap in perceptions of employee engagement as well: A survey by Salary.com found that 69% of employers believe employees are engaged, while only 34% report they actually are. Similarly, 81% of employers believe employees would recommend their company as a great place to work, yet only 38% actually would. The experience gap is particularly hitting younger workers: 43% of millennials envision leaving their job in two years, according to Deloitte research. Of this population, 62% would join the gig economy as an alternative to traditional, full-time employment. Only 28% would consider staying more than five years.

What does all of this mean to the business?

Organizations need to tighten up and elevate hiring, screening and onboarding practices—setting the tone for workforce experience out of the gates, and driving engagement as quickly as possible. You have two years for a new hire to churn out enough productivity to cover their own cost. Every day literally counts.

Only 20% of companies are deploying HR and productivity solutions on mobile. We're nearing full employment; millennial and Gen Z employees who can afford to be picky assume they'll be able to do everything via mobile, and they'll be turned off when they can't. Additionally, offer a great experience coming in, but going out as well—or you'll see none of those boomerang hiring opportunities that may benefit you down the road.

So how does an organization provide the kind of workforce experience that will drive business results like customer experience, engagement, retention, productivity, brand loyalty, advocacy and referrals? Organizations successfully navigating the modern workplace need to understand the everyday employee experience and use multiple data sources to address workforce opportunities through a system of action. This requires both a mindset shift as well as a technology shift—from call center to experience center, from service agents to experience agents, from service-level agreements to experience-level agreements and from point-in-time feedback to journey analytics spanning key workplace experiences.

This also requires a fundamental shift in the way we organize and handle data. Providing a personalized, relevant experience that meets employees where they are requires us to integrate employee data within a single system, garner relevant insights from employees to drive decisions, measure and optimize outcomes the business cares about and shift the mindset of the business to be one that is employee-centered rather than organization-centered. I'll be talking about the importance of making this mindset shift at the upcoming HR Technology Conference & Exposition® in Las Vegas in October.

This shift is necessary, but it's also worth it. Organizations will fall into obsolescence if they don't transform workforce experience to match the experience of our everyday lives, but there is great reward to be reaped if they do. Employee experience drives customer experience, garners loyalty and high performance, and translates directly to business value.

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.

top-down training-program design and implementation. Professional-development-solutions architects will specialize in areas like leadership or leveraging different training-delivery channels. Employee-development coaches will help employees understand their individual development needs and choose those learning experiences most relevant and useful to them. Learning-module developers will replace "pedagogic engineers," working under the guidance of solutions architects and relying on new technologies (multimedia, virtual reality, gamification, etc.) to deliver business-critical training modules.

Performance management and employee relations become real-time, social and more human; roles focus on culture and performance.

Today's data-collection methods will be replaced by applications enabling continuous, real-time collection of employee data, including time spent working on different tasks, conversations and networking patterns, movements and even emotions. Employee feedback will be captured as well through automated surveys triggered by different milestones such as post-onboarding, training events, major project completions or work anniversaries, as well as other methods like sentiment analysis. Analytics tools will pinpoint the drivers of engagement and performance and direct tailored interventions as needed.

Workforce agility and innovation leaders will assess overall organization structure, ensuring that groups

have the best model to support innovation and agile responses to market changes. Culture- and values-development leaders will monitor and ensure consistency across the entire workplace experience. Other potential organizational-effectiveness roles will include workforce-performance advisor/coaches, change agents and workspace-design experts.

Total rewards is fully digital; roles shift to employee-value proposition. As digital technologies permeate HCM systems, users will perform most total-rewards-related tasks via computer or mobile device. AI-based analytics capabilities will expand services beyond life-phase reminders and financial guidance to personalized data and

recommendations, while digital assistants like chatbots will handle most employee and manager queries.

Total-rewards professional roles will shift from administration to design of compelling employee-value propositions encompassing the full spectrum of workplace and benefits offerings and designed to suit different employee profiles, even individualized packages. Rewards will expand to include different types of benefits, such as wellness and wellbeing, as well as new and variable forms of employment (e.g., assignments with a fixed duration and specific reward plans). New roles, such as workforce-experience manager, desinger of employment-value proposition and human-capital impact analyst will emerge.

Strategic workforce planning is predictive; roles center on modeling of workforce dynamics. Digital technologies will enable organizations to more precisely know the drivers of skills demand and supply for each workforce segment. Predictive analytics will allow HR to anticipate specific turnover and skills-supply risks, as well as pinpoint favorable supply trends to exploit. Modeling and scenario-based analysis will potentially allow HR to provide valuable guidance to the business and talent-strategy-formulation activities of senior management.

Dedicated COEs will drive better understanding and modeling of workforce skills demand and supply trends, drivers of employee performance and their impact on business results. Workforce business analysts/insight experts will seek to understand workforce-performance dynamics and the links between employee behaviors and business results. Workforce-data-program leaders will be responsible for all end-to-end data-analysis programs, including data manipulation, consolidation and computation. Communication/data-visualization designers will take charge of data presentation and communication to business stakeholders and the associated messaging.

Recommendations

HR organizations must accelerate implementation of the changes needed to meet the demands of enterprise digital transformation, including improvements to HR capabilities, service offerings and performance. The Hackett Group recommends the following actions:

• *Define the future HR organization:* What capabilities must HR have, and what contributions will it need to make to succeed in the future?

• *Evaluate current organization structure*: What is HR's current model, and how well is it working? How does it compare to what will be needed to fulfill the future vision of HR? Which areas should be prioritized for transformation?

• *Assess existing HR processes:* Are they optimized for today's demands? What are the key priorities for improvement? To what extent can HR processes be further automated and digitized?

• *Rethink HR roles:* What is the current mix of support, professional and managerial roles? How much administrative and transactional work is performed by staff in each job class? What activities can be fully digitized, and how should existing roles be redefined as a result? What high-impact areas are not addressed adequately by existing HR skills?

• *Create an implementation roadmap:* What digital capabilities—such as smart automation, data analytics and data governance—should be implemented in the short, intermediate and long term to accelerate realization of the future HR organization?

Tony DiRomualdo is senior research director at the Hackett Group. Franco Girimonte is associate principal at the Hackett Group.

HR IN THE FLOW OF WORK

By **Josh Bersin/**Columnist

Health Tech Meets HR Tech

The Kaiser Foundation estimates that, on average, employers pay 82% of health-insurance costs for single coverage (71% for family coverage)—an average of $5,655 per year per employee. One of the most significant ways companies are dealing with this economic burden is by investing in employee wellbeing.

The workplace-wellness market is valued at $48 billion, according to the Global Wellness Institute. It encompasses a variety of wellbeing offerings: diet and fitness, mindfulness and mental health, and programs for heart disease and diabetes, as well as benefits related to childcare, family planning and financial fitness.

Wellbeing is becoming increasingly strategic for HR. Employees, burdened by healthcare costs and long work days, are demanding more wellbeing support. Consequently, there is enormous investment going into corporate-wellbeing technology. In fact, the health-tech market today is as innovative as any I've seen, and it is now colliding with the $140 billion market for HR tools and systems.

Following are several areas of innovation and examples of new market entrants:

Fertility benefits: Research shows that one out of 12 women has problems getting pregnant. The start-up Carrot helps employees navigate the complexities of fertility options through assessments, a network of providers and a range of solutions. Carrot works with companies to decide how much they want to allocate to fertility benefits and then helps employees determine how they can best use benefits through a personalized app experience.

Childcare: As all parents know, the first years of parenting are filled with daunting challenges. Cleo offers an amazing app and technology-driven platform that connects expectant and new parents to a range of practitioners specializing in areas such as pregnancy and parenting advice, adoption and surrogacy, and return-to-work coaching. Cleo's clients claim their employees are more productive and relaxed at work, knowing they can get personalized advice whenever needed at a cost far lower than a doctor's visit.

Mental health: More than 44 million U.S adults have mental-health issues (14% of the population), and researchers believe one in five people has an unmet need for mental-health care. Widespread use of opioids and other pharmaceuticals for anxiety, sleep and depression are exacerbating this issue. Spring Health provides an app that helps employees assess their mental-health needs and determine what type of treatment they need (such as coaching, counseling and medication). Spring Health then connects employees to a network of certified mental-health experts to address precisely the problems they face—all confidentially.

Physical therapy: Studies show that physical therapy can be a much more effective treatment than medication or surgery for many conditions and injuries. Cue Physera, which worked closely with physicians and physical therapists to build a first-of-its-kind digital solution to address musculoskeletal issues. Physera's technology and science help employees diagnose their conditions, and save them time and dollars by providing personalized exercise recommendations through a digital coach to support recovery.

Wellbeing: Companies such as VirginPulse, Limeade and Castlight Health have built end-to-end wellbeing platforms that let employees engage in self-assessments, challenges and education. Reduced worker-compensation claims and improved productivity are among the benefits their clients attain.

I've found that the innovative companies in this space have one thing in common: They are being developed with a digital-first approach. The founders and CEOs know that health and wellness is a well-regulated industry, so they leverage scientists, physician networks and regulatory bodies to create validated solutions.

In addition to improving lives, these companies are changing the healthcare system itself by disrupting traditional healthcare siloes and delivering consumer-like solutions to pressing issues.

Best of all, these solutions are going to reduce the cost and improve the quality of healthcare. While the political solutions to healthcare coverage are difficult, these tools are here today, fueled by passionate entrepreneurs with mission-driven hearts.

I'll be talking more about health tech and the importance of corporate wellbeing initiatives at the HR Technology Conference and Expo in October. I hope to see you there.

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

The HR Technology Conference & Exposition® will be held Oct. 1 through Oct. 4 at the Venetian in Las Vegas. For more information, visit www.hrtechnologyconference.com. Send questions or comments about this story to hreletters@lrp.com.

HR Tech Influencers Look to the Future of Work

Accenture's Ellyn Shook and others reflect on how HR technology is changing the way people work.

BY *HRE* STAFF

When the *HRE*/HR Tech Conference team met over the winter to work on the inaugural HR Tech Influencers list, we knew it would be important to consider all aspects of influence, such as those with a direct effect on products and others with a more subtle, longer-term impact. However, all are playing an important role in where HR technology has been, where it is today and, perhaps most importantly, where it is heading. And that, above all else, informed the decision-making that went into compiling our Top 100 HR Tech Influencers list (for the full list, visit http://hrexecutive.com/top-100).

Below are excerpts of Q&As with several of our inaugural Influencers about the past, present and future of HR technology:

Holger Mueller
Vice President and Principal Analyst Constellation Research Inc.

What's the most dramatic shift happening in the HR-tech space today?

Hands down, AI. For the first time, enterprises can collect and analyze all electronic information, including the digital "exhaust" of their people, and combine it with deep-learning-powered neural networks. This means that—for the first time—best practices, know-how and signals can be used to automate, suggest and make (hopefully) better decisions.

In acquiring and implementing new technologies, what are some common mistakes HR organizations make?

HR organizations tend to think in the status quo and not the "status to be" of their enterprise. Making sure that forward-looking, future-proved and game-changing best practices are introduced and implemented is the key to make HR the trusted partner enterprises need in the era of business best-practice uncertainty.

How can HR leaders best make the business case for HR-technology investment?

Enterprises are under pressure to become more agile and move faster. The demand for enterprise acceleration is what boardrooms are confronted with. HR leaders need to find ways to empower and make the people leaders in their enterprise more efficient and better. When HR leaders can show how technology can help their enterprises accelerate, funding from the board is not only likely, but almost default.

Don Weinstein
Corporate Vice President, Global Product and Technology ADP

What area of the HR function will be most impacted by emerging technologies?

We believe that every domain within the HR function is undergoing major changes based on the application of new digital and cognitive technologies, such as machine learning, edge computing, biometrics and blockchain, among others. In more transactional domains, like benefits and workforce management, the greatest impact will come in the form of massively automating tasks that today require human intervention, such as answering queries or updating schedules. Other areas, like pay and performance, will be transformed from static processes into much more dynamic functions, including the ability for workers to get paid in real time or on more personalized schedules.

What's the most dramatic shift happening in the HR-tech space today?

The explosive growth of people data and analytics is transforming HR from a "black box" into a more scientific, data-driven function. This shift is similar to one that has been taking place in marketing, which has been transformed by digital-marketing platforms to the point where they can now predict the impact of a change in ad spending to the fraction of a penny. The same change is starting to take place in HCM, where we spend a tremendous amount of time and money on people programs, and are now asking tough questions about what actually works—and can we prove that with data?

How is HR technology changing the way people work?

The biggest change taking place in the world of work today is the changing nature of the workforce itself. In particular, we are experiencing rapid growth of agile organizations with dynamic and flexible talent pools comprised of traditional employees, gig workers, contractors, alumni, even robots and more. And exciting new HR technologies are enabling organizations to tap into these varying pools of talent, bring them in from the shadows and develop much more effective, strategic workforce plans for directing work to the most productive sources in a concept we call total talent management.

David Ludlow
Group Vice President, Product Management SAP SuccessFactors

What's the most dramatic shift happening in the HR-tech space today?

The emergence of advanced technologies like machine learning, artificial intelligence, digital assistants and continuous-feedback loops offers the opportunity to drastically change the way HR services are delivered to employees. By leveraging these technologies, we can completely reimagine employee self-service and manager self-service by injecting consumer-like experiences into HR technology that can nudge, recommend, suggest and personalize the employee experience—just like [employees] experience with any consumer website. Embedding feedback capabilities to close out the process will enable HR to continually monitor and improve the process.

In acquiring and implementing new technologies, what are some common mistakes HR organizations make?

Too often, the focus of deploying HR technology is to take an existing process, map it to the technology, and deliver it to managers and employees without asking some very basic questions: What is the value the manager and/or employee receives from that process? Is it clear? Is it simple? Is there a value-add? Were the processes and related workflows designed with the end user in mind, or was it more a response to getting the process out of the HR department? HR technology alone cannot make a process usable. It plays a role but so does the complexity of the process itself.

How can HR leaders best make the business case for HR-technology investment?

Traditional HR business cases for technology investment have been based on efficiency and cost. While still important, we also need to ask new questions: What is the cost of a bad user experience in terms of frustration, morale and engagement? How do employees feel about their companies when the HR systems they use are based on technologies and processes designed 20 years ago? How much time is lost searching for data and information, and how often is it wrong or outdated? Admittedly, these questions are hard to quantify but increasingly important when considering HR-technology investments.

Ellyn Shook
Chief Leadership & Human Resources Officer Accenture

What's the most dramatic shift happening in the HR-tech space today?

Businesses are waking up to a new source of growth—vast amounts of data on work and their workforce, enabled by technology, that have the power to unlock the potential of their people. The responsible use of this data can drive stronger business performance and can improve the lives of employees. Yet, it's not without risk, as we know from the consumer space. Accenture's recent research found that 62% of organizations are using workforce data today but, alarmingly, only 30% of leaders are highly confident they are using that data responsibly. HR has a real opportunity to engage the entire C-suite to unlock the value of this data and to do so in a responsible way, with transparency that builds trust—because trust is the ultimate currency in the digital age.

In acquiring and implementing new technologies, what are some common mistakes HR organizations make?

It's common to over-rotate on the technology itself; however, the most important source of competitive advantage for an organization is its people. Striking the right balance is key—to use the best of technology and the insights it offers to elevate people. To do that well, organizations need to involve their people in the design, co-creating solutions with them that help them reach their full potential. It's at the intersection of intelligent technology and human ingenuity where the magic happens.

How is HR technology changing the way people work?

HR technology, and the rise of intelligent technology in general, is not only changing how we work, but the work itself. Machines now handle the low-touch repetitive work, enabling us to move people into roles that are higher touch, higher value, more fulfilling and require insight and compassion—things that humans do best. We're starting to see new roles not only in HR but across our organization, so we've stopped doing workforce planning and instead do what we call work planning—determining what human capabilities are needed to complete the work with the help of technology, and investing in those skills.

HR Technology

Stacey Harris
Vice President
of Research and
Analytics
Sierra-Cedar Inc.

In acquiring and implementing new technologies, what are some common mistakes HR organizations make?

The two biggest mistakes organizations make, based on our research data, are a lack of resourcing and treating change management as a project. About 34% of organizations said they under-resourced their implementation projects, especially when it came to their own internal team members. Business acumen is a critical skill set in all modern implementation efforts, and organizations tend to invest more resources in project management or technical requirements when allocating time. Those organizations that invest in continuous change management—versus project-based, change management—on average see 19% higher business outcomes.

Are there certain strategies that are more effective than others when it comes to getting your workforce to use new HR technologies?

Simply measuring HR-technology use improves adoption metrics, but only 10% of organizations measure the use of their HR-technology environments. Few organizations have goals for what percentage of their workforce should be accessing the application, and even less are paying attention to the percentage of employees who go around the system and get their HR processes done elsewhere. If an application is not being utilized, organizations need to figure out why and address the underlying issues. If managers and employees are only using the system when they absolutely have to use it, then the promised value of a data-driven organization is unlikely to be achieved.

How is HR technology changing the way people work?

When used effectively, HR-technology applications provide both managers and employees with data and insights to help them make more informed decisions about the work itself or an employee's individual career. Organizations that have embraced HR applications as a part of their strategic management tools—versus as a compliance-monitoring system—are finding that much of the minutia and frustration of work can be alleviated through direct access between the data and decision-makers. Organizations that provide weekly wages, benefit contact information, remaining PTO and coverage calendars all in an easy-to-access mobile environment for employees reduce stress and also allow the employee the autonomy to make informed career decisions.

More than 6,000 people attended HR Technology Conference & Exposition China in May, which included presentations from global HR executives, industry experts and business leaders, along with an expo featuring HR-tech vendors from around the world.

3 Takeaways From
HR Tech China

BY STEVE BOESE

Recently, I attended and participated as a speaker in the HR Technology Conference & Exposition China, a joint production of LRP Media Group and Shanghai DLG Exhibitions & Events (Group) Co. Ltd. Held in what is quite possibly my favorite city in the world (Shanghai) over two full days, the event featured a stellar lineup of HR leaders, industry experts and well-known business and thought leaders from all over the globe, who shared their insights, expertise and latest research with the audience of more than 6,000 professionals, including CEOs; CHROs; HR executives, managers and professionals from 500 enterprises; and representatives of companies in the technology, service and media industries.

Additionally, the HR Tech China Expo was full of innovative HR-technology providers, both global as well as many from the Chinese and greater Asia Pacific markets, who demonstrated a diverse, modern and highly advanced set of tools and technologies. In short, HR Tech China was not unlike similar events of its kind in the U.S. and other places in the world—and these pretty striking similarities are among the many interesting takeaways.

Talent Drives Organizations

Each time I have been to China, I came away with the same observation: The Chinese (and, for that matter, the larger Asia Pacific region) are extremely focused on talent—where

to find talent, how to engage talented people and how to maximize the potential of talent in the organization. I am sure that decades of economic growth, fairly substantial market transitions and the emergence of what seems like innumerable large, high-tech companies from China all contribute to this dynamic. Said differently, just about every HR and business leader I talked to in China mentioned "talent" in the first few minutes of every discussion.

One last observation on this point: The event itself, and the overall vibe of Shanghai, felt very youth-oriented, with an excitement and positivity about the future. Along those lines, HR leaders there understand the need to create the kinds of environments and opportunities these younger workers seek.

Innovation in HR Tech Spans the Globe

This focus on talent and the need for HR leaders to have better tools, technology platforms, and repeatable and efficient processes to provide their organizations have led to the creation of a pretty sophisticated group of HR-tech solution providers that supply the Chinese and Asia Pacific markets. Of course, many of the large, global HR-tech companies you know have a significant presence in China (SAP, ADP and Cornerstone, to name a few), but there are also dozens, if not hundreds, of emerging China-based HR-technology solution providers.

When I first visited China in 2015, it was a fairly common observation that HR tech (and perhaps HR in general) in China was five to 10 years behind the U.S. While I am not sure that was really true four years ago,

I certainly don't believe it is true today. Driven by the technology of the large global HR-tech companies, and spurred by the increased investments in and governmental support of many innovative local tech companies, the Chinese HR-tech scene seems just as vital and current as anywhere else I've been. A quick tour of the HR Tech China Expo revealed a similar conclusion: a collection of HR technologies that would not seem out of place at the HR Tech Conference Expo in Las Vegas. Longer term, it seems to me that any HR-tech company with serious global aspirations will have to compete in China—the market is just too large to be ignored for too long.

Employers Everywhere are Challenged

What was clear to me after this most recent HR Tech China, and with all the conversations I was able to have while there, was that what most employees really seek from their employers is pretty similar, no matter the country in which they live and work: meaningful work, the chance to grow and succeed, the ability to learn new things and a sense of belonging. Employees want to know they have made the right decision about what kind of work to do, are in a position to best fulfill their goals and that they are contributing to something greater than themselves. These are consistent aspirations all over the world.

I always learn so much about global HR and HR technology in China and at events like HR Tech China. The most important lesson is that, despite the differences between our countries and cultures, there always feels like we have much more in common and much that can bring us together. HR Tech China Conference Co-Chair Trish McFarlane echoed these sentiments: "In a time when the political climate is ever-changing, it is rewarding to be involved in an event that brings countries and cultures together," she said. "At the core, we learn that people everywhere want many of the same considerations and technological advances in the workplace. HR Tech China provides the ability for business leaders, HR practitioners, vendors and government officials to come together to share and learn. It was an amazing experience."

I believe that feeling stems mostly from the individual, one-on-one collaboration, conversations and efforts to find ways to connect as people. I have never felt more welcome anywhere in the world than in Shanghai. I can't wait to go back for the next HR Tech China in 2020.

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

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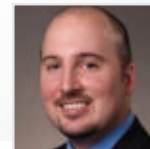### Barbara Corcoran
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Martin Everhart
CHRO, RW Barnabas Health

Stephen Halloran
VP People Services, Advance Disposal

Laura Hamill
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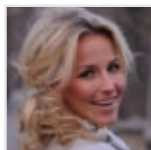
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Featured Sessions

In Data We Trust

Three women executives at Workday will share how they utilize data to track diversity metrics, elevate the employee experience and make better hiring decisions.

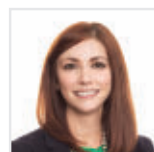**Cristina Goldt**
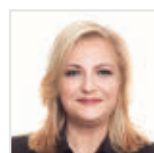Vice President, HCM Products

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How Employee-Driven Philanthropy Is Transforming the Workplace

Charlotte Blank, Chief Behavioral Officer, Maritz
William Browning, Senior Vice President, Chief of Digital Transformation and Technology, United Way
Nasi Jazayeri, EVP of Next Generation Platform and GM of Philanthropy Cloud, Salesforce.org
Mike Masserman, Head of Global Policy & Social Impact, Lyft

Digital advancements and social movements are restructuring corporate culture, and at the center of it all are employees who are looking to make an impact. Employees who are engaged don't just participate in change, they drive and lead it through purpose. In this session, you'll gain a new understanding of why and how corporate philanthropy can dramatically amplify employee engagement and drive companywide impact.

Re-Imagining HR in the Age of Artificial Intelligence

Michael Bland, Chief Learning Officer, TIAA
Jennifer Carpenter, Vice President, Global Talent Acquisition, Delta Air Lines
Andrew Saidy, Vice President, Talent Digitization, Schneider Electric
Sarah Smart, Vice President, Global Recruitment, Hilton Hotels
Moderator: Jeanne Meister, Partner, Future Workplace

As we enter 2020, HR needs to develop a fluency in AI to understand how to leverage its power to increase speed to hire, provide greater internal employee mobility, and enable more personalized and effective learning and development. This panel of HR leaders will discuss the fundamentals of how AI will impact the entire employee life cycle from recruiting to new hire onboarding; internal talent mobility and career development; the drivers and critical success factors for deploying AI for HR; new job roles for HR team members as AI is deployed across HR workflows; and more.

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What Truly Drives Engagement Around the World

Marcus Buckingham, Head of Research, People & Performance, ADP Research Institute

Marcus has dedicated his career to understanding what creates high performance and engagement in the workplace and sharing that with the world. Observing the inconsistency (and often the shocking toxicity) of the Talent practices within some of the world's most prestigious companies led him to take an in-depth look at the lies that pervade our workplaces and the core truths that will help us change it for the better. With insights from his book, *Nine Lies about Work* (Harvard Business Publishing, 2019) and data from the ADP Research Institute's 2019 global engagement study, Marcus will reveal reliable engagement metrics from around the world and the conditions at work that are most likely to attract and keep talent.

Digital vs. Technology Transformation: What's the Difference?

Jason Averbook, CEO & Founder, LeapGen

The intersection of a new era of work, a new breed of workers, and continually changing technology and expectations of our HR tools has created a perfect storm. It's Our Time to take a different approach to how we think. HR needs to understand the difference between digital and technology and take a fresh look at the role HR needs to play to be successful today.

CLOSING KEYNOTE
Reinventing Jobs: Automation and the Future of Work

Ravin Jesuthasan, Global Expert on the Future of Work

The fourth industrial revolution has arrived, heralding a transformative change in work with widespread consequences for companies and individuals. Ravin will take us on a journey to separate fact from fiction as he delves into the why, what and how of the future of work, drawing on emerging research, his hands-on work with leading global companies and collaboration with organizations like the World Economic Forum.

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Experts at Health & Benefits Leadership Conference offered outside-the-box approaches to help employers confront the growing mental-health crisis. BY JEN COLLETTA

Innovating to Improve Mental Health

A landmark longitudinal study out of New Zealand revealed a startling statistic about mental health: Over a period of 45 years, 97% of study participants reported at least one instance of depression.

"It is actually the norm to have experienced depression on some level or another at some point," health and employee-benefits consultant Carol Harnett told the audience at a general session during April's Health & Benefits Leadership Conference in Las Vegas. The panel discussion, moderated by Harnett, who is also *HRE*'s benefits columnist, focused not on the universality of mental-health challenges—but, rather, universal approaches companies can take to remedy them.

Making the Most of Your EAP

Chief among the ways organizations often tackle mental health in the workplace is through the employee-assistance program. However, many aren't taking full advantage of their EAP—which could be leading to poorer employee performance and hitting the company's bottom line.

For instance, Harnett said, companies with a 10% or higher EAP utilization rate reported lower short-term and long-term-disability claims. She polled the audience, with no one reporting a utilization rate of 10% or higher and a few attendees volunteering that their rates were between 1-9%—but the vast majority responded that they didn't know their utilization levels.

While HR and benefits leaders should dig deep into those numbers, it's also imperative for them to raise awareness among employees about the components of the EAP and how to access services, said panelist Jaclyn

The April Health & Benefits Leadership Conference featured a panel discussion on mental health in the workplace with David Ballard, assistant executive director for organizational excellence at the American Psychological Association; Julie Krause, benefits manager of US wellness at Microsoft; and Jaclyn Wainright, CEO of AiR Healthcare Solutions.

Wainwright, CEO of AiR Healthcare Solutions.

"There's great value in providing EAP services, and that value increases when people know what the EAP is, who provides it and how to access it—and when that's all enforced from the top down," she said. "It's hard to really get people behind utilizing the EAP when senior leadership has no idea what it is or how to utilize it."

Beyond getting leadership on board, benefits managers should ensure EAPs don't function in a silo, said David Ballard, assistant executive director for organizational excellence at the American Psychological Association. Integrate the EAP with other benefits that tap into mental health, such as insurance plans and disability programs. "There's a warm handoff when that occurs," he said.

Likewise, the program should have a diverse set of offerings—avoiding the traditional conceptions employees have that an EAP is solely for mental-health crises or those with substance-abuse issues.

"Take more of a comprehensive approach," Ballard said, suggesting to focus instead on the full "occupational health and safety of the organization."

What's New at Microsoft?

That has been an aim of Microsoft, said panelist Julie Krause, benefits manager of US wellness at the tech giant.

Through the EAP—which has been managed by Wellspring Family Services for more than 30 years—employees can access individual, couple and family counseling. Currently, they are offered eight visits—a combination of both in-person

and telephonic sessions—a number that will soon increase to 12 sessions per issue, per year, with a maximum of 24 sessions. Other EAP components include its Rethink program, which supports parents and families of children with special needs; stress-management assistance; new-parent education classes; and a parent-support webinar series—which features content for new parents before, during and after a parental leave, and also includes a manager track focused on helping employees through parental leave.

Krause said Microsoft has seen success when it offers EAP content on demand, such as its parent webinars, with significant increases in utilization; it is also moving forward with app-based services and is introducing a text-based counseling service through its health plan.

Benefits

Last year, Microsoft launched a campaign in May, to correspond with Mental Health Month, themed "It's OK to Not be OK" to help open the conversation about mental health in the workplace and connect employees with the EAP resources. While Krause said the effort successfully raised awareness about the EAP and helped make inroads toward breaking down mental-health stigma, she acknowledged the company should have done more planning work to prepare managers and HR.

In advance of the campaign's return this year, she said, the organization has conducted a number of training sessions with managers and HR professionals about the EAP benefits, and how they can best respond to employees in need, Krause said.

The company is also encouraging leaders to share their own stories in order to enhance transparency around mental health. For instance, Microsoft Chief Marketing Officer Chris Capossela recently interviewed another leader, Senior Director of Commercial Communications Craig Cincotta, on a company radio program about Cincotta's own mental-health condition, leave of absence for treatment and successful return to work.

"We're trying to focus on making [talking about mental health] normal," Krause said. "We have these resources, and now how can we make using them just a normal part of the conversation? That's the hardest piece—to make it comfortable for people to seek help."

Building a Proactive Program

Making mental-health offerings as visible as possible can chip away at some of that hesitancy, Ballard said. For instance, have a counselor on site on certain days of the week, available for regular visits—and allow employees to schedule them while they're on the clock. That can reinforce the notion that mental-health services are available as a proactive resource—not just for when someone is in crisis.

Organizations should design their EAP with elements unique to their workforce, Wainwright added. For instance, companies with a large population of employees who have English as a second language should ensure counselors and others associated with the EAP are bilingual, and that program materials aren't only offered in English.

And if the EAP provider won't offer such options, Ballard said, find a new one.

Currently, when people do access EAPs, Wainwright noted, they often come crashing into the system—when they've hit rock bottom in a struggle with addiction or are experiencing suicidal ideation.

One way to try to reach them earlier, Wainwright said, is through data. AiR Healthcare Solutions partnered with data scientists at Microsoft to analyze a client's benefits and health data—and ultimately predict who had underlying mental-health conditions not being addressed. One woman, for instance, was frequently driving 45 minutes to take her son to a physician treating him for asthma.

"We made the call and said, 'We noticed you're driving a really long way and that must be really hard as a working mother,' " Wainwright said, noting the woman broke down and expressed gratitude for the acknowledgment, opening up about the pressures of caring for her child and balancing her work schedule. AiR connected her with a doctor just minutes from her home, and Wainwright said the woman went on to thrive.

"We realized that approach had some real opportunity to change the way we cared for others," she said. "A little compassion and empathy can go a long way."

3 Ways to Improve Psychological Safety

Employees who feel a sense of psychological safety at work are more likely to be engaged, productive and generating the innovative ideas needed to move an organization forward—but promoting that type of environment requires significant commitment on the part of the employer, a process that can be supported by HR leaders.

At a session at HBLC, Rachel Druckenmiller, director of wellbeing at national benefits-consulting firm Alera Group, emphasized the importance of psychological safety at work.

"Fear stunts our analytical thinking, our ability to be creative; essentially, we're 'dumber' when we're operating out of a state of fear," she told the audience, noting a fear-inducing environment activates the amygdala—the fear response in our brain—and we can only focus on surviving, not thriving.

From a business perspective, Druckenmiller said, an environment in which employees are too anxious to speak up or worried about humiliation stymies growth and innovation.

"People put on a mask and only show the parts of themselves they think someone else will approve of," she said. In psychologically safe environments, however, "they can let their guard down. They're not in self-protection mode, worrying about who they can trust—so they can problem solve and be creative. All positive things happen when we're not focused on trying to protect ourselves."

Druckenmiller cited three ways employers can get serious about improving the psychological safety of their workforces:

Awareness

Managers, as well as HR leaders, should understand the strengths and weaknesses of their employees—as well as their own. As an example, Druckenmiller cited a client she once worked with: a self-described "bulldog," who was gunning for the status of being her company's first female vice president. While she was speeding toward that goal, on an interpersonal level, "she was leaving everyone in the dust and had no idea of how she was being perceived," said Druckenmiller, who, as part of her coaching services, conducted extensive interviews of the people her client managed.

Consistent themes emerged from those conversations: The client only looked out for herself, she wasn't a good listener and she didn't seem to value employee input, for instance. While the client initially rebuffed those claims, Drunkemiller said, she eventually softened to those perceptions and they worked together to identify potential blind spots she may continue to struggle with. The woman now keeps a list of reminders handy to help guide her interactions, Druckenmiller said.

On a broader level, organizations can undertake strengths assessments to help their employees and managers better understand one another and develop strengths-based leadership training.

Curiosity

Psychologically safe environments value curiosity over judgement, Druckenmiller said.

For instance, if a manager notices one employee responds to high-pressure environments with hostility, he or she should consider the context—such as the person's upbringing.

"Nobody came out of childhood unscathed, so maybe we can all have more compassion," she said. "Difficult people are people who don't feel safe, and sometimes all they need is just for someone to acknowledge that they're doing something right."

Managers and HR leaders should ask questions, listen attentively—using "door openers" like "Tell me more" and "Let me see if I got that right"—and respond with empathy.

Connection

Loneliness contributes to early death more than alcohol abuse, obesity and air pollution, Druckenmiller said—and the workplace is rife with it.

Managers and HR professionals can play a key role in combatting loneliness. Mandate device-free meetings, Druckenmiller suggested, as studies have shown that the mere presence of cell phones in a room stifles interpersonal connectedness and trust. "Unless you're closing the hole in the ozone layer or curing cancer, you can wait an hour," she said. "Take your Apple watch off."

Survey team members about their interests and organize out-of-office excursions that people would actually want to go to, she added. "Connection and time together build trust, and trust is the foundation of psychological safety," Druckenmiller said.

Management style can also enhance connections. If a manager focuses on employees' strengths, there's only a 1% chance they'll actively disengage from work; if the manager focuses on their weakness, there's a 22% chance they'll actively disengage—a number that jumps to 40% when the manager ignores the employees altogether.

"The extent to which someone feels valued, appreciated and seen," she said, "affects how they engage with people, and it affects their health."

> "We have these resources, and now how can we make using them just a normal part of the conversation?"
> — Julie Krause, Microsoft

Q&A
ON RECRUITING

Ernest Paskey, Partner, Assessment Solutions North America, Regional Director, Aon
Dan Weber, Director of Market Trends, Rewards Solutions, Aon

THE FUTURE OF RECRUITING IN THE DIGITAL AGE

Q: **What are the biggest challenges facing HR leaders today, as far as recruiting is concerned?**

A: The biggest challenge HR leaders face today is figuring out what types of talent their companies will need in the future. Today's business environment is changing at an incredibly rapid pace, and recruiters are often hard-pressed to find people who can transform themselves as fast as the market. In some settings, the skills and traits a recruiter hires for today could be obsolete within six to 12 months. Previously, the life cycle of skills was measured in years or decades—the current pace of change is unprecedented.

Recruiters who can anticipate future business needs and find highly adaptable candidates will quickly separate themselves from the pack. However, companies can also do more to empower recruiters by sharing information about business strategy and insights on how to identify flexible talent with the capacity to learn new skills. It's not only about identifying what the business currently needs but also who are the people who are going to disrupt and drive growth.

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

A: HR and recruiting leaders need to focus on building workforces that can drive sustained business performance in a time of continuous digital transformation. If you pause for a moment and think about that, it's an incredibly daunting challenge. Essentially, you need to find people who can keep the business growing while everything else behind the scenes changes in fundamental ways. For recruiters, this means finding people who understand how things work today, but also aren't afraid to embrace, envision and drive change.

Therefore, as companies seek to become more innovative and digital-ready, they need to arm recruiters with tools and training that can help them identify candidates who have overarching capabilities like an openness to learning, coachability, curiosity, agility and flexibility. These are the traits that will stand the test of time. In client meetings, it's not uncommon to hear leaders say things like, "We don't need people who are just going to be machines; we have machines. We need people with creativity and the ability to assess and take risks differently."

At the same time, HR leaders also need to review their career paths and rewards programs to ensure they align with the reality described above. Driving business results in the digital age requires performance-based compensation models that reward workers who contribute to an organization's growth. You'll likely find that a complete overhaul of your total-rewards strategy isn't needed but, at a minimum, you should analyze existing programs to ensure they still support your future priorities.

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

A: We all have more data within our businesses than ever before. Harnessing them can be a challenge but, if you can get over that hurdle, there are big opportunities to create smarter metrics for recruiting. For example, if a company spends $10,000 to hire someone, are there ways to assess or predict if that effort will generate a good return on investment? The answer is yes, but companies still struggle to turn concept into reality.

In our experience, clients are too quick to rely on tools to drive recruiting analytics. First, they should invest in building stronger in-house analytics capabilities so they can assess what data they actually need, think about how best to digest and govern that data, and build roadmaps for moving from descriptive to predictive measures. Otherwise, you run the risk of analysis paralysis because it becomes too difficult to filter out the noise. Then you can onboard tools to make reporting more turnkey.

To learn more about how your organization's talent strategy can navigate risk and drive performance, visit humancapital.aon.com.

Q&A
ON RECRUITING

Megan Detz, Chief People Officer, Varidesk

RECRUITING IN A CHANGING WORLD OF WORK

Q: **What are the biggest challenges facing HR leaders today, as far as recruiting is concerned?**

A: The challenges associated with recruiting and retaining quality talent are top of mind for our own company, and they're also the first thing we hear about from potential customers touring our space. The job market is extremely strong, giving candidates more options than ever before. In the past, people were looking for fair pay and decent benefits. However, today's employees—especially millennials, who now make up the largest segment of the workforce—are looking for meaning in their work and a company that cares for them as individuals.

In a market ripe with choices, employers are challenged to go above and beyond to create an environment where people *want* to come to work. And that requires much more than just perks or fancy amenities. The allure of surface-level extras can wear off quickly once a candidate comes on board, requiring HR departments to focus on more purpose-driven benefits that give employees a true sense of belonging.

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

A: In the current hiring climate, it's crucial that we continue to select, not settle. As pressure builds to fill seats, HR teams can be tempted to pursue the candidates who simply *can* do the job, versus identifying the ones who *should* do it. This rarely—if ever—pays off.

First, companies need to focus on identifying their core values and communicating them organization-wide. These values will impact virtually every decision your company makes, and hiring should be no different. Finding people whose core values align with yours will help your company's culture thrive, which will, in turn, attract the next round of recruits.

Next, HR teams should focus on purpose-driven perks. Discounted dry cleaning and free yoga classes are amazing extras you can (and should) consider offering your employees. However, it's the more meaningful programs—like training and development

pushes, stretch assignments and giving initiatives—that will actually engage your current employees and attract the best new ones.

Lastly, HR executives must understand that workspace matters. Members of today's workforce are looking to their employers for new levels of autonomy and flexibility. That doesn't mean the office as we know it should be completely decentralized. Consider instead simple, flexible, active workspace solutions that elevate the way people work. Employees need both their "me" and "we" spaces—to focus *and* to collaborate freely. Use moveable walls and partitions to build a variety of spaces, and flex them according to the unique needs of each team. This means conference rooms with standing tables for big meetings, smaller areas with rolling white boards for spontaneous brainstorming, focus pods featuring standing desks for individual work and Zen rooms for when people need to unwind.

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

A: Now more than ever, it's crucial to develop and nurture your employer brand, just as you would your consumer-facing one. We have so many vehicles at our disposal to help spread the word and tell our story, whether it be social media or our own careers pages. This presents us with an amazing opportunity to authentically represent our culture online, giving top talent a taste of our employee experience before they even walk through the door.

Candidates now choose you, as much as you select them. Focus on developing authentic videos and messaging that best communicate your employer brand. Use social tools to reach otherwise passive candidates in an organic way. The recruitment process needs to sell the role, the company and the workspace, so helping your candidates envision an environment where they can not only perform, but excel, is key.

How to Build a World-Class Sourcing Team

If planned and supported effectively, a sourcing function can yield big returns on talent.

BY MAURA C. CICCARELLI

S ourcers have a lot in common with sorcerers: insatiable curiosity, out-of-the-box thinking and experience conducting endless experiments to find the proverbial sorcerer's stone—which, for businesses, is developing a great talent pool in a tight labor market.

Over the years, sourcing has become an increasingly popular approach for companies searching for top candidates in a wide variety of technical, specialty and leadership areas. Luckily, creating a world-class candidate-conjuring team is no magic trick: It can be done by carefully defining roles, traits and skills; providing appropriate tech tools, professional training and a well-developed process; and building close collaboration among recruiters and hiring managers.

What Makes a Good Sourcer?

First, let's define what sourcers are—and are not.

"Sourcers are not junior recruiters," says Shally Steckerl, president and co-founder of the Sourcing Institute, based in Norcross, Ga., who is known for his groundbreaking work developing the sourcing function in the late 1990s. Sourcers are experts at both research and relationship building, finding potential talent from a myriad of sources and networks, and making initial contact with them, all to put them into the pipeline for open jobs.

When "suspects," as Steckerl calls candidates, are interested, the sourcer hands them over to the recruiter, who vets their suitability for the open positions and takes them through the rest of the hiring process.

Steve Levy, a veteran sourcer who is now technical sourcing lead at M&T Bank, based in the greater New York area, says the first question an organization should ask itself is why it wants to build a sourcing team—and that means thinking about metrics: What kind of "post-and-pray" response are you getting? What are your drop-off rates during the engagement process? What's the response to your employee-referral program? Is your sourcing process optimal?

"To say most programs are suboptimal would be kind," says Levy. "They are laden with opportunities to exclude someone at every step of the process."

Sourcing, he says, works best when it targets as many people as possible, even if there are no open roles for them. That's because if a division needs to add 150 to 200 tech jobs over the next three to five years (as M&T Bank is now doing), it needs an established talent pool to benefit recruiters.

Another superpower of many sourcers is finding passive candidates. "I tell candidates that you just don't know you're looking yet," says Cyndy Davis, senior engagement leader of strategic sourcing at IQ Talent Partners, based in the Dallas/Fort Worth area.

A key strategic factor in building a world-class sourcing team is developing a solid sourcing/recruiting partnership that leverages data-driven insights, says Kristi Wawro, director of enterprise talent acquisition and talent sourcing for the Walt Disney Co., based in Burbank, Calif. "We're fostering a data-driven approach [by] leveraging market intelligence," Wawro says.

Take, for example, Disney's experience in hiring industrial engineer talent, which constitutes a unique and narrow talent market. After a sourcer had conducted numerous screens and about 25 first-round interviews, "we were able to shift the [job] requirements through the data and insights that we gathered from the market," she says. This gave the hiring manager a fully informed perspective for evaluating and finding the best-suited individuals.

Steckerl says that, while recruiters act as coaches to move candidates through the pipeline, sourcers broaden the search for current and future candidates by "living where the candidates live"—belonging to the same associations, attending the same conferences, engaging in online professional forums, paying attention to who the speakers are, following people through Twitter and other social media, etc. This requires personality traits such as being intuitive, systematic, curious, process-driven, tenacious and perseverant. Continuous communication and self-assurance are other boons to the job, he notes.

Another must-have is the ability to make strong connections with people, says Davis, whose background is in sourcing and recruiting for Amazon, Hewlett-Packard, Microsoft and Time Warner Cable. For example, a pet-friendly company was searching for software developers and Davis came across candidates who mentioned their dogs on their blogs, or Instagram and LinkedIn accounts. Since she was also a big canine fan, she built a campaign that keyed into that shared interest.

"That built a rapport and … we now have something in common. The next time I have a job, I can just pick up the phone and call them," she says. In cases where prospects weren't interested, they would often thank her and say, "I don't usually respond to recruiters but this is really cool."

Disney's Wawro adds that great sourcers have a combination of curiosity and technical skills, as well as a collaborative analytical bent that is rooted in business acumen: "For example, we have to be able to understand what is shared on our quarterly earnings call … We are businesspeople first."

Team Building from the Ground Up

As for where to find good sourcers, all those interviewed agree that a "build, buy or grow" approach is applicable for the sourcer's area of expertise, depending on the

organization's needs and timelines. To fill a lot of jobs in short order, experienced sourcers are effective, even though hiring them is more expensive than growing a junior team from basic skills, notes Davis, whose IQ Talent Partners has helped companies build their internal sourcing teams. "Everybody knows who's good and who's not" in the sourcing field, she says. "And, we tend to travel in packs from company to company."

If you have time, though, she suggests growing a team from scratch, tapping into people who may have some recruiting background. The advantage of starting them out fresh is that they haven't picked up any bad habits and can often develop a close connection to the business' culture as they build their expertise, skills and networks.

As for the makeup of the sourcing team, different types of skills and expertise are needed, Davis says: some to do the research, others to do outreach and build relationships, and still others to take on recruitment-marketing messaging that reflects the company's brand identity.

As for professional development, the experts say a combination of in-house training, external programs, coaching/mentoring and technical training, as well as exposure to new ideas at conferences and through associations and networking, can give sourcers a leg up.

Operating Rules

Building a good sourcing function often means taking apart what already exists.

Fiserv, a provider of financial-technology solutions based in Brookfield, Wis., began its sourcing program about three years ago, when Julia Levy joined the company as director of global talent acquisition/recruiting operations, based in Atlanta.

"I came in with fresh eyes and was looking at all of our processes from an operations perspective. There was some friction in the sourcing process that I identified quickly and that we worked to alleviate and streamline," she says, adding that the organization undertook similar exercises with its recruiting-coordination team and the candidate-experience process.

On the sourcing side, the first step, she says, was for the TA team members—including sourcers, recruiters and leaders—to tear back the entire process "like the layers of an onion" to define sourcing at the organization. They asked what sourcing should be and how it would interact with recruiting and hiring managers, ultimately mapping the entire process through service-level agreements that detailed timelines, candidate quality, pipelining and metrics.

"We took the time to step back and be thoughtful about the process, the tools and understanding the measurements of what success would look like," she says.

The result: The company was able to hire over 30% more people in 2018 than it did the year before by using effective sourcing and recruitment-marketing efforts in conjunction with a robust tech ecosystem, all without adding sourcing headcount until late last year.

Disney's Wawro says her operation consciously fosters a data-driven culture that leverages market intelligence to tell the story of the search and inform conversations with hiring leaders—and, ultimately, shape the talent-acquisition process.

For example, for a recent SVP search, the sourcer utilized market information to show that "there were only about five people at that level in the country who had the unique combination of skills and experience that we were looking for," says Wawro. "Through those sourcing efforts and, in partnership with the internal executive recruiter, we were able to, again, better inform a hiring leader and, ultimately, we landed someone—which is always exciting, but particularly so at the SVP level.

"We've found that such a strong, integrated partnership with recruiters and sourcers is a real game changer," she adds. Depending on the area of focus, sourcers also work alongside recruiters in "pods," and sourcers and recruiters collaborate with the hiring manager to meet business goals.

"We have also found that taking a personalized approach to sourcing talent is a key to our success," Wawro says. By building true "communities" of talent, Disney's sourcers are building and maintaining relationships with people. To support diversity, talent acquisition and sourcing partner with internal groups, such as Disney Lawyers of Color, which has expanded their ability to build diverse talent communities.

Finally, it's no surprise that Disney's sourcing team synthesizes its sourcing and recruiting data into a visualized story—often using a funnel that tracks the process from sourcing to qualified candidate or offer. The visualization both informs and influences hiring managers about the process, showing both the "art and science," Wawro says.

Tech Support

Tech tools abound for sourcing and, as with all HR tech, choosing the right level of complexity for the organization's circumstances is key.

"I've been doing this for 30 years, since the beginning of every ATS and CRM out there," says M&T's Levy. "It's not that one is better than the other. It's that you choose the one to help improve your optimal strategy and process."

Sourcing tools range from browser plug-ins and extensions for finding prospects and scrubbing contact data from websites to machine-learning/AI sourcing platforms and ATS systems that are starting to build in CRM capabilities, he adds.

Fiserv's Levy recommends trying new tools for a period of time and testing them against each other, while also making sure you are putting your current systems through their paces.

Don't forget to look for resources in the sourcing community itself, says Wawro, because sourcers can be very generous in sharing both tools and knowledge.

Of course, no HR-tech talk would be complete without mentioning artificial intelligence and automated "conversations" with potential candidates. While such tools can communicate with near-human responses through web chat, texts and emails, they can also help whittle away at the bane of most sourcers' jobs: a huge ATS or CRM database that doesn't have updated availability or contact information.

When privacy rules changed in Canada and required an opt-in to communications, Randstad Canada turned to AI-tech company AllyO to help confirm and update 1.6 million profiles in its ATS, says Bennett

Sung, head of marketing for the San Francisco-based company.

The AI system reached out to candidates through email and text to ask if they were still interested in opportunities at Randstad and directed them to opt in and update their contact info. As a result, 12,000 active job seekers responded to the AI conversations.

Sung says the sourcing team may be a specialized area of recruiting, but it has the largest candidate pool, depending on what you are sourcing for. It's nearly impossible to go without a technology assist—no one is answering their phone anymore and sourcer messages can get lost in people's inboxes, which are often bombarded with tons of emails and irrelevant junk. Even LinkedIn messaging has a low response rate.

"[Technology] is not here to replace anybody—it's here to replace the routine that bogs people down," says Sung. "Systems like AllyO's also allow for different tactics, depending on the target candidate's preferences and the role being sourced."

The technology chosen should be commensurate with the organization's needs, despite the temptation to be attracted to the proverbial bright, shiny object, says Steckerl, author of *The Talent Sourcing & Recruitment Handbook: Source Better, Smarter, Faster and Cheaper than the Competition*.

"It is critical to apply the appropriate technology and use the least-advanced technology that can do the job," he says. "The most critical tool in the arsenal of an IT leader is to nail down your workflow and optimize your process. There are plenty of organizations out there that have spent a bunch of money on a CRM on top of their ATS, and both of them are really misused, not used at all or are overlapping—or there's friction put between them. You have to have the right developmental stage before you go investing in technology."

Sage Advice

What final words of wisdom do experts have for building a world-class sourcing team?

Wawro says that, after a sourcing team gets fully immersed in the business, "it will really set your priorities and drive how you align your work" in support of that operation. Next comes building a strong foundation of roles, responsibilities, timelines, deliverables and other aspects of the sourcing funnel, followed by one last step: "Build your foundation but plan for testing and adjusting that foundation. Feedback is key."

Levy of Fiserv reminds sourcing-team developers to think about the challenges ahead, not just today's open jobs. For example, her company is merging with First Data Corp. to create a worldwide payment and fintech organization. Levy's sourcing team will engage with teams around the world using tools and resources that have to run 24/7.

"How do we build out our capabilities in our India team or our Singapore team or New Zealand so we can have a broader global [sourcing] footprint? How do we engage that staff where the team comes in in the morning? That's where I'm thinking ahead [about] how we use our tools and resources to have that engine running really 24/7," she says.

Finally, since the ultimate success of a sourcing team is dependent on building strong and lasting relationships with people in a company's potential talent pool, Levy of M&T offers one last reminder: "A really good sourcer is human. The two most powerful social-media tools are still the telephone and the handshake."

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

The ultimate success of a sourcing team is dependent on building strong and lasting relationships with people in a company's potential talent pool.

Could Co-Working Work for You?

The co-working market is exploding, as more organizations pursue flexible working environments.

BY CRAIG GUILLOT

When Greg Fullerton took the position as vice president of human capital at Tectonic, he noticed the company's prime office space in Chicago was often going unused.

While Tectonic's 3,500-square-foot space in the Willis Tower may have originally been acquired for prestige, employees were often spending several days per week working from home or at client locations. And at a cost of nearly $35,000 per month, Fullerton questioned its value for the 10 employees who worked at that location.

"It was the best view we could ever have from an office, but we were really restricted on our flexibility and costs,"

Fullerton says. "When you're paying that much on real estate, that's money you don't have to spend on employees, bonuses, hiring the right people and treating them well."

It might seem contradictory for a growing organization to downsize its office, but Fullerton did exactly that and moved the employees into a co-working space in the Financial District.

The transition to one small, private room and communal workplace may have initially been about reducing costs but, in the three years since the employees have been there, Tectonic has experienced many benefits, Fullerton says.

Employees now have less pressure to use the office and can work from home more. There's a better social atmosphere, it's closer to the train stations and employees have more options about where in the office they want to work. There are even amenities like a pool table and video-game console.

Co-working spaces are growing in popularity across the country, experts say, and they're no longer just for solitary freelancers looking to get

out of the house. Employers are now placing workers in co-working spaces to help meet evolving needs arising from the changing nature of work.

"It's all about flexibility," Fullerton says. "Employees can use it how they want."

The New Workspace

Co-working spaces are quite diverse and can range from small, artsy locales in residential neighborhoods to upscale, multi-floor facilities in skyscrapers. While some cater to rigid and conservative clientele, most focus on creating open environments where workers can collaborate, innovate and work among a community of other like-minded professionals.

One of the greatest benefits of co-working is that it offers employers a flexible workplace with built-in infrastructure, amenities and a community feel, says Gretchen Spreitzer, professor of management and organizations at the Stephen M. Ross School of Business at the University of Michigan. Employers can instantly establish a presence in a city and offer home-based and remote workers new options, while reducing the cost and commitment of traditional office space, she adds.

In the past few years, large organizations such as Google, IBM, Verizon and Microsoft have been looking to foster collaboration and enable employees to work better from anywhere, Spreitzer says.

"There has been a big shift in recent years. Many big employers are turning to organizations like WeWork to create whole spaces for their workers. They're trying to get [remote employees] to work more collaboratively and are looking for new options," she says.

With more than 18,000 co-working spaces across the globe, the market is growing at an annual rate of 20%, according to *Commercial Property Executive*. WeWork, a national provider of co-working spaces with 674 locations in 117 cities across the world, has seen its enterprise-customer base grow by nearly 400% in the past year; one-third of global Fortune 500 companies are now WeWork members, the company said it its *2019 Global Impact Report*.

International Workplace Group, which operates flexible co-working spaces under several brands in 1,000 cities across the globe, offers spaces "for every type of employer," says Sharon Edmondson, vice president of HR Americas at Regus. The Regus brand focuses on creating productive, flexible workspace, while Spaces—another brand from IWG—offers a creative atmosphere that fosters connection with the community, and IWG's No18, set to open soon in Chicago and Atlanta, features spaces that look more like living rooms than offices.

"Employers are looking to co-working to reduce costs, increase productivity, and recruit and retain talent," Edmondson says. "We're seeing all types of employers across industry and size, from Fortune 100s to mom-and-pop businesses and everything in between."

A Day at the Office

While co-working may be an easy way to secure office space with a built-in community, it's also a means to boost work-life balance and employee satisfaction.

At Fueled Collective, a co-working concept with six locations—in Cincinnati, Minneapolis, Chicago and St. Paul., Minn.—90% of members are employers, says Chief Social Officer Don Ball. One of the company's most popular spaces is the former trading floor of the Minneapolis Grain Exchange, which has 50,000 square feet of space and 40-foot ceilings. Members run the gamut, from professional-services and financial firms to creative agencies and law firms, many with more than 20 employees each.

"There's small businesses, start-ups and others trying to decide if they want to bring a full team here. They're all looking for more innovative and collaborative places," Ball says.

Many employers say there's a vibe in co-working spaces that often enhances productivity and employee satisfaction. JMJ Phillip Executive Search has 30 employees in WeWork co-working spaces in Chicago and Denver.

While co-working has enabled the company to scale easier without long-term lease commitments, it also offers an environment employees can't always get at home or in a traditional office, says Dennis Theodorou, managing director for JMJ Phillip Executive Search. "It's professional but also laid back," Theodorou says. "There's a lot of activities and opportunity for them to socialize, not just with our own colleagues but with people from other companies."

Such socialization is especially important for Tectonic's developers, consultants and IT architects, Fullerton says. While those employees work in the open spaces at Serendipity Labs in the Chicago Loop, the company also maintains a private office there for C-suite meetings, phone calls and conversations. That mix of options enables employees to use the workspace differently throughout the day as they need, Fullerton says.

As more employees work remotely or at home, loneliness and lack of engagement are growing problems, Spreitzer says. Co-working spaces can help fill this social void, many employers say. At Fueled Collective, workers from different companies often eat together in communal spaces and communicate during the day. Even

home-based workers whose employers offer membership as a benefit often opt for the space over their home. "There's a good number of them who show up on a regular basis," Ball says. "For organizations that don't have a company-owned office in the area, it offers some kind of accommodation for them. Many don't want to go back to traditional office spaces or home."

Fostering Engagement with Flexibility

Whether they work remotely or in traditional offices, employees are increasingly seeking flexibility that enables them to enhance work-life balance. As technology has changed the nature of work, many employers are seeking nontraditional work experiences with greater flexibility in how, when and where they work. Nearly half of employees say remote-work policies are an important factor in choosing a job, according to Indeed.

Most co-working spaces have a mix of suites, private offices, designated desks and open co-working spaces. The flexibility means that workers aren't confined to one spot and can switch positions throughout the day, whether it's a desk by a window or a large communal table with eight other workers. At Tectonic, the flexibility to use the space how they want has enabled workers to find what's right for them and have more options than they did in a static environment. Amenities such as ping-pong tables and video-game consoles also offer new ways for employees to recharge during breaks.

"The flexibility you get

is huge," Fullerton says. "It's going to enable companies to attract people from all different walks of life. If you narrow yourself down to people that just work in a cube, you are done in today's business."

IWG's *Global Workspace Survey* found 85% of co-working-space users say productivity has increased in their business as a result of the greater flexibility.

But that flexibility can come with a price, as HR leaders have to "give up some control" when moving operations to a co-working space, Fullerton says. While they can find a co-working space that aligns with their company culture, they won't have full control of events, holiday celebrations and occasional distractions. Many co-working spaces even allow dogs in the office and have after-hours events with alcohol. As a result, organizations that need a rigid, static environment may not do well with co-working, Fullerton says.

Co-working spaces also offer flexibility in real estate itself. It's an especially attractive strategy for new, growing businesses that are building their cultures and want their people in the same space, Ball says. Employers can also avoid the overhead or management of a traditional office space and scale into new markets without long-term leases. The average price of a dedicated desk in a co-working space is $387 per month, according a survey by Deskmag.com.

Many organizations are also looking to co-working spaces because they offer built-in infrastructure, Spreitzer

says. Employers don't have to worry about acquiring much equipment, setting up the office or maintaining it. The fact that so many co-working spaces have a striking contemporary look also means employers can instantly create a "cool" work environment, Spreitzer says.

"They don't have to worry about things like the Wi-Fi going down or whether it's going to be suitable for millennials," she adds. "It gives employers more flexibility and creates a certain image for them as being a cool place to work, at least in terms of the kind of space they provide."

The flexibility of co-working spaces enables employers to keep their workforce mobile, agile and ready to respond to client needs, says Joseph Maltobano, principal at international architecture firm HLW. When the firm landed two big projects in Stamford, Conn., it was able to quickly move three employees into a Serendipity Labs office space and brand the concept StudioGo.

"We needed to be up and ready quickly in the market," Maltobano says. "The flexible space offered a place where teams could go and spend the day rather than commuting back and forth to New York."
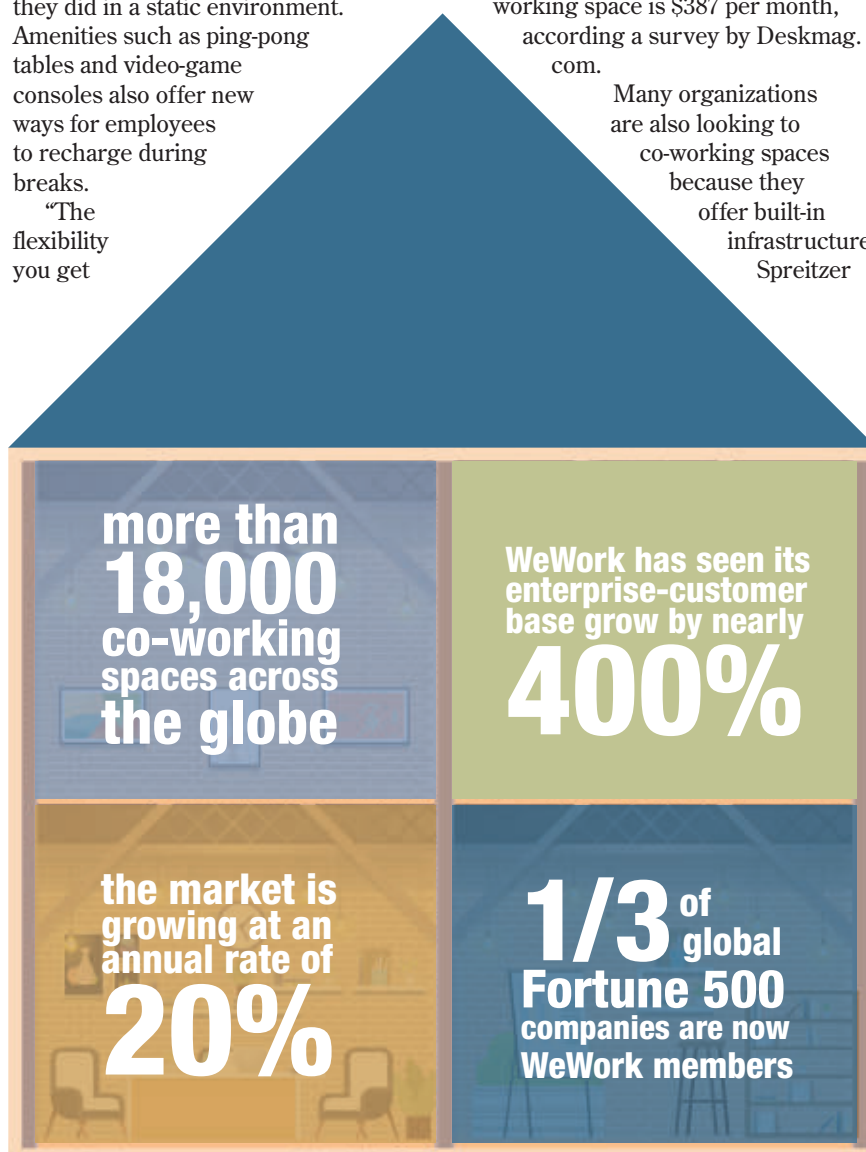
Finding the Space

Because co-working spaces can vary, employers need to consider their options. It's best to first identify what the company is trying to achieve with the space and what role it will serve relative to geography, operations and workforce, Edmondson says. This includes a full assessment of the organizational culture, identifying what fosters connections and ideas between employees, then leveraging that to find a workspace that fits its needs.

"It's really about understanding how your employees communicate and how they work. Partner with the business and financial leaders initially to get a short list of what those expected ROIs are from that change, then find a solution that meets those things," Edmondson says.

Those needs and desires will often vary across the organization. While front-line managers may seek reduced commuting times, a more collaborative environment and increased work-life balance, high-level managers may be looking to attract better talent, increase productivity and improve employee retention. C-suite leaders are often attracted to co-working because of decreased real-estate costs and improved productivity, Edmondson says.

"It's the geography, the financial side of it and the environment that's meeting the needs of employees," Edmondson says.

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more than **18,000** co-working spaces across the globe

WeWork has seen its enterprise-customer base grow by nearly **400%**

the market is growing at an annual rate of **20%**

1/3 of global Fortune 500 companies are now WeWork members

Rock Anderson was recently named senior vice president of human resources at *FINRA*, which specializes in investor protection and market integrity. In this role, Anderson will lead all facets of HR, including benefits, professional development, employee relations, talent acquisition, diversity programs and more.

Anderson comes to FINRA from Cox Automotive, where he was executive vice president and CHRO. He previously held leadership positions with Siemens, Wachovia Bank and INROADS Inc.

He earned bachelor's and master's degrees in social work from Dillard University and Tulane University, respectively.

Carla J. Chaney has been appointed CHRO at *Equifax Inc.*, where she will have global responsibility for the HR center of excellence.

Most recently, she was executive vice president of HR and communications at Graphic Packaging International, where she led HR programs and acquisition integrations, as well as drove improvements to employee-development programs. Previously, she held leadership positions at Exide Technologies, Newell Rubbermaid and Georgia-Pacific Corp.

Chaney earned a bachelor's degree in industrial and labor relations from Cornell University.

Cision announced **Susan Steele** as global CHRO for the media-software and services provider. She will focus on fostering a continuous-learning environment, enhancing productivity and leveraging the employee experience for company and client success.

Steele has more than 25 years of experience in the HR field, with a particular focus on using AI and emerging technologies to empower employees. Prior to joining Cision, she was HR reinvention lead for global talent and transformation at IBM. She has also held HR-leadership roles at WPP, Deloitte and Linklaters.

She earned a bachelor's degree in English, French and management science from Carnegie Mellon University.

TDIndustries has named **Steve Cunningham** as the new chief people officer for the company, which provides engineering, construction and facilities services.

Cunningham has more than 20 years of experience in HR leadership, most recently at Essilor of America, an optical-products developer. Previously, he held leadership roles at Frito-Lay, BCE West and Circle K Corp.

He earned a bachelor's degree in psychology from Creighton University and a master's degree in industrial/organization psychology from the University of Nebraska.

OnDeck has appointed **Deb Stroff** as its next chief people officer, where she will lead all aspects of the small-business lender's people strategy.

Stroff previously was CHRO at Hogarth Worldwide, and she has also held leadership roles at EY, Time Inc. and Ritz-Carlton.

She holds a bachelor of science degree from New York University.

Charlene Thomas recently took the helm of the *United Parcel Service Inc.*'s HR operations. Thomas was named CHRO earlier this summer, filling a role vacated by longtime leader Teri McClure, who made history as the first African-American senior vice president at the company.

Thomas has worked at UPS since 1989, most recently leading small-package operations across 25 states. She has also served in roles in global marketing, corporate learning and talent development.

She earned a bachelor's degree in psychology from Temple University and a master's degree in business from Eastern University.

Keurig Dr. Pepper Inc. has appointed **Mary Beth DeNooyer** as CHRO. In this capacity, she will lead all global HR operations, including business-partner teams, talent management and development, talent acquisition, total rewards, HR operations, compliance, and diversity and inclusion.

DeNooyer comes to the position with nearly 25 years of experience in the HR space. Most recently, she served as CHRO at Pinnacle Foods Inc. and previously held leadership positions at Hillshire Brands, Sara Lee, the Pepsi Bottling Group and General Mills.

She earned a bachelor's degree in business administration from Drexel University and a master's degree in industrial and labor relations from Cornell University.

$50

The amount contribution limits for health-savings accounts will increase in 2020 for self-only coverage; limits will go up by $100 for family coverage.
Source: Internal Revenue Service

$11,000 to almost $2.5 million

The range of the amount of money that missing, incomplete or inaccurate Form I-9s could cost businesses, depending on organization size.
Source: Equifax Workforce Solutions

2-to-1

The vote by a panel of the National Labor Relations Board this spring that found an employer can enforce a pre-hire arbitration agreement against a former union employee, even without giving the union the opportunity to bargain over its terms.
Source: *Bloomberg*

51%

Just over half of Gen Z employees say they could see themselves having a long career at their organization.
Source: Gartner

60%

Percentage of male managers who say they're uncomfortable mentoring or working alone with a woman in the #MeToo era.
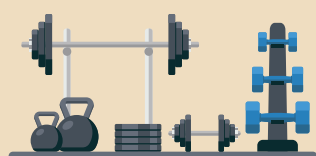Source: LeanIn.org

30%

Percentage of worksites offering some type of program to address physical activity, fitness or sedentary behavior.
Source: University of North Carolina at Chapel Hill

$50,000

Median retirement savings for U.S. households. (Baby boomers have a median of $152,000 in retirement savings.)
Source: Transamerica

12%

Percentage of 160 survey respondents who say their organizations have advanced the technology they have in place to support all data and analytics initiatives.
Source: Cognetik

69%

Percentage of 1,100 surveyed Americans who believe artificial intelligence should play no role in certain parts of the hiring process, including candidate selection (42%) and conducting virtual job interviews (32%).
Source: Harris Poll

2

The number of seats that remain vacant on the five-member U.S. Equal Employment Opportunity Commission; the body got a new commissioner and chair, Janet Dhillon, in May, nearly two years after she was nominated to the post by President Trump.
Source: *Forbes*

SET YOUR SIGHTS ON JOBS OF THE FUTURE

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