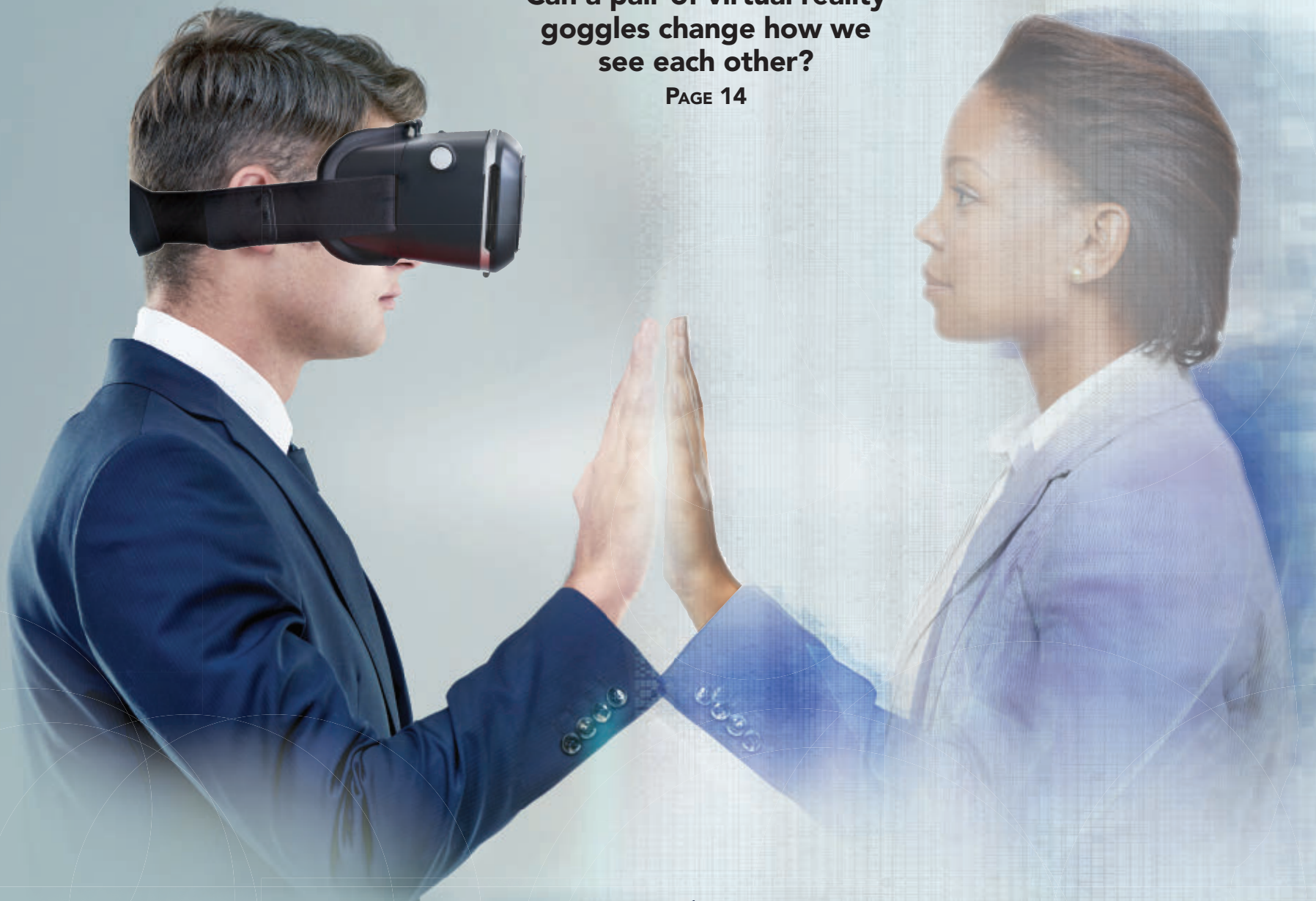


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Can a pair of virtual-reality
goggles change how we
see each other?

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Inside the Virtual Mirror

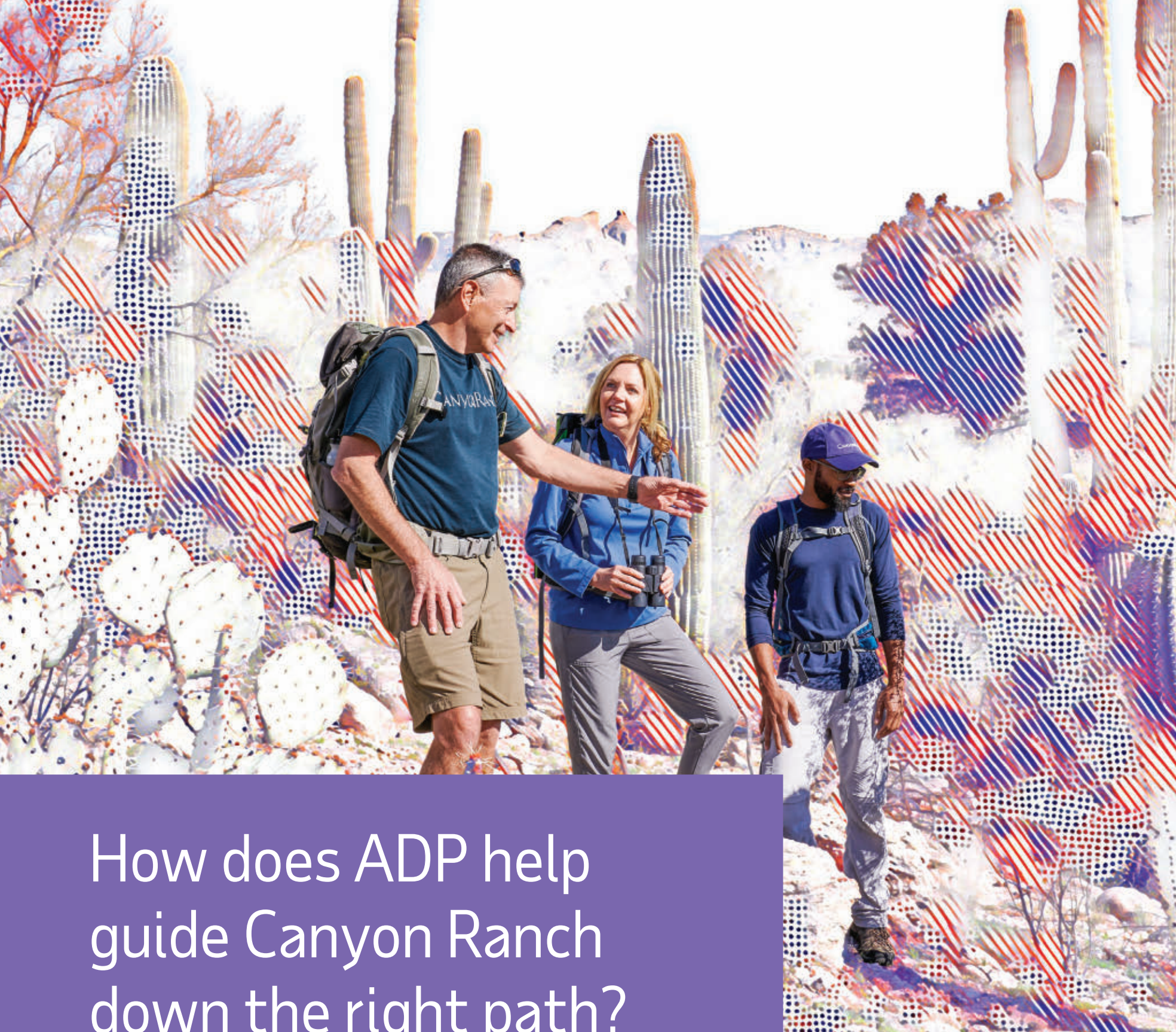
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BY MICHAEL J. O'BRIEN

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HR Tech

Innovation Abounds at HR Tech Conference 17

BY HRE STAFF

Catch up with our coverage of last month's HR Technology Conference & Exposition® in Las Vegas, which drew thousands of HR executives, tech innovators, business leaders and more to explore the latest trends and tools in the industry. Get an insider's look at the world's leading HR-technology conference with recaps of the biggest sessions and exclusive photos of the event.

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Watch: Josh Bersin Talks HR-Tech Trends

HRE sat down with the global industry analyst at HR Tech to get his forecast for the HR-tech space.



10 Innovations for a More Inclusive World

Tech innovators delivered fast-paced, five-minute TED Talk-style presentations at HR Tech.



Marcus Buckingham on 9 Lies HR Needs to Stop Believing

See which common HR myths the talent expert debunked in his HR Tech keynote.



Select HR Tech Conference Launches for 2020

HR Tech's sister conference will offer HR leaders hands-on experience with the latest innovations.

Executives, Tech Leaders Team Up to Learn at Biggest HR Tech Conference Ever

BY ELIZABETH CLARKE

Employee experience, tech strategy, gigs, teams, AI, data, diversity, recruiting, skilling, wellbeing—those are just a few of the big topics rising to the top of our list for coverage, conversations and more consideration here at *Human Resource Executive*® after an exhilarating week at the 2019 HR Technology Conference and Exposition®.

About 10,000 industry leaders filled The Venetian in Las Vegas last month for dozens of information- and research-packed sessions on 12 tracks, tech demos, vendor meetings, analyst interviews and even some cocktail parties and relaxing dinners just to talk.

From the Expo Hall to official sessions and after-hours get-togethers, the excitement for helping HR executives improve all aspects of work for employees was apparent.

Staffers fanned out to cover sessions and quickly write what they heard, starting with Women in HR Tech. We photographed dozens of sessions and expo happenings and captured some of you on video talking about your new technology, big issues

and of the day and new research. (Check out those videos at HRExecutive.com/category/videos.) All of that coverage was—and still is—available on the conference app, in emails to subscribers and on our website, HRExecutive.com, where you can also sign up for our daily emails.

We will follow up on many of these trends in HR tech in the coming months. In this issue, you'll find more coverage in our HR Tech Wrap-Up starting on page 17.

And here are five of our takeaways from the conference:

Employee Experience is Everything

Analyst Josh Bersin explained the primacy of experience in HR tech during his keynote, saying employees—not HR leaders—are now the primary audience and that will change the market. “Vendors are focusing their attention on ‘employee-centric tools’ that operate within Microsoft Outlook, Slack, Salesforce and other widely used tools,” Bersin said. Based on insights from several speakers, this emphasis likely will mean more apps meeting individual needs, not a platform for experience.

Data Quality Matters

The quality of your data matters more than ever, according to author

and keynote speaker Marcus Buckingham. That's because what you learned in traditional HR textbooks doesn't necessarily hold up in the real world, especially in today's tight labor market. Rely on what you see in the real world, he advised, and use only good data to build your tools.

Teams, Gig Workers are Bringing Change

How people work will continue to change HR. Bersin, for example, noted that the 57 million people in the gig economy means that they do much more than fill in the edges of the workforce. These workers are on teams and playing key roles in organizations. Technology must account for them.

AI Doesn't Have All the Answers (Yet)

Whether you call it machine learning or artificial intelligence, conversations about intelligent tools dominated HR Tech this year. The number of vendors touting them is huge but it's early in the game to determine whether they will solve the myriad HR problems being laid at their doorstep today.

Analyst John Sumser has compared today in AI and HR to the early days of flight. The tools' usefulness so far, as well as the

ethics surrounding that use, remain important areas of exploration.

HR-Tech Strategy Must Evolve

Most employers have already bought into the value of HR technology. The next transformation is ensuring that employers are continually evaluating and changing their technology to get the most out of it. “It's what you do inside your company that matters, not the technology,” said Stacey Harris, vice president of research and analytics at Sierra-Cedar.

That sentiment was shared by Jason Averbook, industry analyst and CEO and co-founder of LeapGen, who said HR professionals need to nurture their technologies to create a true digital strategy. “A lot of us are used to putting in pieces of technology and letting them sit,” Averbook said. “You have to treat investments in tech more like a pet than a rock. You need to look at it every day and measure its success.”

If you missed HR Tech this year, be sure to get it on your calendar now for next year: Oct. 13-16, 2020. And if you have any suggestions for next year's conference, we'd love to hear them. You can write me at elclarke@lrp.com.

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Why the Shift Toward Employee Wellbeing Matters

It wasn't long ago that wellness was the big buzzword among benefits managers: You know, *Biggest Loser*-type contests, the step challenges, the subsidized gym memberships—one-size-fits-all programs that tried to get employees moving, shed a few pounds and maybe slightly improve their biometric score.

We've come a long way since then. The focus now is on employee wellbeing—not only addressing and improving physical health, but also taking into account workers' emotional, mental, social and financial health. It all comes from the realization that stress, job burnout and financial concerns can be just as damaging—or even as deadly—as carrying extra weight. It's a move from thinking about health very narrowly to taking a holistic, all-encompassing view.

Along with the shift comes another realization: Smart employers should address their employees' health holistically—both for their own good and for the good of their company.

But the revolution is not without its challenges.

Convincing the C-suite to introduce a comprehensive wellbeing strategy isn't easy, to be sure, but it's a worthy fight. And it's one many HR leaders have taken head-on.

The percentage of employers that see healthcare as “integral” to their workforce strategy is up 9% this year, according to the National Business Group on Health (36% say investments in health and wellbeing are considered “key to deploying the most engaged, productive and competitive workforce to boost business performance,” up from 27% last year).

Research from Willis Towers Watson shows even more optimism on the wellbeing front. When asked about their highest priorities, 80% of the 400 employers surveyed by the consulting firm cited incorporating employee wellbeing into their benefit programs.

Employers everywhere are making strides. There's Starbucks, which recently announced plans to improve its mental-health benefits and others that have rolled out student-loan and caregiving benefits. Elsewhere, companies

are implementing generous paid-time-off policies for new parents, as well as resources that help employees transition back to work after the child's arrival and continue to assist them as the child grows up.

Then there is the growing number of employers setting their sights on financial-wellness programs. In fact, according to new research from Bank of America, more than twice as many companies offer

workplace financial-wellness programs to employees today compared to four years ago (53% today versus 24% in 2015).

Having a comprehensive benefits package is a win-win. Employees who feel better are more productive, take less time off and so on. But they also are more likely to think their company cares about them. That will keep them at your company longer and make them more likely to tell others

they enjoy working at your company.

So, what are you waiting for?

Kathryn Mayer is HRE's benefits editor and chair of the Health & Benefits Leadership Conference. She has covered benefits for the better part of a decade. She holds bachelor's and master's degrees from the University of Denver. She can be reached at kmayer@lrp.com.

Inside HR Tech

By Steve Boese/Columnist



Using AI for Decision-Making

This is not the first time we have discussed artificial intelligence in this column, and it won't be the last. The

topic feels so important for HR, for employees, for workplaces, that it may not (yet) be possible to pay too much attention to AI. While recently reading about some of the latest applications of AI technology in the workplace, I noticed three themes on the issue:

1. The Promise of Artificial Intelligence

The excellent book *Prediction Machines: The Simple Economics of Artificial Intelligence* by Ajay Agrawal, Joshua Gans and Avi Goldfarb illustrates how AI tools affect decision-making. In short, AI lowers the cost and increases the number of predictions available for us to select from to make quality decisions.

Let's take a common HR example: ranking a set of 1,000 applicants to “short list” some for additional interviews. A powerful AI-technology solution can assess and rank the applicants in a fraction of the time it would take a person, can make connections between credentials and key success factors for the job, and it can ignore inconsequential information about applicants that is often where bias enters the process. In this case, the AI tool allows the recruiter to bypass the steps that are labor-intensive, lengthy and arguably better handled by the technology. The recruiter then can spend all of his or her time on the short-listed applicants, conducting meaningful interviews and determining which would make the best new hire. In an ideal world, this is a perfect example of how AI and people can work together to make the best HR decisions.

2. What if AI Goes Too Far?

But, if the above example is truly an ideal, we can also easily imagine a scenario where we allow the AI tools to perhaps go too far. What if a recruiter permits the AI tools to create short lists of fewer candidates, thus missing the opportunity to interview some compelling candidates? What if the AI tool's models are

allowed to screen candidates and applications on an increasingly narrow set of characteristics? Or, what if HR decides that the AI tool is so good at identifying the best candidate that it simply skips the short list and instructs the tool itself to send a job offer to the top-ranked candidate?

Do these scenarios seem unlikely? Maybe, but news already is being reported that some applications of AI technology in the workplace are crossing this fine line between technology on one side and human judgment and agency on the other.

3. Finding a Balance Between High Tech and High Touch

As AI technology is infused in more HR solutions and processes, we must endeavor to find and even create the appropriate balance between the decision-making influence we grant technology and the ultimate authority over those decisions we reserve for ourselves. We can't be beguiled into allocating or ceding more of the decision-making processes to technologies until we are certain that these technologies truly are advancing our practice of HR and, more importantly, not diminishing what is best about HR: our understanding of, concern for and empathy toward people.

Our decisions—all of them, eventually—impact lives. Sometimes in small ways, like when we use an AI tool to set worker schedules, a tool that can't “know” how important it might be for a retail worker to be able to have an afternoon off to see his child's soccer game. And other decisions can impact people in much larger and more significant ways, like a call-center AI tool that hovers over reps, tracking not just their work but always making suggestions and reporting their actions. It is our responsibility, in the end, to know the people impact of our decisions, even the ones that we allow the AI tools to make.

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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Will Data Science Save HR—or Kill It?

After listening to what data-science consultants are doing in HR departments, it seems to me that data science may well elevate the function of human resources—yet it will also eliminate much about how HR, as we know it, functions.

In the 1920s, sophisticated management had become a branch of engineering. The goal of management was getting employees to conform to the logic, the pace and the rationality of modern machinery. The human relations movement of the 1930s—which explored the link between employee satisfaction and workplace productivity—was a reaction to that engineering approach.

About the only workplace topic where real engineering principles remained relevant was in setting up work schedules to accommodate demand fluctuations. Teams now are ubiquitous, local leaders are empowered to make their own decisions and CEOs worry about intangibles like culture and so forth.

Now comes data science. Like scientific management, it focuses on optimizing outcomes with rules derived from objective principles. When data scientists descend on a workplace, the first place they typically land is on those practices that have been delegated to line managers, starting with hiring. The question they ask is, “What criteria are you using to hire?” The answer they typically get is that, in practice, hiring managers do more or less what they want, using whatever criteria they want. The data scientists then ask, “What measures do you use to see if your hiring practices are working?” The answer is usually, “Well, none.”

At this point, the heads of the data scientists are ready to explode, and they set to work gathering measures of good performance, building prediction models and calculating how much value that adds. But they don’t stop there. They also ask questions about the practices that still exist, including those anchored in the paradigm of psychology and the theories behind it.

In workforce planning, in succession planning, in practice after practice, the data scientists

are starting to ask, “Does what you are doing actually predict anything? We don’t care whether everyone else does it or whether you’ve always done it. We are going to check to see if it works, and when it doesn’t, out it goes.”

The bottom line is data scientists do not believe that human judgment is important, the fallback justification for many of our practices, such as letting supervisors assess

performance or potential with sweeping “Nine-Box” measures. In fact, they see human judgment as being the problem for which algorithms are the solution.

Call this the revenge of the engineers. They are reasserting the power of scientific-management ideas, and they are able to do it, in part, because HR did not take up and answer the question that business leaders wanted to

know: Do our practices matter for business outcomes?

To paraphrase the quote about the battle of Ben Tre during the Vietnam War, is it necessary to destroy HR to save it? I don’t know, but I do know that data science is creating something very different from what we have seen before.

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

HR Leadership

By Eva Sage-Gavin/Columnist



‘Hacking’ the Future of Talent

More and more companies, social entrepreneurs and nonprofits are coming

together in ecosystems designed to ensure the future of work is successful. To ensure our current and future workforces are gainfully employed in a digital world, we as HR leaders need to think differently about developing lifelong learners with transferable skills. A number of organizations are doing so already, but this challenge requires critical mass.

We’ve all heard the statistics about job displacement due to automation. Fewer of us are aware that the same type of innovation can actually create new roles—more jobs than are being displaced. Let me say that again: While 75 million jobs will be displaced worldwide through automation between 2018 and 2022, as many as 133 million new roles could be created.

Research from the Aspen Institute shows those new roles will be highly human, meaning they require types of intelligence and skills only humans can bring to the table. As humans work more with intelligent machines, different skills are required to create a more innovative, productive future—but, are we hiring, training and skilling for these areas? Currently, roughly two-thirds of workers feel they are left to develop their own skills to work with intelligent machines, and most say they wish their company would do more to help.

The good news is, some already are.

For instance, Unreasonable Future—a venture from Unreasonable, an organization that helps social entrepreneurs solve large global issues—is creating an ecosystem of investors, policymakers, executives and thought leaders to ensure youth, underserved populations and sustainable businesses thrive in this century. Its inaugural cohort of growth-stage companies—just 15 of them—have,

on average, raised more than \$10 million in financing and generated more than \$10 million in revenue. They have also supported more than 4,800 jobs, reached more than 7 million students and placed more than a half-million jobs.

Elsewhere, the Aspen Institute’s Economic Opportunities Program is working with policymakers, labor leaders, educators, businesses and more. It advances strategies, policies and ideas to help low- and moderate-income people thrive in a changing economy, with a focus on the creation of quality jobs.

These are a terrific start, not a panacea. As leaders, we need to ensure our workforces are skilled, filled and engaged. Regardless of the organization your company works with, it’s forging an action-based ecosystem that matters.

As Daniel Epstein, Unreasonable’s founder and CEO, puts it: “If we do things the way we have traditionally, we will get what we’ve gotten traditionally. We need to break free from the mold to challenge our own status-quo thinking.”

I can attest to how invigorating it is to see change happen out of the box. Bringing equality and opportunity to a larger global group, filling our workforces with excited new talent and reenergizing our current workforces for new skills—that’s why many of us got into this business of human resources.

Let’s get back to a beginner’s mind. Lifelong learning is the key to our workforces’ longevity. I’m reminding myself to stay in that sweet spot. It’s making me and my team more innovative already.

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

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HR Trends

Top Story

What to Expect from the Next DOL Secretary

Although his confirmation may involve a grueling battle, Eugene Scalia—son of late U.S. Supreme Court Justice Antonin Scalia—is likely to succeed Alexander Acosta as secretary of the Department of Labor.

“Eugene Scalia is a very experienced practitioner,” says Michael J. Lotito, co-chair of the Workplace Policy Institute at Littler law firm. “He understands the practical implications of

what happens when rules and regulations come out and especially with the inconsistencies of DOL enforcement.”

Scalia served as the DOL’s top lawyer for one year under the Bush administration. As a law partner at Gibson, Dunn and Crutcher, he spent most of his career defending clients like Walmart, UPS and

SeaWorld, challenging federal labor and financial regulations.

Despite Scalia’s reputation as a corporate pit bull, Lotito believes HR professionals should applaud President Trump’s pick because he is likely to “create more uniformity within the DOL.”

As an example, he points to the proposed joint-employment rule, which several circuit courts have interpreted differently. “How are companies supposed to know what they’re supposed to do when different courts tell them different things?” he says. “You need certainty in order to provide compliance guidance. That’s what Scalia is going to do.”

Still, not everyone thinks Scalia is the right person for the job.

The Economic Policy Institute, an economic-research organization, calls Scalia the “go-to lawyer for corporations wanting to avoid worker and consumer protections.”

The EPI refers to several cases, one in which Scalia opposed rules that would have required UPS and other employers “to pay for protective equipment needed to keep employees safe on the job.” He also challenged the DOL’s fiduciary rule that “safeguarded employee retirement security by requiring [that] investment advisers are acting in the best interest of workers and do not have a conflict of interest.”

But the EPI and even some media outlets are giving Scalia a “bad rap” because of his realistic approach to business compared to previous heads of the DOL, according to Maria Rodriguez, who runs the employment group at McDermott Will & Emery.

Under the Obama administration, for instance, Thomas Edward Perez, who headed the DOL from 2013 to 2017, never worked in corporate America nor defended large employers. While in his position, he shattered records, pushing out more than 195 DOL rules and regulations.

If Scalia is confirmed, he could write opinion letters to more clearly reflect what’s expected under DOL laws, says Chuck Baldwin, managing director at global law firm Ogletree Deakin.

Besides, he adds, nothing is stopping legislators from changing laws, as opposed to “doing an end-around,” expecting the DOL to take a more aggressive enforcement stance because of who’s in the White House.

“This is a good appointment for HR professionals,” Baldwin says. “You’ll all find that it’s easier to do your job as HR professionals with someone like Eugene Scalia running the DOL.”

—Carol Patton

Employee Healthcare Costs to Top \$15K

Healthcare costs are expected to top \$15,000 per employee next year—an alarming development spurring employers to double down their efforts to thwart the increases.

That’s according to new research out recently from the National Business Group on Health, which finds that U.S. healthcare benefit costs are projected to climb another 5% next year. Including premiums and out-of-pocket costs for employees and dependents, the total cost of healthcare is estimated at \$14,642 per employee this year; that is projected to rise to an average of \$15,375 in 2020. Employers will cover nearly 70% of costs, while employees will bear about 30%, or nearly \$4,500, according to the group’s annual survey of nearly 150 of the nation’s largest employers.

“It’s alarming because it’s [growing] faster than wages, it’s higher than inflation and it’s increasing at an unsustainable rate over time,” says Ellen Kelsey, NBGH chief strategy officer.

To curb costs, employers are offering more virtual care, better managing high-cost claims and addressing the ongoing rise in the cost of prescription drugs. Those strategies are going further than just helping stem costs, Kelsey says.

“Employers are making investments not just for the sake of health and managing

healthcare costs but ultimately because they fundamentally believe it’s the right thing to do for the employees and their families, and it does have an impact on the overall organization,” she says.

More than half of employers (64%) say virtual care will play a “significant role” in how healthcare is delivered in the future, up from 52% who said so in last year’s survey. Kelsey adds that most hope virtual care will help address musculoskeletal and mental-health issues.

The NBGH said 147 large employers representing an array of industries participated in the survey. These companies provide coverage to more than 15.6 million workers and their dependents.



Managing drug spend continues to be a high priority for employers, as more look to pass on drug discounts to workers. According to the survey, 20% will have a point-of-sale rebate program in 2020, and that number could triple to 60% by 2022. Two-thirds (67%) favor a model based on net price of medications with no rebate as an alternative.

But as drug prices continue to increase and with new therapies—like Novartis’ \$2 million spinal muscular atrophy treatment Zolgensma—coming into the market with record-high prices, more employers say they would like the

government to step in. For instance, three-quarters of employers say they would consider backing a plan where the government negotiates a price for all payers for drugs above \$1 million, paid for out of a national fund.

Meanwhile, nearly half would favor national funding to underwrite part of the cost for such drugs, and 35% would consider supporting shifting patients with certain high-cost conditions to Medicare.

“I think that’s a reflection of the frustration employers have,” says NBGH CEO and President Brian Marcotte.

“When you think about a drug therapy that’s over \$2 million per injection and you overlay that with what’s in the pipeline ... the question for many employers is how

can they financially fund for these solutions, and is it even viable for their health plans over the long run?” Kelsey says.

Similarly, more than half of large employers say they support expanding Medicare to make more Americans under 65 eligible for the health-

insurance coverage.

Still, most don’t want a single-payer version—“Medicare for All”—that uproots the healthcare system. While more than 70% of employers surveyed believe universal healthcare would reduce the number of uninsured, they also say it would reduce the health innovations that help lower costs.

“It’s not so much an issue of employers dismissing [Medicare for All] outright,” Marcotte says. “It’s more [that] there are too many unanswered issues on the table for it to be a reasonable consideration at this point.”

—Kathryn Mayer

How Will the Business Roundtable Statement Affect the Workforce?

After nearly 200 chief executives from companies including Apple, Pepsi and Walmart redefined what they say is the role of business in society, experts say the Business Roundtable's recent statement could actually have an impact on HR and employees issues.

"Americans deserve an economy that allows each person to succeed through hard work and creativity and to lead a life of meaning and dignity," the statement reads.

"We believe the free-market system is the best means of generating good jobs, a strong and sustainable economy, innovation, a healthy environment and economic opportunity for all.

"Yet we know that many Americans are struggling," it continued. "Too often, hard work is not rewarded, and not enough is being done for workers to adjust to the rapid pace of change in the economy. If companies fail to recognize that the success of our system is dependent on inclusive long-term growth, many will raise legitimate questions about the role of large employers in our society. With these concerns in mind, Business Roundtable is modernizing its principles on the role of a corporation."

One of the areas addressed in the statement involves investing in employees: "This starts with compensating them



fairly and providing important benefits. It also includes supporting them through training and education that help develop new skills for a rapidly changing world. We foster diversity and inclusion, dignity and respect."

Analyst John Sumser, editor of HRExaminer.com, says shifting corporate attention from shareholder value to

employee and customer value raises the bar for HR and the emerging discipline of people analytics.

"Outside of rudimentary information about compensation, little is known about how to create value for employees," he says. "Focusing on the actual exchange of value between employee and employer promises to be the spark that moves HR tech to focus on business outcomes."

Meanwhile, Peter Cappelli, Wharton professor of management and director of its Center for Human Resources, says the statement is an effort to respond to industry analysts who often resist the idea of spending on employee issues.

"It's the analysts who don't want companies to spend on employees," he says.

"Companies that do or feel they need to can point to this for cover from the analysts."

While he doesn't believe the statement is simply a marketing move, "it may be an effort to head off political pressure by the Democrats. But, I think it will have some real effect, at least in changing the discussion."

According to the *New York Times*, the corporate community's commitment to change is being viewed skeptically on the presidential campaign trail, with Sen. Bernie Sanders saying in an interview that the Business Roundtable was "feeling the pressure from working families all over the country."

"If they were sincere," Sanders said, "they would talk about raising the minimum wage to a living wage [and] the need for the rich and powerful to pay their fair share of taxes."

—Michael J. O'Brien

Penn Researchers Offer New Way to Expose Hiring Bias

Although your employer may rank diversity as a top priority, unconscious bias can still creep into the hiring process, according to new research from the University of Pennsylvania.

Two business economics and public policy professors—Judd Kessler and Corinne Low—at Penn's Wharton School conducted a study between 2016 and 2018 that involved roughly 80 employers representing different sizes and industries. They researched whether discrimination persists among companies who publicly commit to building a diverse workforce and also identified employer preferences for job candidates.

The study's authors gathered real resumes from

nearly 800 recent Penn graduates who were seeking jobs. Then they designed IRR, an incentivized resume-rating system, which is a diagnostic software tool that collected varied experiences, academic



degrees and other characteristics from those resumes. IRR reorganized those data to create thousands of fake resumes that clearly conveyed candidates' genders and ethnicities. No two resumes were alike, and they were dubbed Franken-resumes—named after Frankenstein, the monster whose body was built from different human parts.

Participating hiring managers knowingly reviewed and rated 40 randomly assigned fake resumes about how much they liked each fictitious candidate and the likelihood of that candidate accepting their job offer. In return, IRR used those ratings to match companies with the real resumes of Penn graduates.

"The employers who said, 'Yes, we care about diversity,

want diverse candidates' were discriminating in multiple ways," says Low. "They were not always treating resumes with female or minority names the same as white male resumes."

When evaluating STEM (science, technology, engineering and math) candidates, for example, participants rated minority candidates lower than white male candidates. Female or minority candidates with a 4.0 grade-point average were also rated the same as white males with a 3.75 GPA.

Likewise, employers gave less credit—about half—to female and minority candidates for having a prestigious internship compared to white males. But perhaps the most surprising outcome, according to the researchers, was that hiring managers across the board rated female and minority candidates lower in "get-ability," or that they would be less likely to accept their job offer.

"That would manifest in how hard employers went at recruiting these candidates," says Kessler, explaining that, if recruiters believe diverse candidates are in big demand,

they may not want to pursue them. "This research suggests this is another channel for the potential for bias ... [HR] may not have thought explicitly about it or addressed it."

Meanwhile, the researchers hope to work with other companies to identify potential discrimination within their hiring processes, develop anti-bias hiring strategies and help

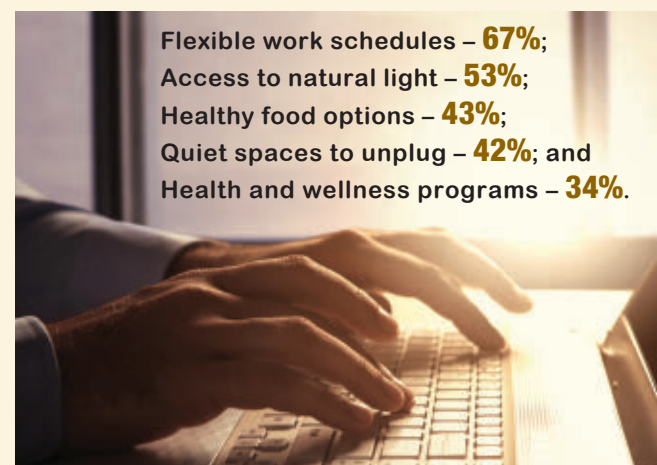
identify the best candidates for jobs by either using or eliminating race and gender preferences.

"Wanting diversity isn't enough," adds Low. "You have to build practices that help you overcome powerful biases. IRR will be a tool to uncover these biases and work toward building these practices."

—Carol Patton

Let There Be Light (and Flexibility)

Capital One's latest *Work Environment Survey* polled 3,500 full-time American employees about the wellbeing and mental-health resources that would improve their work environments, with respondents identifying the top-five factors as:



What the Overtime Changes Mean for Employers

The much-debated update of the Department of Labor's federal overtime rule will finally be a reality on Jan. 1.

The department reportedly received more than 116,000 comments on the proposed changes, which have earned praise from business groups but opposition from worker advocates, who want to stick with the previously adopted but now-blocked Obama administration's version.

The new rule will raise the salary threshold for the Fair Labor Standards Act's white-collar exemptions to \$35,508 per year from \$23,660 (last raised in 2004). It wipes out the earlier proposed rule, which would have raised the threshold to around \$47,500.

Employment-law experts say the new rule represents a middle ground.

"This is a compromise," says Peter Frattarelli, chair of the labor and

employment department at Archer & Greiner. "Although the figures are now lower, the impact is the same." He adds that employees must earn at least \$679 per week—which equates to the \$35,508 annually—before employers can ever deny them overtime.

Carolyn Richmond, formerly co-chair of the labor and employment department (and current chair of the hospitality practice group)

at Fox Rothschild, also characterizes the proposed rule as a compromise. She says employers "will certainly see a significant increase in labor costs in many parts of the country."

Richmond explains, however, that in certain states the salary level is higher than that used in the proposed federal rule—for example, in New York, the threshold is \$48,500—so employers

operating in those states must comply with state laws.

Frattarelli says HR leaders need to examine the salaries of all their exempt employees—that is, all employees whom an employer has decided are

not entitled to overtime—to ensure their salaries are above the threshold. If not, employers would have to either raise their salaries above the new threshold, or start paying

them overtime—or time-and-a-half for every hour worked over 40 hours in a week—in most cases.

According to Richmond, reclassifications from exempt to non-exempt have two significant effects: labor costs and the human element.

"Many employees do not feel comfortable going from exempt salary to non-exempt—they view it as a

demotion, and morale decreases," she says. Additionally, employers have varying policies and benefits for exempt and non-exempt employees, which HR leaders need to understand.

"Getting over the human-element hump should not be minimized," Richmond says. In addition, employers should start reviewing hours, schedules and anticipated overtime hours for reclassified employees.

Both experts say that employers who actually did make changes to comply with the proposed Obama rule, and kept those in place, won't need to do much.

Finally, Richmond says, long-term ramifications of complying—or not complying—with the new rule are significant. For one thing, employers who don't reclassify the appropriate individuals risk lawsuits, including class actions.

"The statute of limitations under the FLSA is up to three years, and it is very hard to properly assess overtime owed if a business did not fix the problem now and start by having the right employees clock in," she says.

—Tom Starner



Should Employees be Given Social Media Breaks?

It's no secret that social media sites like Facebook, Twitter and Instagram have become a global phenomenon, and the U.S. ranks high when it comes to obsession with these communication vehicles. According to a 2015 study by Informat Mobile Intelligence, Americans check their social media accounts an average of 17 times per day, at least once every waking hour. Considering the highest usage was observed in those between the ages of 25 and 54, it's easy to conclude that Americans' social media compulsion is infiltrating the workplace.

"Employers are worried that employees are using social media during times they should be working, but it's very difficult to assess how much time that is and the actual impact on their ability to perform the job and be productive in the workplace," says Jaklyn Wrigley, a labor and employment attorney at Fisher Phillips LLP. "There is a growing trend to put some reasonable controls on social media usage during working hours."

While their gut instinct may be to issue an outright ban on the use of social media at work, some employers have begun instituting "social media breaks," giving employees designated times to catch up on their Facebook, Twitter, Instagram or other social media apps. The goal is not merely to please

employees by granting them access to their social media universe, but to cut back on the distractions that come when employees are surreptitiously checking their accounts throughout the day. For a break-based approach to be successful, Wrigley says, employees should be encouraged to turn off their social media notifications, so their work time is not continuously interrupted.

If an employer decides to grant social media breaks, Wrigley cautions them not to run afoul of the Fair Labor Standards Act, which requires them to pay workers for breaks of less than 20 minutes; she suggests hybrid lunch-social media breaks so that doesn't become an issue. With the frequency with which Americans check their social media accounts, however, the question is whether just one centrally timed break will be sufficient, or if employees will still find unsanctioned opportunities to log into their accounts—and whether there's any harm in that after all.

"In a moment of down time or when taking a mental break, it's very easy to pull up the app and check your Facebook or Instagram," says Wrigley. "As long as an employee is doing the job they've been hired to do, if they are spending a few minutes here and there on social media, what's the harm in that?"

—Julie Cook Ramirez



Upcoming Events

Feb. 24–26 Training 2020 Conference & Expo, Disney's Coronado Springs Resort, Orlando, Fla. This conference is designed to give attendees skill-building content, covering train-the-trainer essentials, behavioral analytics, digital learning, emerging technologies and more. It is co-located with the pre-conference Learning Leaders Summit and the post-conference Innovations in Training field trip event. For more information: *Training Magazine* at www.trainingconference.com/2020/index.cfm.

March 23–25 2020 People Analytics & Workforce Planning Conference, JW Marriott Turnberry, Aventura, Fla. Attendees will hear how high-performing organizations are creating a competitive advantage with workforce analytics. Learn how to balance just-in-time talent demands with long-term planning, build your workforce planning and analytics function, apply analytics across the talent lifecycle and more. For more information: Human Capital Institute at <https://pawpconference.com>.

April 15–17 Human Resource Executive® Health & Benefits Leadership Conference, ARIA Resort & Casino, Las Vegas. The *Human Resource Executive®* Health & Benefits Leadership Conference is the largest event focused on employee benefits, healthcare and wellness. Designed for both private and public-sector benefits and HR professionals, it is the place to gain innovative strategies, immediate solutions and practical takeaways to craft a solid benefits program that will attract and retain top talent, improve employee wellbeing and engagement, enhance productivity and more. All sessions are created and delivered by senior executives from leading organizations, both large and small, to give you a high-caliber learning experience covering voluntary benefits, healthcare, retirement, work/family, technology and physical, mental and emotional wellness. For more information: LRP Media Group at www.BenefitsConf.com.

April 27–28 2020 Inclusive Diversity Conference, Hyatt Regency San Francisco, San Francisco.

This conference will show attendees how to leverage neuroscience, data and simple behavioral design to make diversity and inclusion part of the everyday organizational culture. Get tools and best practices, uncover strategies that can be implemented right away, change-management techniques and more. For more information: Human Capital Institute at <http://www.hci.org/id-conference/2020>.

May 5–8 American Payroll Association's 38th Congress Convention & Expo, Gaylord Palms Resort & Convention Center, Kissimmee, Fla. This event allows attendees to build a customized education program from a wide variety of workshops covering topics pertaining to domestic and foreign payroll, HR, benefits technology, career development and more. It provides networking and the opportunity to hear the latest legislative and regulatory changes directly from government representatives and industry experts, as well as featuring the industry's largest payroll, AP and finance expo. For more information: American Payroll Association at www.apaconfession.com.

May 17–20 ATD 2020 International Conference & Exposition, Colorado Convention Center, Denver. This is the largest event for talent-development professionals worldwide. It will provide attendees with knowledge, strategies and solutions needed to effectively train and develop talent. Gain insights into the latest trends, best practices and new solutions for designing, delivering, implementing and measuring learning programs. For more information: ATD at <https://atdconference.td.org>.

June 9–11 Select HR Tech, Caesars Palace, Las Vegas. The creators of *Human Resource Executive®* and the HR Technology Conference & Exposition® will hold this inaugural conference to provide hands-on learning for HR leaders about HR-technology trends and tools. Attendees will have the opportunity to take part in facilitated conversations with peers, in-depth master classes and group discussions with industry analysts, as well as explore an expo where one-on-one conversations with vendors and experts will be encouraged. For more information: LRP Media Group at <https://selecthrtech.com>.

A photograph of a desk with a silver desk lamp, a pen holder, a mouse, and some papers. The text is overlaid on the image.

YOUR EMPLOYEES HAVE A **SECRET** **SECOND JOB**

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Inside the Virtual Mirror

**Virtual reality has the power to change the world.
But first, it has to change how straight white men think.**

BY MICHAEL J. O'BRIEN

Since the dawn of modern business, the conference room has typically been a welcoming environment for people like me (straight, white, male), but at this very moment, I'm not feeling it.

In fact, as I scan the room to read the faces of the people seated around me at the long table—four women with diverse backgrounds and ages—I'm greeted with a menu of microaggression, including eye rolls, side glances and dismissive waves of the hand, almost as if I'm emitting a foul odor that offends them.

As the meeting progresses—at one point, the women are openly discussing lunch plans that don't include me—I feel my palms pool with sweat as my pulse quickens. I notice my breathing is becoming labored even though I'm barely moving my body, save for the occasional and uncomfortable shift in my chair. I try to keep up with the meeting's topics, but it quickly becomes apparent that, if this conversation is a highway, then my colleagues have closed off every on ramp to me.

At one point, I speak up to offer an opinion on a business matter, but I'm immediately cut off by the woman at the head of the table, who tells me my idea lacks merit, just as another woman chimes in to ask if I had even done any research on the topic.

As a sense of shame washes over me, I've never felt more like “the other” than I am feeling right now. This is, without a doubt, the worst meeting I've ever been a part of.

But, after it finally—mercifully—ends and I pull off the Oculus headset to return to the reality of an empty conference room, I immediately begin to wonder: “Wow, am I doing that same thing to people in the meetings I run?”

Discomfort by Design

That reaction is essentially the whole point of the new VR Inclusion Experience from DDI's Innovation Lab, according to its creators. The experience in “perspective taking” was recently named a Top HR Product by *HRE*, and it gives the user the ability to look beyond his or her own point of view in order to consider how someone else may think or feel.

“What we find most interesting about all of this,” says Ryan Heinl, director of product management and leader of DDI's Innovation Lab, “is that people who had not experienced that type of marginalized treatment before”—i.e., people like me—“they tend to then start to really evaluate how they lead meetings like that. You may not be thinking, ‘I'm going to exclude this person,’ but the result is often the same.”

Participants in the VR experience are confronted with what it feels like to be excluded, Heinl says, because “once that awareness occurs, that's the only time to create momentum toward change.”

To do this successfully, experts say, the user must first have some understanding of others' thoughts, feelings, motivations and intentions, and the fact that I was looking at real humans—albeit prerecorded actors—instead of computer-generated avatars during the experience greatly enhanced the feeling of verisimilitude, in my opinion.

That unique feeling I experienced in the virtual conference room comes from decades of research, according to Jeremy Bailenson, a Stanford University professor and founding director of its Virtual Human Interaction Lab. (He is not affiliated with DDI or its Innovation Lab.)

Bailenson studies the psychology of virtual and augmented reality, in particular how virtual experiences lead to changes in perceptions of self and others. His lab builds and studies systems that allow people to meet in virtual space and explores the changes in the nature of social interaction. His most recent research focuses on how virtual experiences can transform education, environmental conservation, empathy and health. He has shown off his lab's work to some of the biggest names in business, including Facebook's Mark Zuckerberg and National Football League Commissioner Roger Goodell.

“VR allows you to do what's called body transfer,” Bailenson says. “It's a neuroscience principle involving seeing your own body movements on an avatar and, by doing these movements and seeing them on a different body, the part of the brain that gets activated when you think of yourself, it expands to include that avatar as well. You can actually have someone walk a mile in someone else's shoes this way.”

As the pace of technology advances to allow training designers more freedom to create unnervingly accurate representations of real-world business situations, the number of issues that VR can help solve grows as well, including empathy-building exercises like the one I just went through.

Indeed, the VR market size is expected to grow from \$7.9 billion in 2018 to \$44.7 billion by 2024, at an annual growth rate of 33.47% during the forecast period, according to Researchandmarkets.com.

“Virtual reality has the power to help leaders experience and manage emotional leadership situations in a way that no other tool or learning technique can,” says Heinl. “Whether the goal is to help leaders gain empathy for what others are feeling or to give them a safe space to practice emotionally charged conversations, VR changes the learning experience in a way we've never seen before in the industry. It's a game changer.”

Making it Personal

The VR experience I just described is different in one very important aspect to earlier iterations of it, Heinl says. And it's a big difference, too.

In previous versions, instead of being in a conference room with a diverse group of women, participants interacted with a group of white men.

“When we used that [experience] on other white men, they didn't perceive the mistreatment aspect,” Heinl says. “Their interpretation wasn't ‘I'm being excluded.’ It was ‘They're just making a bad business decision.’”

It wasn't until the designers switched the actors to a diverse group of women that the participants began to feel it was “personally” about them, Heinl says.

The brave new world of VR is full of these kinds of curious results, as Bailenson recounts in his 2018 book, *Experience on Demand: What Virtual Reality*

"Virtual reality has the power to help leaders experience and manage emotional leadership situations in a way that no other tool or learning technique can."

—RYAN HEINL, DDI



Is, How It Works and What It Can Do. In it, he describes a 2009 experiment that attempted to induce racial empathy in white people by having them inhabit black avatars, reasoning that, if a white person took on the perspective of a black person, his or her racial stereotypes would break down.

However, after approximately 100 white people went through a job-interview simulation in which half saw themselves as black and the other half as white, researchers were shocked to discover that inhabiting a black avatar actually led to higher scores on standard measures of implicit racial bias.

"VR is a medium," Bailenson says. "A medium can cause changes in behavior, but it depends on the content. And that's really where the magic is."

At RealPage, a provider of software and data analytics to the real-estate industry, diversity and empathy are top of mind, says Taiwan Brown, head of D&I.

"We are trying to answer the question of how to leverage the diversity of our people to drive innovation, more collaboration and better overall business results," Brown says. "We are putting a focus on diversity at RealPage."

To that end, RealPage has been piloting DDI's VR Inclusion Experience with approximately 40 of the company's 6,700 workers since February, and Brown says the experience has already proven itself valuable.

"When we first did the pilot, we took frontline managers through the experience," says Brown, who also donned the goggles herself. "It was so impactful for me, I took it upstairs to Kurt Twining, our chief people officer, and he went through it and was talking about it for days afterward."

She next took the rest of the company's all-white executive team through the experience.

Inside the Virtual Mirror

"It's had an impact on everybody who has gone through it," she says. "It's so powerful because you get an opportunity to step into someone else's shoes and see from their perspective."

The experience has even led to personal moments of understanding, Brown says.

"When we did the experience with our inclusion council, I had a person on my team who sat in, and we had a conversation afterward and he says he was amazed that senior leaders can experience exclusion too. That was a real 'wow' moment."

Brown does have a few cautions for HR leaders who may be pondering a move toward this type of training, which includes a post-experience session where participants can share and compare their feelings.

"It does generate an emotional response," she says, "so I'd remind HR that psychological safety is important. It's important to create that feeling, so think about the numbers of people. I wouldn't do this in too large of groups."

Making sure you get the right mix of people to participate is important as well, Brown says.

"We had an intact team go through it, one that knew each other well," she says. "I don't know that they got as much out of it as when we did a cross-functional group and put them in a room together to go through an experience like this."

Brown says she heard feedback that such a grouping makes the experience even more meaningful.

"It got them to connect with people they don't know," she says of the cross-functional group. "They got to hear some different perspectives and experiences that they otherwise wouldn't have gotten to know."

Tough Conversations, On Demand

While any conversation about race and inclusion will be fraught with its own perils, another unfortunate reality of the modern workplace is that few leaders feel prepared for the difficult work-related conversations they need to have, especially with their direct reports, and particularly at the emotional level.

Traditional training programs offer highly effective preparation by



"It's no longer just for games; VR can offer a helpful and realistic learning experience for people who want to try a new leadership approach in a simulated environment, with multiple attempts."

— YON SUGIHARTO, DIRECTOR OF LEARNING AND DEVELOPMENT AT YALE SCHOOL OF MEDICINE

guiding leaders through role-playing scenarios with a partner. VR creates a new opportunity to prepare for emotionally charged conversations in a psychologically safe environment where leaders aren't afraid to make a mistake or seem silly in front of a colleague, says Heintz.

"In traditional skill practices, where you're paired with a practice partner, it's unlikely that your partner is going to begin crying, become extremely defensive or get angry," says Heintz. "But these things happen in real leadership situations, and leaders need to be prepared for that. In the virtual world, we can prepare them for the worst possibilities in a safe environment, making them feel as confident as possible about going into the real thing."

That's what Yale School of Medicine was looking for when it partnered with DDI to beef up its leadership-development program, says Yon Sugiharto, the school's director of learning and development.

"We were really impressed with how far VR has come," Sugiharto says of a pilot program in which a dozen YM managers were tasked with speaking with a chronically tardy employee. "It's no longer just for games; VR can offer a helpful and realistic learning experience for people who want to try a new leadership approach in a simulated environment, with multiple attempts."

"This is more than just having someone stand in front of a classroom and teach leadership," Sugiharto adds. "Our faculty don't have a lot of time to attend scheduled classes, so to offer a safe environment where they can don their VR goggles at a time which is more convenient to them and have their learning experiences, it would offer enhanced engagement for them."

"This is the million dollar question," says Bailenson. "It's a challenge. We look at a constellation of measures—some questionnaires more reliable than others, but none are perfect."

Bailenson says the results of the lab's recent "Empathy at Scale" experiment, involving 1,000 people using VR, offers a positive lesson for organizations.



Experts say virtual-reality experiences can help employees shift perspective and generate empathy, which can be especially important for leaders.

Sugiharto says Yale Medicine would like to test the Inclusion Experience with its managers as well.

"In healthcare, we have such a diverse population of patients, and we feel this is a possible tool for all managers and leaders," he says. "Anything related to diversity and inclusion is helpful for us to lead better."

The Million Dollar Question

When it comes to creating lasting learning experiences, Heintz says, empathy can be a powerful thing in business.

"When you feel empathy, it improves your performance," he says.

But in a bottom-line business setting, where every dime is expected to produce a dollar, how can something like empathy ultimately be measured?

"When we look at a large sample of diverse participants," Bailenson says, "the good news for VR is that, even two months later, people are more likely to change their behavior when they do VR compared to other types of perspective taking. It's the first reliable data set showing how this project changes behavior with a real population."

When Bailenson tells me this, my chest involuntarily tightens as I realize it's been exactly that long since my own immersive, unnerving VR experience. I can't help but recall something Heintz told me:

"Forming real memories helps to create empathy for other people, so put yourself in their place and feel what it feels like."

Two months later, I'm still there.

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



"It's so powerful because you get an opportunity to step into someone else's shoes and see from their perspective."

— TAIWAN BROWN, HEAD OF DIVERSITY AND INCLUSION AT REALPAGE

Innovation Abounds at HR Tech Conference



Josh Bersin on Untangling the HR Tech Market

If attendees at last month's HR Tech Conference in Las Vegas felt a bit overwhelmed going into the Expo Hall, with its more than 500 exhibitors, Josh Bersin wanted them to know he felt their pain.

"I've been an analyst in this space for over 20 years—and I have a lot of respect for the vendors in this space—but you, as HR leaders, have to make sense of all this, and so many of you have told me there are just so many options," said the global industry analyst, who delivered the opening keynote on the second day of HR Tech.

The title of Bersin's presentation, "Untangling the HR Technology Market," reflects the sheer volume of activity that's been swirling in the space for the past 10 years. Boosted by billions in venture-capital funding, the market also reflects the fact that the very nature of work is changing, he said.

"The job market is hot, and yet, we also have this problem of lagging productivity," said Bersin. "This gap is getting bigger, and it's born by the stress, workload, engagement, health and sleep of employees. So, there's this huge market for HR tech as wellbeing, engagement, productivity and retention become core, rather than nice-to-haves."

The latest research shows CEOs are more concerned than ever about growth and that they want more creativity out of their people. "Curiosity is actually becoming a competency," Bersin said.

Employees, meanwhile, are very concerned about their jobs and careers. "They're saying, 'If I join your company, what am I going to get out of it for my career?' And that's created a new demand within the organization for continuous learning."

Most importantly, "we're not building software for HR anymore—we're building it for employees," Bersin said. "If employees don't find it useful, if it doesn't fit into 'the flow of work,' then it's not going to be used."



Josh Bersin delivered the keynote address on Oct. 2 at HR Tech in Las Vegas.

Employee Experience is Primary

One of the most fundamental changes in the industry is the primacy of employee experience, said Bersin. "HR is now the secondary audience—employees are the primary audience. And that's shifted the market."

Vendors are focusing their attention on "employee-centric tools" that operate within Microsoft Outlook, Slack, Salesforce and other widely used tools, he said. "That's the big existential thing the tech community is working on. And that means there are going to be some winners and losers in the marketplace."

The major vendors are trying to push themselves into the employee-experience category, said Bersin.

"In the early days when I got into HR tech, there was a very clear strategy that you'd go to ADP, PeopleSoft, and that was it," he said. "Now, we're in a much different situation. HR-tech platforms at the core are becoming more like your phone—more like platforms in which you put apps in, and you delete apps. If

the apps don't take off, just shut them down. And that's the way the world is now—someone's going to build something and you'll say, 'My God, we need that.' And you'll try it and it'll be great, or it won't work out and you'll just turn it off."

On top of that is the talent space, where "we have an incredible array of technologies," said Bersin.

Talent-management vendors need to keep the following in mind, he said: "You need to think about not what you think is going to be cool, but what are the management philosophies that are trending, and those are growth, development, job mobility, highly diverse, highly inclusive talent practices, transparency, network effect—those are the things senior leaders are talking about."

AI and Recruiting

The area of HR tech that's the most dynamic is recruiting, said Bersin.

"AI is probably more mature in recruiting than any other part of HR," he said.

Diversity and inclusion have become so important that they're now significant markets on their own, said Bersin. "You can now use AI to identify biased interviewing, sourcing and recruiting practices. You can at least see them and do something about them."

AI is becoming ubiquitous in HR technology, he said. "It's hard to build an HR platform of any kind without designing some kind of AI solution. AI is now going mainstream."

Vendors like Pymetrics, PhenomPeople, IBM, Oracle, Workday and HireVue are all incorporating AI into their products, said Bersin.

Finally, employee-experience platforms are big in the HR-tech market.

"Vendors like ServiceNow, Deloitte, Mercer, SAP SuccessFactors and IBM all have platforms focused on the employee experience," he said. "You can't expect out-of-the box ERP to do this. This is going to be a significant market."

— BY ANDREW R. MCILVAINE

PILOT Coaching Wins Start-Up Prize at Pitchfest

As the founder of PILOT, one of just a few LGBT-owned HR-tech start-ups, Ben Brooks is used to being in rare company.

Now, he's in ever rarer company as HR Tech Conference's 2019 Pitchfest winner.

"There's so many other great companies that pitched—companies with a lot of capital and that are really far along," he said last month after the second annual competition's final round in Las Vegas. "We're blown away that we won."

PILOT is the industry's first scalable SaaS platform for employee coaching and is designed to help HR executives quickly and affordably deploy high-impact coaching at scale, with analytics to prove impact. Customers include MetLife, CBS, Aon, Thomson Reuters, Pandora Radio and more.

Brooks, who was named to *HRE*'s Top 100 HR Tech Influencers list earlier this year, credited his passion as the determining factor in the victory.

"We change people's lives and health," he said. "I know that we do that, at a gut level, and that helps me bring the passion."

PILOT's top selling point is that "it's an affordable way to develop talent that's really effective," Brooks said.

"Diversity and inclusion has been a big theme this year," he added, "and you have to get development out to a lot of people to level the playing field, and that's what our product is all about."

In addition to the title of Pitchfest winner, PILOT also received a check for \$25,000, courtesy of Randstad Innovation Fund.

Held over three days, the Pitchfest competition featured a flurry of pitches from 30 companies, selected from an applicant pool of more than 100. The finalists represented every segment of the diverse HR-tech market, said Sarah Brennan, founder of Accelir Insights, who emceed one of the pitching rounds.

"That's really exciting for us as companies and technologists trying to change the future of work," she said.

The first night of the competition kicked off with a welcome from *Shark Tank* star and entrepreneur Barbara Corcoran—fresh off her keynote address that opened up HR Tech—who advised the judges to vote for entrepreneurs who are "high energy,"

Catch *HRE*'s full video interview with Corcoran at HRExecutive.com.

which she calls "a tell-tale sign of success."

"You also need to have someone who can take a hit and keep ticking," Corcoran added. "They're perfect for building a business."

—BY MICHAEL J. O'BRIEN



PILOT Coaching CEO Ben Brooks with JoAnne Estrada, global head of contingent workforce solutions at Randstad Sourcright

Why HR Leaders Should Own Digital Strategy

It's time for employers to stop *doing* digital transitions and start *thinking* digital transformation. And HR needs to lead that shift.

That's the message from industry analyst Jason Averbook, CEO and co-founder of Leapgen, who says that a true digital transformation is more than simply buying an abundance of new HR technologies.

"We can keep buying all the stuff ... but it has to be tied into a vision," he said during his session at the HR Technology Conference last month.

A digital strategy, Averbook said, is about delivering the right things to the right people through the right channels. It's about engaging employees to deliver a better experience.

"What's so important to think about is that 'digital' is not [just] technology," he told a crowd of HR professionals. "Technology is only one component of digital strategy. IT doesn't own your digital strategy. Who owns it? You, the HR department. Only you know what you're trying to achieve for your people."

A good place for HR professionals to start is to create a "vision map" for their digital plan so they know exactly what their goals are, what their guiding principles are and how they will measure success.

"If you don't have a vision map, you should really have one and you should give it to your vendors," said Averbook, who also is a columnist for *Human Resource Executive*. "If you share it with them, guess what they can do? Help you."



During his HR Tech session, Leapgen co-founder and CEO Jason Averbook cautioned HR leaders that any new tech solutions should be tied to a digital strategy.

Visit HRExecutive.com to dive into our full coverage of Sierra-Cedar's HR Systems Survey White Paper, which was released during HR Tech.

Averbook's comments dovetail with others made at HR Tech.

Stacey Harris, vice president of research and analytics at Sierra-Cedar, told *HRE* that the next transformation in HR technology is ensuring that employers are continually evaluating and changing their technology to get the most out of it.

"It's what you do inside your company that matters, not the technology," Harris said. "[It's about] always trying to figure out how to get more people to use it, tracking who's using it, measuring the outcomes they're achieving. If you're not reviewing things every 12 to 18 months ... it's of no value to you."

Averbook said HR professionals need to nurture their technologies to create a true digital strategy.

"A lot of us are used to putting in pieces of technology and letting them sit," he said. "You have to treat investments in tech more like a pet than a rock. You need to look at it every day and measure its success."

"Technology doesn't change organizations. We do," he added. "Technology can help fuel it."

—BY KATHRYN MAYER

What's Next for HR in the Age of Artificial Intelligence?

The words “artificial intelligence” get tossed around a lot these days in the HR space, but what do they actually mean? And how does AI actually apply to HR?

On the opening day of HR Tech, Jeanne Meister, an author and partner at Future Workplace, led a wide-ranging discussion on “Re-Imagining HR in the Age of Artificial Intelligence” with a panel of HR leaders from some of the world’s largest companies, including Delta Air Lines, Hilton Hotels, TIAA and Schneider Electric, an energy-services firm with locations in 110 countries around the world.

Starting off the discussion, Meister got a laugh when she asked Michael Bland, TIAA’s chief learning officer, what he found most surprising about AI.

“The sheer number of AI vendors,” he said. “AI hasn’t been in HR that long, so where did all these companies come from?”

“I think any HR Tech attendee can relate, given the number of emails we’re getting from vendors,” said Meister.

Andrew Saidy, vice president for talent digitization at Schneider Electric, said one of the most concerning myths about AI is that people fear it’s going to replace them.

“I think it’s a myth that it’s going to replace so many jobs,” he said. “AI is creating the jobs of the future, not destroying jobs.”

Meister noted there’s some confusion around just what AI means to HR.

“As it relates to HR, I think AI stands for ‘augmented intelligence,’ not ‘artificial intelligence,’” she said.

Sarah Smart, Hilton’s vice president of global recruitment, shared how AI has helped the hospitality company enhance its recruitment process.

Hilton is in its fourth year of using a video-interviewing tool that uses “predictive intelligence” to analyze job candidates. It’s helped make recruiting at Hilton a more candidate-friendly experience, she said.

“It’s a highly competitive marketplace for the types of candidates we’re looking for, so we have to move quickly and show candidates the return on their time more quickly,” said Smart. “We’re seeing some really great results. We took down our time to fill a class from six weeks to one week, we have 400% more offers and our turnover rate has declined significantly.”

The tool helps recruiters determine more quickly which candidates have

CHROs, let us know what AI topics are on your mind by emailing hreletters@lrp.com. And then keep an eye out for our January/February cover story on the evolving role AI is playing in the HR space.

the most potential for the job, so recruiters can devote more time and attention to those candidates, she said. The efficiencies realized have also enabled Hilton to decrease its recruiting staff by 23% (those staffers were moved to other positions within the company).

“We actually consider the staff reductions to be way down on the list of the most significant accomplishments we’ve been able to realize,” said Smart.

For the remaining recruiters, their jobs have changed markedly, she said.



ISAAC BREKKEN

An HR Tech panel on AI featured remarks from Hilton’s Sarah Smart (from left), Schneider Electric’s Andrew Saidy, Delta Air Lines’ Jennifer Carpenter and TIAA’s Michael Bland.

“It’s a different job now,” said Smart. “They’re tech-implementation specialists, they’re recruitment marketers in a very data-driven way,

and they’ve developed that skillset by going through the implementation journey.”

—BY ANDREW R. McILVAINE

3 Ways HR Can Gear Up for the Future of Work

HR Tech came to a close with a keynote from Ravin Jesuthasan, managing director at Willis Towers Watson, who spoke about the future of work and the role that technology and HR professionals play in it.

“The pace of change that we’re seeing now is of a magnitude greater than anything we’ve seen over the last [few decades],” he said. “HR is changing from being the steward of employment to the steward of work. There has never been a better time to be in the HR profession.”

Here are three takeaways from Jesuthasan’s keynote:

Work is going to involve many different arrangements, and



“The pace of change that we’re seeing now is of a magnitude greater than anything we’ve seen over the last [few decades].”

—RAVIN JESUTHASAN

reinvention is key. That includes everyone from traditional employees to gig workers to volunteers, in addition to work done by robots and artificial intelligence. “We need to recognize that we, as individuals, will need to reinvent ourselves,” Jesuthasan said. “Our children will need to reinvent themselves three or four times [during their careers].”

Automation is here, but it doesn’t mean it’s replacing employees. To be sure, automation is having a big impact on the workplace and how companies function. Employers report automation is improving collaboration and information sharing and also enables

employers to use more non-employee talent, according to a Willis Towers Watson survey. But, at the same time, it’s not replacing human skills, Jesuthasan said. In fact, according to the consulting firm, nearly half of transforming organizations are using automation to create new types of work for humans. Employers also report automation requires them to pay more for employees with certain skill sets.

Employers need to ensure employees stay relevant. Forget just competitive pay—employees want employers to make sure their skills are useful and relevant, especially as the workplace evolves, Jesuthasan said. Going forward, a key HR skill will be to curate the optimal set of experiences for workers, including rewards, development and engagement. “The most compelling reason for joining or staying at an organization is the ability of my organization to keep me relevant, to ensure my skills are relevant in a world that’s changing,” he said. “Recognize that learning and development are the new centerpieces of the employee experience.”

—BY KATHRYN MAYER

Innovation Abounds at HR Tech

How Workday Harnessed the Power of Data

Today's HR leaders are drowning in data—but just *having* the numbers about the workforce is only the first step toward maximizing their full potential, said the keynote speakers at the opening session of last month's Women in HR Tech Summit.

A trio of female leaders from Workday dove into how data can drive career development, improve leadership and enhance the feeling of belonging throughout an organization during the first event of the HR Technology Conference.

Personalization is Key

When she started at Workday, Cristina Goldt—now the vice president of HCM products—said the organization only had 500 employees, and everyone wore many hats. Throughout her career, she held roles in solution architecture, product marketing, pre-sales and other areas—navigating her career path “without a guide.”

Now, however, HR leaders have a treasure trove of workforce data at their fingertips, which, with the right amount of personalization, can help employees—and employers—more deftly travel these paths, she said.

“Why shouldn't data be able to help people navigate through where they could go—or, where they should go—next?” she asked. When employers can learn about their workers' skills—the “connective tissue” that makes an organization run, she said—they can better match them with opportunities to promote internal talent mobility.

As an example, she referenced a retail customer that Workday worked with to build an Opportunity Graph. “It was a fancy name for ‘What's your next move?’ ” she said. The initiative highlighted potential paths for all employees, showing them how colleagues have moved throughout the business and also giving them the tools to understand how to get to there.

“Who are the people I want to connect with? What are the skills I need? What are the learning opportunities I need? And, if I'm ready, what open roles can I get into?” were all questions the graph sought to help employees answer, Goldt said.

A Lens into Leadership

When she started at Workday, Erin Yang, vice president of platform technology product and strategy, said she struggled to understand if she was an effective manager, acknowledging



Workday executives shared their experiences with gathering and effectively using data for storytelling during an HR Tech session. Speakers included Cristina Goldt, vice president of HCM products (from left); Erin Yang, vice president of platform technology product and strategy; and Carin Taylor, chief diversity officer.

she was just “winging it” and hoping for good results. About four years ago, the company conducted its first Great Place to Work survey of employees, which questioned Workday teams about their leaders and compared the data across the organization and to GPTW benchmarks. Yang learned where she was succeeding and areas for improvement, such as helping employees establish a better work/life balance and making expectations clearer.

“Now, I had a benchmark, I had data I felt like I could trust and I knew the areas I was underperforming,” she said. “That was a big milestone for me.”

Later that year, the organization launched pulse surveys that asked employees two simple questions every Friday, which, Yang said, helped illustrate to managers ongoing issues and trends.

“Being able to get that data in my hands in a dashboard I could check whenever I wanted, that was game-changing,” she said.

A team of data scientists drilled down into those numbers with the *Best Workday Survey* report, shared with employees, and that data also fueled the creation of the Workday Cloud Platform Culture Committee, in which employee volunteers started meeting last month to take a more active role in team performance.

“There's so much energy, and you can really see that, when people can be

empowered to make the change,” Yang said, “they're quite excited to do so.”

Moving from Diversity to Belonging

Data have long fueled efforts around diversity and inclusion, but at Workday, that focus has shifted more to the concept of belonging, said Carin Taylor, chief diversity officer.

“We've gone from representation to diversity of thought, inclusion for everyone,” she said about the evolution of using data to drive diversity. “What we're trying to solve for now is very different than just counting numbers.”

Inclusion, Taylor explained, is akin to being invited to a dance—while belonging is when you feel comfortable to actually hit the dance floor. “You can be included,” she said, “but still not feel like you belong.”

To tackle that concept, Workday launched the *Belonging Index*, which measures across five areas—gender, level, generation, ethnicity and location—to understand how comfortable employees of all different backgrounds and experiences are bringing their whole selves to work.

“[The data gathered] allow us to pivot and figure out where we may need to implement different programs, put different focuses and create different development opportunities for employees,” Taylor said. “It's an opportunity to dive deep around how to solve diversity and inclusion beyond representation.”

This summer, the company launched a full week of events—labeled VIBE Week, for value, inclusion, belonging and equity—focused on building a culture of belonging, with team activities, keynote speeches, panel discussions and development opportunities.

“What we didn't realize is the impact on our culture and that sense of belonging that this would actually have,” Taylor said. “It built connections far beyond what we thought could have been built.”

In one instance, workers built prosthetic hands for people who couldn't afford them. After the session, one employee approached Taylor and thanked her for the opportunity—noting her 7-year-old nephew had lost three limbs the year before.

“Those were the types of connections that you wouldn't think of with a ‘normal’ view of diversity—but these are the connections we want to bring into the workplace,” she said.

—BY JEN COLLETTA

See our full coverage of Women in HR Tech online at HRExecutive.com for stories like:

- How Agile Innovated Walmart's Hiring
- Why Parenting Shapes the Workforce

WELCOME



Thousands pour into the Expo Hall on opening night.

Scenes from Las Vegas



Shark Tank star Barbara Corcoran delivers the opening keynote, describing the business principles that launched her success.



Expo attendees have some fun at a vendor booth.



Several social events were held on the Expo Hall floor throughout the event that encouraged one-on-one conversations among conference participants and vendors.



Influencers Discuss HR Tech's Dramatic Shifts

Experts from Deloitte, Virgin Pulse and others look at how the HR-tech field is rapidly changing.

BY HRE STAFF

Below are excerpts of Q&As with several of our inaugural HR Tech Influencers about the dramatic shifts taking place in the world of HR technology (for the full list of Influencers, visit hrexecutive.com/top-100):



Erica Volini
U.S. Human Capital
Leader
Deloitte Consulting
LLP

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

There will not be an HR function that is not impacted in a significant way. Over the past few years, the areas that have seen the biggest transformation have been learning, talent acquisition and performance management. Over the next few years, I believe there is a huge opportunity in compensation—in particular as it relates to the shifts in work, in jobs and in skills. We should also expect to see a significant uptick in the use of AI across all functional areas.

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

The emergence of platforms that enable you to automate the flow of work throughout the end-to-end process. While we've automated the transactions through the current HR systems, the idea of being able to automate the entire end-to-end process to create a truly integrated, personalized and contextualized experience is a game changer for the HR-technology space. It not only will enable a better experience today, but will also allow for the continued absorption of new and emerging technologies over time.



Cecile Alper-Leroux
Vice President of
Human Capital
Management
Innovation
Ultimate Software

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

Other than the obvious compliance-tracking functions that will be replaced by robotic-process automation,

performance management will be most dramatically impacted—and it needs to be. How we assess people's contributions to the organization, and their impact on other people, their teams and the work community will be enabled by perceptive technologies and cognitive computing, all part of the umbrella of artificial-intelligence technologies.

With the ability to deduce meaning and motive from people's actions and words through interactive or passive distributed technology, leaders will be able to deeply understand people and what makes them most productive, fulfilled and driven—at an individual and team level. Combine that with augmented self-direction and machine assistance to amplify what individuals and teams can accomplish. The new, blended human and machine workforce will not be able to be assessed through traditional evaluation of past performance and goal attainment—it simply won't make sense, nor will such evaluations make sense. In fact, continuous performance and crowd-sourced performance will not be enough. We will need to broadly assess and measure people's and teams' impacts and contributions.

What is the most dramatic shift in the HR-tech space today?

The most dramatic shift is the need to get our workplaces back in sync with people, and HR tech has a significant role to play in this realignment. HR leaders need to address the dissonance that manifests in organizations as flat engagement and workforce instability, and create resonant workplaces where people can thrive, bring themselves fully to work and be their best.

This means moving beyond the limitations we currently place on people with archaic command-and-control structures, outdated definitions of leadership and extraneous transactional processes (such as position-based compensation, and annual performance evaluations and engagement surveys). This will require HR technology to become person-centered and experiential, as well as automation-enabled and intelligent, so it can facilitate more meaningful humanized interactions and focused work for people. This is in contrast to the traditional, transactional, HR-centric solutions most organizations use today.



Rajiv Kumar
Chief Medical Officer
and President
Virgin Pulse

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

There's been so much innovation over the last five years. That innovation, however, has led to a labyrinth of poorly integrated point solutions that are hard to access, get low engagement and, therefore, are largely ineffective. Today, employers are looking for consolidation—broad platforms that can serve as a central organizing force and engagement engine for their entire HR ecosystem.

Employers also are striving to improve security and data analytics; consolidation helps, too. It's difficult to perform security vetting on numerous vendors, but much easier to vet just one. Taking all the data from multiple vendors and translating it into something meaningful can be an impossible task. Consolidated platforms provide aggregated and integrated data that are more insightful and actionable.

What mistakes do HR organizations make in acquiring and implementing new technologies?

The biggest mistake we at Virgin Pulse see is the failure to follow known best practices. Every vendor that's been around for a decade or more has voluminous data to show what works—and what doesn't. We're surprised how often a company hires a vendor but then isn't open to adopting data-driven best practices recommended by that vendor.

For example, we've seen clients who follow our best practices achieve up to 90% employee engagement in wellbeing. But when companies launch technology-driven solutions without adhering to evidence-based recommendations for implementation and program design, they end up with average results, or worse.



Laura Hamill
Chief People Officer
and Chief Science
Officer of the Limeade
Institute, Limeade

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

The emerging technologies in HR are moving in a really interesting direction—away from individual point solutions and into an integrated platform approach. What's fascinating is how that corresponds to the breaking down of HR silos. No longer does each HR function have its own individual technology solution. Instead, there are integrated platforms that bring together multiple solutions. And I believe the CHRO will be impacted the most. These emerging technologies will force them to create more integrated people strategies. They will have to stop solving for specific HR functional needs but instead solve for the employee experience. This requires CHROs to be much more strategic and collaborative than perhaps they needed to be in the past.

Are certain strategies more effective than others to get your workforce to use new HR technologies being put in place?

There is a well-researched concept called organizational support theory that I draw on when thinking about implementing anything new in an organization. It's a simple idea—it's about how the organization shows that it is supportive of employees—that says that, when organizations actively and authentically support their employees, they are more likely to demonstrate mutual commitment. So, before you launch a new HR technology, think about how you'll support them and show that you authentically care about the topic in question. For example, if you are rolling out wellbeing software, it's critical that managers, leaders and teams show that they care about the wellbeing of employees. The culture should support it—and you should communicate to employees that wellbeing is important to the success of the business.



Katherine Jones
Independent Analyst

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

While AI and natural-language applications (both oral and written) will create major new platform plays, the greatest change may come from

PEOPLE SIDE OF DIGITAL

By Jason Averbuk/Columnist

use of blockchain in talent acquisition. Rather than leaving education and background experience up to chance or creative interpretation, candidates would have a verifiable trail of information, from grades to past jobs to arrest records. Hiring parties can determine what data makes sense—as they do today. Only in cases, for example, in which a candidate will have fiduciary responsibility might past bankruptcy data appear. Candidates can control irrelevant data (past medical records, for example), but data relevant to a position would be blockchained.

The ramifications include no fudged college records or degrees, and perhaps the ability to ensure that child molesters are not driving school buses or DUI arrestees are not driving for Uber. Blockchained records for talent acquisition would disintermediate background checkers, as background information would be both current and trustworthy. AI functionality can decipher relevancy of past history to the job requisition, providing a filter up front that recruiters and hiring managers cannot see today.

What mistakes do HR organizations make in acquiring and implementing new technologies?

Understanding the staffing impact of new cloud solutions is a major issue. The advent of cloud solutions put HCM-software acquisition in the hands of HR leaders, in some cases for the first time. Analysts like us touted the value of the cloud in terms of support costs, access to innovation and amalgamating disparate HCM systems—but failed to help companies anticipate the “people power” they would have to dedicate to ensure the success they anticipated.

The pace of new releases, which often cover many different HR functions, require those with functional expertise to evaluate; HR policies that now cover what gets implemented with each release with an eye toward the greater corporate good, not just what is easiest; and solid understanding of where and to what end underlying AI functionality is embedded. The failure to plan and budget for adequate post-go-live solution management impedes delivery of the value promised in these cloud solutions, as “day jobs” often get attention over thoughtful new-release management.



5 Steps to Digital Transformation

“He who fails to plan is planning to fail.”—Winston Churchill

Organizations are undertaking digital transformation in an effort

to improve and innovate workforce experience, drive efficiency, harness data insights and prepare the business for growth. Even if you have nothing called digital transformation in your 2020 plans, we are always maturing—every one of us. Your business cannot grow, change or adapt without digital transformation or maturation.

HR owns the digital transformation of your workforce—a workforce that is ready for it ... waiting for it ... expecting it! They want to complete work tasks as easily, as seamlessly and in the same frictionless way they complete activities in their daily lives.

Your workforce is ready. Are you, HR?

HR Readiness for Digital Transformation

Most digital-transformation projects fail. CIO.com declares only 3% of organizations report complete, sustained success of their transformation effort. I’d venture to guess many of these “failed” transformations probably executed a transition of technology or processes versus a true transformation. *Harvard Business Review* suggests lots of reasons why transformation fails. Since every digital transformation requires people transformation, monitoring and managing workforce experience can make the difference between project failure and success—and your ability to compete and thrive.

Most of these transformation projects will fail if they lack a clear vision and strategy to execute—a digital-transformation vision that’s both defined and embraced from the top down in your organization. The most common conundrum we hear at Leapgen is lack of executive buy-in on a shared vision of the desired end game. I shared my thoughts recently on our overly casual use of the term “experience.” Employee experience, executed correctly, will have the biggest impact on the HR function compared to anything else we’ve done in the past five decades. Everyone in your organization, beginning with the CEO, needs to have a clear vision of what employee experience means to your organization. Only then can you make critical decisions about how to design, deliver, measure and sustain it.

Digital-transformation initiatives also fall short when they fail to plan prioritized deployment to key segments of the workforce—as opposed to a big-bang approach, when they lack the required funding to see the project through to completion and when they fail to engage critical stakeholders. Most transformation projects, for example, include a project sponsor and steering committee, along with the system administrators and testers, who help to configure and deploy technology. But, have you also arranged a “voice of the workforce” advisory board representing the needs of your workers? How about enabling and sustaining the change you set

out to accomplish through a change-management task force with marketing or internal communications support? Then there’s data migration and integrity and the new possibilities of real analytics after your transformation work is complete. The possibilities of data consolidation and insights, and true people analytics, should have been among the business outcomes you set out to realize; are you reaping these rewards?

Critical Components for Success

Successful and sustained digital transformation of workforce experience will address the following five critical components of transformation:

1. Organizational readiness

- Buy-in by key leaders
- Employees and managers ready to embrace new processes
- Access to devices and tools required to support future state
- Budget and resources to support rollout and beyond

2. Process and solution readiness

- Optimal business processes designed in preparation for digital solutions
- Voice of the customer (i.e., your workforce) research informing the design of your solution
- Software selection considers fit within overall architecture

3. Content/knowledge readiness

- Content managed in such a way to deliver personalized insights (i.e., notifications, campaigns) and digital experience (i.e., FAQs, how-to’s) to your workforce
- Content channels meet workers where they are; content optimized for digital delivery and consumption
- Content managers in place to create, update and maintain ongoing, relevant content that meets usability standards

4. Change readiness

- Key stakeholders identified who will adopt and adapt to change
- Change champions help communicate “What’s in it for me?”

5. Data readiness

- Future-state architecture, integration points and reporting needs defined
 - Data normalized for migration, including historical data
- Failure to address any one of these critical components will cause your digital-transformation project to fall short of intended business outcomes. Remember, your business cannot grow, cannot innovate and change, and cannot compete and thrive without long-term, successful, sustained transformation.

Jason Averbuk 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.

Tips for CHRO Success

Putting the right people in the right jobs: That responsibility alone should consume 80% of your time as an HR leader working to align your company with the new digital-based reality of business.

That was the message legendary global business adviser and

author Ram Charan hammered home when speaking with thousands of HR executives gathered in China recently.

Ensuring that your company hires the right people and puts them in the right jobs will ensure your value to the company and its success, the keynote speaker told nearly 10,000 HR leaders

attending HR Technology Conference & Exposition[®] China in Shanghai this spring. Charan, who has spent his career advising leaders of such companies as GE, Bank of America, DuPont and Verizon, provided one key tool for accomplishing that. Practice it, he insisted, as a potential Olympic athlete would practice his or her sport and you will be successful.

“Your first thing to do is to improve your judgment analysis of identifying the talent in human beings,” Charan said.

His recommended tool?

Immediately after meeting someone who works for you, with you or above you, evaluate their talents or gifts.

“Take 30 seconds after you finish and recite to yourself, ‘What is the talent of this person?’” he said. Articulate the talents precisely and without considering any of their negative qualities. Memorize the talents you identify—strive to identify three of them, he says—and then verify those talents when you meet again. This will help you ensure everyone is in the right job.

Consider Steve Jobs, the late co-founder of Apple. He had three talents:

- the ability to figure out what the consumer wanted;
- the ability to link technology with the consumer’s desires; and
- the ability to produce those things with high margins.

Jobs focused on those responsibilities at Apple and was able to create what would become the world’s first trillion dollar company.

With those you meet, consistently and regularly ask, “What is this person’s talent? What is this person’s gift? Ask others to tell you what yours is. Expand them, hone them, practice them,” Charan said. And then consider what job fits those talents.

“If the fit is good, then you see a lot of energy, a lot of motivation, and people love to get out of bed when the fit is good,” he said. “Right people in the right jobs.”

Charan provided several tips for CHROs wanting to become a key part of an organization’s leadership team. Here are a few others:

- Become predictive, especially in hiring. Think eight quarters ahead about what kind of talent will be



Ram Charan

needed and start pursuing it now;

- use data to provide the foundation for using your intuition and your judgment;

- design your organization’s structure for speed and adaptability because strategies change so often; and

- delegate and/or automate transactions so you can find, hire and retain the right people, in the right jobs.

—Elizabeth Clarke

HR IN THE FLOW OF WORK

By Josh Bersin/Columnist



5 Ways to Keep up with the Pixelated Workforce

Almost 40% of Americans now have part-time or contingent jobs, according to MBO Partners, a company specializing in the independent-employment market. Deloitte research found that almost two-thirds of young people are doing “side hustles.” And, according to ADP sources, the number of W-2s filed since 2000 has gone down by almost 4%, while the number of 1099s filed has gone up by 34%.

Such data, along with my own research, clearly show that workforces have changed, with companies increasingly relying on a variety of employees—such as part-time and temporary workers, contractors and freelancers.

I call this new independent workforce the “pixelated” workforce. Rather than viewing workforces as homogenous (largely full-time, with one-size-fits-all approaches to management), we need to view employees as individuals (like pixels) who choose their own way of working based on skills, location, age and lifestyle.

Pixelated workforces are now impacting every segment of business. Many companies outsource the handling of sales inquiries or customer service to third parties. Pharmaceutical firms often outsource R&D and drug testing. Marketing organizations are probably the biggest users of pixelated workforces. For the most part, this transition has been a good thing. People who are experts at a craft can now ignore the politics of “climbing the corporate ladder” and just do the work they love.

The latest study by MBO Partners really drives this home. According to its research, independent workers generated \$1.3 trillion of revenue in the U.S. last year, and 48% of U.S. adults are working or have worked independently during their careers. More than 80% of independent workers are doing so voluntarily, and 76% are highly satisfied with their choice of work arrangement.

Interestingly, job satisfaction among independents is now higher than that of full-time workers, and more than half of respondents thought working independently was less risky than full-time employment. The biggest issue faced by independent workers is the cost of healthcare.

Employers Have Not Caught Up

However, most employers have not caught on to this new workforce trend. As we found in research conducted in partnership with HR People & Strategies earlier this year, only 16% of organizations have a workforce strategy to address the pixelated workforce. Those that do are almost four times as likely to describe themselves as market leaders or leaders in innovation and growth.

Harnessing the value of the pixelated workforce and managing it strategically are key competencies not yet in place in most companies. Following are some of the top-level findings and recommendations that came out of our study:

Too many companies still delegate the “contingent” workforce to the purchasing department, where expertise in talent sourcing, management and measurement of talent, and ongoing development is weak.

Examine various HR policies, from hiring to training to diversity and inclusion, and think about how these should be applied to the pixelated workforce.

Invest in contingent-workforce systems that help you better manage all employees. Most traditional HCM systems don’t manage contingent work very well, so companies tend to buy vendor-management systems to do this. A new breed of tools (such as Workmarket from ADP, Gloat and others) is starting to make this easier.

Educate your hiring managers with guidelines on when to hire externally, when to source internally and when to use alternative workers. HR leaders have the opportunity to establish standards that help managers with such hiring in more strategic ways.

Put together a plan to embrace and engage your pixelated workforce, and make them part of your employment brand.

Take care of them and they will take care of you.

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.

Next year, HR Technology Conference & Exposition[®] China will take place June 16-17 at the Shanghai Expo Center.

Companies such as Walmart have extensive plans in place for extreme weather—for good reason. BY ANDREW R. McILVAINE

Ready for Weather Woes?

Pop quiz: What's the most dangerous part of a natural disaster?

Answer: For an organization's employees, it's typically the post-recovery period.

"There are a ton of hazards," says David Barry, national director for casualty risk control at Willis Towers Watson.

From the electrocution risks posed by downed power lines to the fire and asphyxiation dangers presented by portable generators, the intense clean-up and repair operations that typically follow in the wake of hurricanes, floods and tornadoes can be lethal when HR fails to ensure that a carefully considered recovery plan is in place, says Barry.

It's yet another reason why a natural disaster is as much an HR problem as anything else.

From a weather perspective, we're living in interesting times, and the data suggest they'll only get more interesting. Last year was the fourth warmest on record, and scientists generally agree that rising ocean temperatures will lead to more intense hurricanes in the future. Further inland, hotter temperatures and less-frequent rainfall is leading to longer, more intense wildfire seasons in the U.S. and other countries.

Hotter, drier temperatures "are going to continue promoting the potential for fire," John Abatzoglou, an associate professor in the department of geography at the University of Idaho, told the *New York Times* recently, describing the risk of "large, uncontrollable fires globally" if warming trends continue. Unusually large fires this year in Siberia and the Amazon rainforest released enormous amounts of carbon dioxide into the air, which will likely accelerate global warming—and increase the likelihood of major weather events.

Then there are the demographics. Over the last 20 years, nearly 8 million people have moved toward the Gulf of Mexico and Atlantic coastlines, reports



the U.S. Census Bureau. "As our population continues to shift toward coastal areas, we have a lot more people and facilities exposed to these coming storms," says Barry.

It all points to the need for companies to have a disaster-recovery plan in place well before a natural disaster hits, he says. Training and communications—which are often within HR's purview—are essential elements of those plans.

"You'll need to anticipate employees having lots of questions," says Barry. "And in post-recovery, you'll often have employees performing tasks they're not used to doing, working with equipment they're not familiar with. It's important to plan well in advance."

The Wellbeing of Others

Walmart, which has nearly 400 stores and facilities in Florida (which,

up until the last moment, was thought to be in the direct crosshairs of September's Hurricane Dorian) and employs close to 106,000 people in the state, is—like most national retailers—no stranger to coping with natural disasters.

Preparing for an event like a hurricane is a "team effort," from store-level employees to the staff at the company's Emergency Operations Center to those who'll be responsible for making repairs afterward, says Jeff Lee, Walmart's chief for people support and strategy at its EOC.

In addition to ensuring it has updated contact information for employees and that they have key numbers to call for assistance, the retailer has put a number of initiatives in place to help employees. These include a program to assist full- and part-timers who miss work due to their

store being closed and opportunities for employees to work at another Walmart location, says Lee.

The retailer's Resources for Living program makes licensed counselors available to employees at no charge to them, says Lee, while employees who suffer a "severe loss" due to a weather event can obtain financial assistance through its Associate in Critical Need Trust program.

Employees tend to have common questions before and after an event, typically around whether their facility is closed, when they can return to work and whether they can assist with helping the facility re-open, says Lee. However, the most frequent question they ask is, "How are my fellow associates?"

"They genuinely are concerned about the wellbeing of one another," he says.

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Tabletop Exercises

Companies like Walmart, which have operations spread over a wide geographic area, typically have carefully thought-out disaster-preparedness plans in place. But simply having a DPP isn't enough—managers and employees must be familiar with it, says Barry, who calls himself a big fan of “tabletop exercises.”

A tabletop exercise is a simulation in which key team members meet to discuss the DPP and their roles in it and analyze what they'd do in a variety of scenarios. The goal, says Barry, is to ensure that the plans stay relevant and employees understand their responsibilities.

“You can have a plan but then, when disaster is about to strike, you find out a key person has left or a vendor you'd planned to rely on is no longer available,” he says. “By holding a tabletop exercise at least once a year, you can stay prepared.”

DPPs should include provisions for safety training—ensuring employees understand how to operate portable generators safely, for example, and know the precautions to take when downed electrical wires are nearby, says Barry.

Communication is also vital, particularly around benefits, says Jo Acker, senior director for communications and change management at Willis Towers Watson.

“You need to have a strategy for reaching employees who may not have access to the company computer network,” she says.

Companies shouldn't just have a communication plan in place—they should also be prepared for the likelihood that their normal modes of communication will be disrupted.

“Whether it's email, Zoom or Skype, your regular format for communicating may not work during or immediately after a hurricane,” says Renata Elias, a vice president and consultant with Marsh Risk Consulting. It's best for organizations to prepare ahead of time by setting up an 800 number for employees to dial into and consider

alternate ways of sending out information, such as a Twitter feed and texting, she says.

“Make sure employees know about these alternatives,” says Elias. “A robust plan for events like hurricanes should have built-in redundancies.”

Control the “Controllables”

Terry Lyles, a stress consultant and author of the soon-to-be-released



“I have one client that, during Hurricane Harvey, allowed employees to submit requests for paycheck advances, and thousands of employees did. It gave the company a tangible way to show employees it cared about them.”

—JO ACKER, SENIOR DIRECTOR FOR COMMUNICATIONS AND CHANGE MANAGEMENT AT WILLIS TOWERS WATSON

book *Performance Under Pressure: Crack Your Personal Stress Code and Live the Life of Your Dreams*, has worked with emergency responders and members of the armed forces dealing with the aftermath of natural disasters. One of the most important things organizations can do, he says, is to keep in mind that employees are often preoccupied with an upcoming weather event even as they're trying to do their jobs.

“They're trying to deal with life as they're working—‘Will I have access to fresh water? Will I have enough fuel? How can I keep my family safe?’—so be really sensitive to people's psyches during times like these,” he says.

Lyles—who, incidentally, is based in South Florida—adds that, in the wake of a hurricane or other extreme weather event, an invaluable approach to stress management is to try and keep things in perspective.

“The important thing is to try and control the ‘controllables,’” he says.

“If you've survived without major loss of life or losing your house, then count your blessings and stay focused. All the rest of it is simply clean-up and doing what you have to do.”

HR can help alleviate employee stress by anticipating the questions they'll have and ensuring the relevant information is accessible, says Acker. Vendors can often be vital sources of this information, she adds.

“Many vendors have great material around what to do during a disaster, such as a community guide on where to go for support, who to contact for power outages or road issues, tips on applying for disaster assistance and what to do if you have flood-related damage to your house,” she says. “It's better to take advantage of these existing resources rather than trying to create them yourself.”

Benefits such as back-up childcare and financial-wellness tools can be critical for employees during such times, says Acker. Some of her client organizations provide special benefit provisions in the event of natural disasters—these include waiving co-insurance, copays and fees for things like medical consultations and emergency-room visits, she says.

“I have one client that, during Hurricane Harvey, allowed employees to submit requests for paycheck advances, and thousands of employees did,” says Acker. “It gave the company a tangible way to show employees it cared about them.”

For employees faced with major home-property damage, the stress of natural disasters will (naturally) be intensified.

Ann Cosimano, general counsel for insurer ARAG, wrote last year for *HRE* about the precautions employers and their workers need to take to guard against identity theft and consumer scams in the wake of storms. Homeowners can be especially vulnerable to scams while they're in the process of trying to find contractors to repair storm-related damage, she writes. They can also

be confused or uninformed about their rights and responsibilities in such matters—for example, they're responsible for clean-up and removal of damage from their property even when the damage came from a fallen tree limb from their neighbor's property (unless the homeowner can prove negligence on the part of their

neighbor in maintaining the property). Employees should be made aware of the red flags to watch out for when evaluating contractors (for example, repair estimates that are significantly lower than competitors') and to have all contracts reviewed by an attorney before signing them.

HR should also be ready to help their companies avoid public-relations disasters. During Hurricane Irma in 2017, some Florida residents complained of being coerced by their employers to report to work regardless of the storm—or else be fired. Companies such as Lowe's and Pizza Hut blamed “rogue managers” for violating company policy by requiring them to work, but the damage was done.

HR leaders should ensure their contingency plans address the questions employees are likely to have, such as whether or not they'll continue to be paid if the workplace remains closed, when they'll be able to return and whether help will be available for employees whose homes have been lost or severely damaged, says Elias.

“The quicker employees are back on their feet at home, the quicker they can get back to the workplace,” she says.

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

The Health & Benefits Leadership Conference will take place April 15-17, 2020, at Aria Resort & Casino in Las Vegas. For more information, visit www.benefitsconf.com.



“You'll need to anticipate employees having lots of questions. And in post-recovery, you'll often have employees performing tasks they're not used to doing, working with equipment they're not familiar with. It's important to plan well in advance.”

—DAVID BARRY, NATIONAL DIRECTOR FOR CASUALTY RISK CONTROL AT WILLIS TOWERS WATSON

WHAT'S AHEAD



Michael Burke, CEO,
Human Capital Solutions,
Aon

Aon's HR 2020 Forecast: What to Expect in the Year Ahead

Among all the challenges facing businesses today, the need to think differently about how to plan to hire, train and retain people has become clear—especially as your organization works to cultivate a more digitally ready workforce. Many business leaders are searching for talent to drive innovation but are still unknowingly spending money and time recruiting for skills that will soon be obsolete.

At this time of rapid change, it is more effective to focus on the bigger picture and less on predicting future business models or new technology. The challenge will be: “How do I build a workforce that is agile, resilient and capable of change?”

Your business has choices in what technologies it decides to integrate or leverage, and those decisions should be based on your customers’ preferences and your existing business model. But all this is redundant if your workforce lacks the cognitive diversity to adopt and embrace change.

One way HR can help drive greater success in 2020 is by ensuring that companies have the talent-assessment, reward and performance tools they need to find core capabilities and traits such as agility, learnability and curiosity. Employees with these kinds of “soft skills” are more likely to succeed at handling disruption and change—big or small—which, in turn, leads to better performance and less turnover. More specifically, your HR organization can work with a partner and your business leaders to help your company hire, deploy and retain the right people by creating and executing a roadmap for the workforce of the future.

The odds are good, for example, that the talent pool you need to recruit from today is deeper and wider than the pool you knew just a short while ago. However, the questions you used to ask were:

- Who are we up against in the market?
- What do they pay?
- Are we positioning the job right?

Now, these are more forward-thinking questions like:

- How will disruption impact us?
- Do we have the right talent for the future?
- Where are my most significant people risks? What is driving those risks?



- Who is our pivotal talent? Are we leveraging them fully?

Another challenge for organizations in 2020 is being able to consistently offer compelling work and career paths that resonate with a workforce whose demographics and expectations are becoming increasingly more diverse. We’re seeing experience and skills becoming more relevant than traditional education, and today’s talent is looking for experiential mobility and agility within an organization.

Today, people entering the workforce want to work for innovative firms like Google or Tesla that value innovation rockstars and create social impact throughout the firm—not just on the side or as an afterthought or offset. These companies all have a clear collective ambition; they understand that they must offer a galvanizing mission and impact that are supported with intentional human-capital alignment: talent assessments to ensure the workforce has the right skills and behaviors, job

architecture that supports mobile and agile career paths, and pay that is flexible and rewards pivotal talent.

Another tool increasingly being leveraged by today’s businesses and HR organizations is people analytics, which establishes causal relationships, delivers actionable insights and ensures the focus is on answering the most impactful questions. When done well, people analytics can help enhance business decision-making and accelerate adoption and change.

Considering all these trends and drivers in disruption and innovation, in the coming year, we foresee HR becoming a much more critical function in terms of talent development and aiding in the alignment of business development to business strategy. HR is uniquely positioned to move your business toward the workplace of the future.

To learn more about Aon’s view of the biggest challenges facing HR, download our white paper: <https://aon.io/3BiggestRisksImpactingHumanCapital>

WHAT'S AHEAD



Kevin Robertson, senior vice president, chief revenue officer, HSA Bank

Break the Up-and-Down Cycle of Employee Engagement

If you're a human resource or benefits manager, you already know that open enrollment is the busiest time of the year for you—and probably the busiest time at your company. With open enrollment quickly approaching, you likely know how to make this process as effective and efficient as possible.

But when open enrollment ends, are your employees still engaged in their healthcare benefits? Are they making the most of what these benefits can do for them? And even more so, how does employee engagement impact business?

The numbers are clear that there is a direct correlation between engagement and revenue. Gallup's 2017 *State of the American Workplace Report* says that business units within organizations that ranked highest in employee engagement showed 17% higher productivity, 20% higher sales and 21% higher profitability when compared to those that rank lowest. Plus, actively disengaged employees are almost twice as likely to seek new jobs.

By following a simple guidance-to-confidence approach, you can feel confident that employees have what they need to be engaged in their healthcare benefits—not just during open enrollment, but throughout the plan year.

1. For starters, guide, don't educate.

Behavioral science tells us that no one wants to be educated. Toddlers ... students ... the same goes for your employees. They don't want to be told what to do. Unfortunately, they also don't always know what to do themselves.

Healthcare can be complicated and even frustrating to navigate. This creates a knowledge gap when it comes to healthcare decision-making. A recent survey found that just 18% of consumers understand what they pay in their monthly premium, copay, co-insurance, deductible and out-of-pocket maximum. That's less than a quarter of your employees! And, whereas 83% of college graduates know what type of health plan they have, only 68% of individuals with a high school education or less understand their health plan type, possibly putting them at a

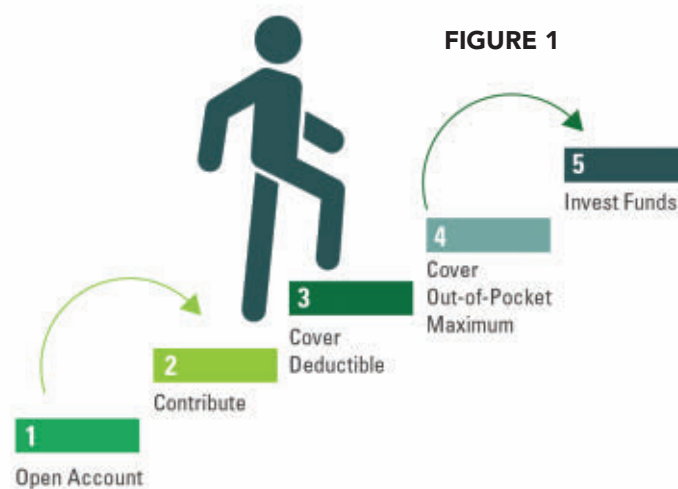
disadvantage when they try to access healthcare services.¹ This lack of understanding and engagement could greatly impact your workforce and their families, and depending on your industry, could leave well over a quarter of your employees in the dark.

To help clear away the clutter of health plan confusion, offer your employees personalized assistance, insights and tools like a health plan comparison calculator.

2. Build upon their interest.

Once your employees have selected their health plan, continue to reinforce their decision and build their confidence. Employees confident in their health plan decisions are more likely to maximize what the benefits have to offer. For employees who selected the Health Savings Account (HSA)-eligible health plan, guide them through these five steps (see **FIGURE 1** above).

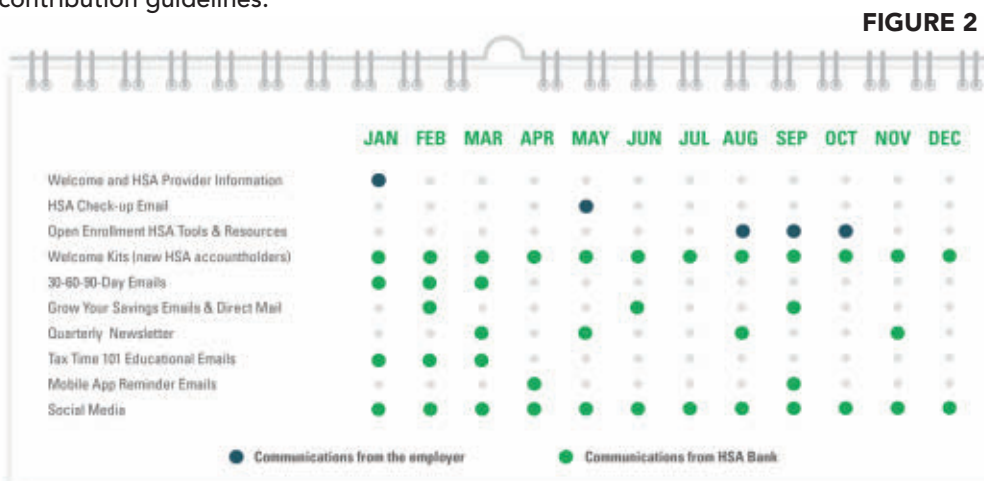
Encourage employees to use their HSA and participate in preventive healthcare by rewarding them with HSA contributions from the company for measures such as routinely exercising, receiving health coaching and completing a health risk assessment. Guide your employees to contribute on their own by supplying them with tools like a contribution calculator that can help them determine a consistent payroll deduction that will both fit their budget and fall under the IRS maximum contribution guidelines.



3. Continue guiding throughout the year.

Consistent engagement is all about baby steps. Get your employees to participate first, and then provide guidance and resources on a regular basis throughout the calendar year. Below is a sample communications plan HSA Bank uses to ensure its members receive timely and relevant information (see **FIGURE 2** below).

By keeping employees engaged, they'll build enough in their HSAs to cover their deductible and their out-of-pocket maximum, and then become confident enough to invest their HSA funds. And if you partner with an HSA provider who can elevate HSA communication plans and supply you with relevant tools, you can increase the level of employee engagement with HSAs year-round.



¹ HSA Bank Health & Wealth Index. HSA Bank. March 19, 2019. <http://www.hsabank.com/hsabank/learning-center/index2019>.



Guide Your Employees to Confidence and Healthcare Engagement

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WHAT'S AHEAD



Matt Marek, chief executive officer and president, Further

Making the Shift: Promoting Health, Not Just Wealth

Projections state that healthcare costs will continue to grow 2.7% into 2020 and beyond. As a result, employers will persist in shifting costs to their employees, namely by implementing high-deductible health plans. Employers need to know, however, that there's another way to increase company savings and offset healthcare costs—health savings accounts (HSAs).

HSAs were originally launched as financial tools to, primarily, build wealth; so, the banking industry positioned them as long-term savings and retirement-planning tools. Fast-forward to today: The market has transformed.

As employees bear greater healthcare-cost burdens, HSA account holders are unwilling—and sometimes unable—to save their money for retirement or even an unforeseen future healthcare need. They're tapping into their HSA dollars to pay for their healthcare needs today. In fact, a recent study points out that 76% of HSA funds contributed in the last year were withdrawn. With this in mind, it's time that employers and benefits specialists position HSAs as healthcare spending tools—for building health, as well as wealth.

What does that mean for you as an employer?

Employers are instrumental in helping their employees become engaged healthcare consumers, and can do so by equipping their workforce with the tools they need to learn to maximize their HSAs. To spend every day and dollar wisely, employees need:

- consumer financial accounts that give equal weight and presence to healthcare spending and saving;
- multi-channel education opportunities that drive consumer health literacy and engagement; and
- information on how employers and employees, together, can reduce healthcare costs and improve health.

At Further, we know that employees who use their HSA dollars to pay for care now are more attuned to their benefits



as a tool to help achieve healthier lives. They're also looking to spend in an informed way.

As we enter open-enrollment season for many employers, communicating benefit offerings effectively to employees is an important first step for employers to take to create a growing pool of informed spenders. As you plan your benefits-communications strategy, we encourage you to make the shift—to emphasize an HSA as a tool for building health, not just wealth.

Because HSA spenders are more likely to have a high degree of health literacy, shop for the best price and demand the highest value in their healthcare, they

can ultimately drive market competition and push costs lower. As an employer, you can play a pivotal role in making this a reality.

President Trump's June 2019 executive order on healthcare-cost transparency aims to improve patients' awareness of price and quality. And our data show that consumers are eager for healthcare-price transparency, eager for true healthcare consumerism. In fact, consumers now directly control \$330 billion annually in out-of-pocket healthcare expenses, and the choices they make have the potential to affect 61% of all healthcare spending.

This is consumer empowerment.

¹ National Health Expenditure Projections 2018-2027

² 2018 Year-End Devenir HSA Research Report

³ <https://healthcare.mckinsey.com/enabling-healthcare-consumerism>



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WHAT'S AHEAD



Megan Detz, chief people officer, VARIDESK

2020 Vision: A New Perspective on the Future of Work

A new decade is approaching quickly, but the future is already here. And while plenty of evolutions didn't come to pass by the year 2020 (e.g. flying cars), many others we didn't anticipate did.

Think about a common workspace from 20 years ago: depressing rows of cubicles coated in neutral-colored carpeting; energy-sapping fluorescent lighting overhead; heavy, wood conference tables anchored behind even heavier doors—not the most nostalgic memory.

The office of today (and tomorrow) looks nothing like those versions. The impetus behind a successful company's office setup isn't squeezing the most value out of every square foot at the expense of employees. Instead, forward-thinking businesses now prioritize flexibility and collaboration within their office space. Those cubicle walls are coming down, and none too soon.

To remain relevant in a hyper-competitive job market, companies must put their workers first — and a flexible workspace that caters to their various needs is the best place to start.

Back to the Future

When it comes to the workplace, the decade about to close will best be remembered as one in which employees started demanding more—the push for equal pay, the clamor for better benefits and more purpose-driven work.

Now, employees are gravitating back to participating in an office space and demanding a different kind of flexibility. Science has repeatedly determined that movement leads to happier, healthier workers—and common sense finds that satisfied employees are more productive than their uninspired peers. Smart businesses have taken notice and are renovating their office spaces to be more dynamic as a result.

Achieving that flexibility can take many forms, from standing desks to agile conference rooms that have moveable walls and tables. Nothing needs to be bolted down anymore; you can literally rearrange the space in minutes with adaptable furniture and accessories.

As a company, VARIDESK has never stopped modifying our industry-leading processes. We strive to offer holistic, end-to-end solutions that are simple and transparent. Buying from traditional furniture dealers can feel like an antiquated



process, rife with middlemen, mysterious charges and bloated timelines. We've created a better way by rethinking every step of the furniture-buying journey.

By taking a direct-to-consumer approach, VARIDESK is able to shave months off what used to be a painstakingly long process. The time from the initial call to the final install—which includes a customized design plan—is a mere 28 days. Think about that: Your office could make a quantum leap into the future in four weeks.

When you factor in our transparent pricing structure (no hidden fees), our simplified warranty (no-hassle product replacements) and our industry-leading customer service (dedicated account managers committed to elevating your workforce), there's simply no better solution on the market today.

Full Speed Ahead

The idea is to make the furniture-buying process as easy, efficient and fun as possible. Consider some of the benefits your business could reap in four weeks' time by investing in a new, dynamic workspace:

1. Better productivity. No matter the type of company or industry, everyone is laser-focused on productivity. Teams need to be inspired and innovative. Creating flexible environments where teams can be their best selves is paramount, and

promoting collaboration versus shackling people in cubicles or behind office doors will get the desired results. Productive employees are those who are working together and inspiring others along the way.

2. Heightened performance. Flexibility allows for collaboration, which naturally leads to better production outcomes. Teams' needs change all the time, so having adaptable furnishings (e.g. moveable whiteboards) and a variety of workspaces within the office is key. Improved performance is a byproduct of that approach.

3. Recruiting advantages. From a human resource perspective, a flexible workspace that employees want to come to is a huge recruitment and attraction tool, especially in today's competitive landscape where top talent has many career choices. Candidates are demanding offices that are appealing and cultures that are inviting. A flexible space that's buzzing with energy provides both.

Having access to a dedicated partner to help transform your workspace in a matter of weeks has changed the game. Gone are the days of making heavily anchored furniture decisions that could take months upon months to get designed and installed. Through prioritizing speed and flexibility at every turn, VARIDESK brought a better furniture-buying future to life.

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WHAT'S AHEAD



Mike Estep, vice president,
group products and worksite
leader, Guardian

What Employees Want: How Voluntary Benefits Can Drive Retention in 2020

Americans spend a significant amount of money on healthcare—almost \$3.5 trillion in 2017, which is 17.9% of gross domestic product (GDP). In comparison, healthcare cost just 5% of GDP in 1960.

This rise in healthcare costs has, in turn, led to more expensive health insurance, prompting employers to rethink their overall employee-benefits offering. Their challenge: how to balance the company's share of the cost with how much will fall to employees—ultimately impacting employee engagement and retention.

High-deductible health plans (HDHPs), premium increases and policy limitations have placed greater financial responsibility on employees. For example, 70% of employers now offer HDHPs—leading to a 53% increase in deductibles for employees.

With a 3.7% U.S. unemployment rate, there is a growing surplus of available employment opportunities for the nation's workforce. Companies wanting to attract new hires and retain existing employees in such a competitive landscape are taking a deeper look at the benefits they offer. But beyond medical and retirement, what could an employer provide that would appeal to employees and help improve retention in 2020 and beyond? In other words, what do employees want that would influence their decision to work for an employer?

In the *Sixth Annual Guardian Workplace Benefits Study*, employees shared the top benefits that would motivate them to want to work for an employer. A popular choice—55% of employees want supplemental health-insurance benefits.

Supplemental insurance offerings, like accident, critical illness, cancer and hospital indemnity coverage, were viewed as a welcome addition to help pay for expenses not covered by their medical plan, as well as expand care possibilities. According to the study, most employees appreciate the "safety net" supplemental insurance plans provide—both on the wallet and on the mind.

Service Tire Truck Centers, headquartered in Bethlehem, Pa., is one example of how voluntary benefits can make a difference.

"Even though we provide great medical coverage to our employees, there are still those additional costs that they could

use assistance with, whether it's the copays or deductibles or anything else like that," said Stan Carreras, Service Tire's branch manager. "And a lot of these voluntary coverages that we can offer to them are going to assist them in that way."

Having an expanded benefits package offers financial security when the unexpected happens. Covered employees could receive a cash benefit that they can use to pay for whatever expenses they deem fit, such as a hotel room when getting treatment, childcare or a nurse, or for all the treatments not completely covered by insurance. That way, they can focus on getting better sooner rather than worry about dipping into savings or college funds to pay for medical expenses.

"We had an employee in the retread shop this year who had a foot injury, went for surgery, it didn't quite go as planned and she couldn't return to work," said Carreras. "She had Guardian accident insurance and that helped her a lot with paying her mortgage, utilities, groceries and stuff like that."

The study also identified a demand for more flexible, personalized, employee-paid plans that can help improve health and financial security. Seventy percent of employees strongly agreed with the statement: "I am more likely to be loyal to a company that offers me employee benefits personalized to my needs."

Other insights from Guardian's Workplace Benefits Study: 58% of employees mentioned they want paid time off for parental bonding/to care for a sick loved one, 25% want student-loan-repayment benefits and 22% want help with mental-health/substance-abuse issues.

That's not surprising considering that, when workers feel their benefits package is not meeting their personal needs, it is



easier for them to conclude that their overall value to the company is not recognized. The bonus for employers is that workers who do believe their employer cares about their overall wellbeing are nearly two times more likely to prefer to stay with their company for at least 10 years.

Retaining employees for longer periods can have numerous benefits for an employer, including the time, effort and cost associated with finding and training the right people for the job. It's more important than ever for companies to provide the best employee experience possible. This includes having a better understanding of today's diverse workforce, as well as an increased awareness and understanding of what benefits would best align with employee needs and desires.

We asked what employees want, and they told us. Expanding beyond core benefits and offering supplemental health coverage can help provide employees with an extra layer of financial security and wellbeing.

Unless otherwise noted, the source of all information is Guardian's Sixth Annual Workplace Benefits Study: What Employees Want (2019). <https://benefits.guardiananytime.com/what-employees-want/p/1>

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WHAT'S AHEAD



Ryne A. Sherman,
chief science officer,
Hogan

Challenge 2020: Becoming Data-Driven about Talent Decisions

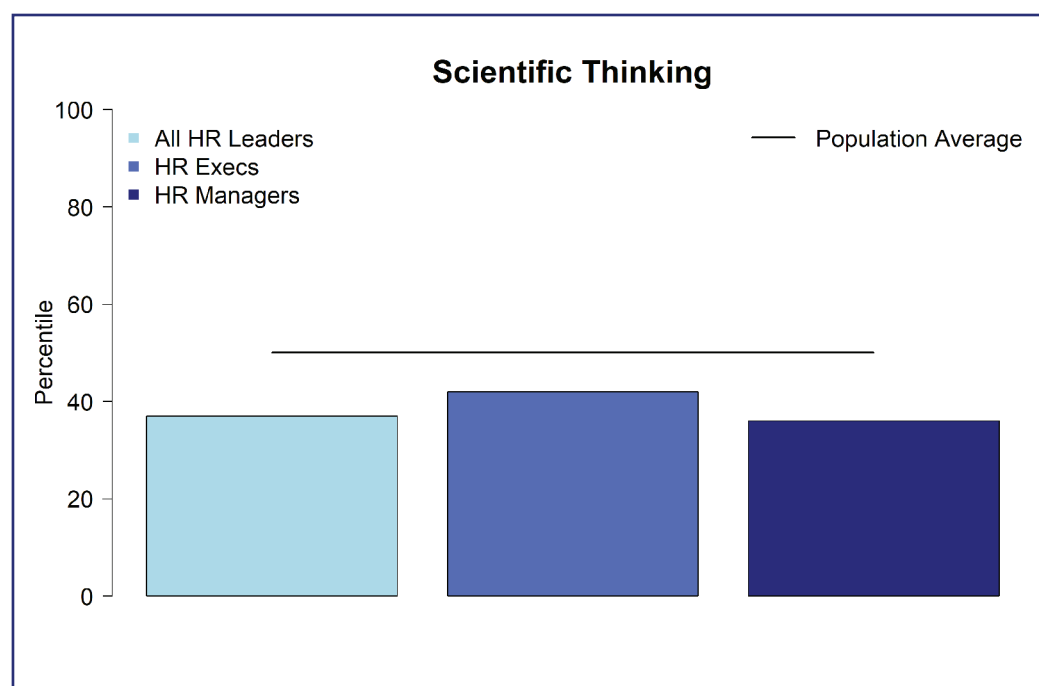
Running a successful business, or any organization, requires making good decisions about two things: money and people.

Regarding money, businesses must decide where to invest their resources, which areas to expand, which areas to contract, which products to develop and so on. This is the essence of business strategy, and business schools offer plenty of advice about how to best invest your money. While bad business strategy will undoubtedly lead to failure, having good business strategy is not enough to guarantee success. Even the best business strategy is doomed to fail if the business does not have the right people to implement it. Thus, making bad decisions about people leads to failure just as quickly as making bad decisions about money does. Human resources is the go-to discipline for making decisions about people and is arguably the most critical component of any business.

When it comes to making business decisions, the evidence is clear: Businesses and organizations that use data-driven decision-making processes are excelling, thriving and beating out their data-oblivious competition. Modern companies gather data on everything—from operations to markets to consumers to technology, and they are using these data to drive business decisions. Companies that are stuck in the past—a time when decisions were often based on gut reactions and experience—are failing and closing their doors on a weekly basis.

Despite this organizational decision-making revolution, HR still lags far behind other business units in terms of making data-driven decisions about talent. Data from more than 600 HR leaders across the globe tell us that the typical HR leader scores well below average (37th percentile) on scientific thinking, or the tendency to solve problems using scientific principles, including using data to make decisions (see Figure 1). Instead, the typical HR leader—executives and managers alike—prefers to make decisions based on his or her own personal experience, feelings and gut reactions.

The biggest challenge for HR in 2020, then, is to become more data-driven,



especially about talent decisions. All organizations face talent problems—who to hire, who to promote, who to identify as high-potential, who to put in charge. Decisions about these talent problems can be made in many non-data-driven ways: draw names out of a hat, choose family members or best friends, conduct unstructured interviews and so on. Ultimately, organizations that make talent decisions in ways that are data-driven, based on solid scientific HR practices, will be in the best position to execute business strategy because they will have the right people in the right roles.

How can HR departments get up to speed with modern data-driven decision-making? What would a truly data-driven HR unit look like? First, HR departments could begin by promoting a data-driven culture. As W. Edwards Deming famously said, "In God we trust, all others must bring data." Subscribing to such a philosophy could do wonders for HR departments and their businesses. However, a word of caution is needed here. It is all too easy for HR departments to fool themselves into thinking they are being data-driven, when, in fact, they are simply using data to confirm their pre-existing biases.

The following (real) example demonstrates.

A business leader at a financial firm wanted to promote Billy to a leadership role. Billy had a track record of good performance as an individual contributor, but no prior leadership experience. A well-validated personality assessment indicated that, while Billy would perform well as an individual contributor, he did not have the interpersonal skills required to build and drive a high-performing team. Nonetheless, the business leader had already decided he wanted to promote Billy and ignored the assessment results, focusing on his individual performance record instead. Six months later, Billy's team was in a virtual mutiny, with two of the highest-performing employees threatening to quit if he wasn't removed.

Too often, we let our own biases shape the data we look at. In this case, the decision to promote Billy was made before even looking at the data, and the data were used as a guise to give the appearance of data-driven decision-making. A truly data-driven HR department lets the data drive the decisions first. And this is the challenge for HR leaders in 2020, and beyond.



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WHAT'S AHEAD



**Belinda Reany, division
vice president, Ventures
at ADP**

What's Next: The Future of Pay, The World of Work

The world of work is changing, as emerging technologies transform everything from how people collaborate and perform to get work done to how workers expect to get paid. This digitization of the workplace is fueling workers' expectations of immediacy when it comes to payment options. The growing trend is evident as consumers look for more ways to add convenience and ease in their lives, from ordering ahead on mobile apps to quickly moving money through peer-to-peer payment sites. Faster, digital payments are becoming the expectation, and organizations must evolve to attract and retain talent.

Driven by this evolution, workers today want more flexibility with the traditional pay cycle, looking for faster and more convenient access to their pay. Digital payments (including mobile wallets) often replace cash and paper checks, but traditional pay delivery is still largely based on access to a bank account. In fact, 28 million people in the U.S. still get paid by a paper check each month!

Not only is this often less convenient for some, it can be a serious cost for workers who are underbanked or unbanked altogether, which is the case for more than 25% of U.S. households. Traditional pay-delivery methods force these workers to use expensive options like check-cashing stores to get access to their money. We owe them better.

The future of pay must be faster, digital and more connected. Workers are eager for this change, and it is up to the payroll industry to evolve to meet these modern demands.

Educate Your Workforce on the Digital Economy

As human capital management professionals, we have a responsibility to develop solutions that will define the future of pay and educate workers on what that means. Workers need financial-management tools that will give them access to their pay when they need it but, more importantly, provide financial-wellness education that can help them down the road.

Financial wellness is a top priority for today's workers as they increasingly welcome the role of their employer in providing tools to help them better manage their finances.



Empower Workers with Choice

Employers can already offer new pay-delivery options, such as digital reloadable accounts that come with a mobile app. On payday, workers who pick these options will get their money loaded on their card, which they can then use to pay bills, shop online, make ATM withdrawals or transfer funds to other accounts, like those of family members. The key is opening the door to payment options that go beyond the traditional.

While this system is currently based on cards, it is quickly shifting to digital accounts, enabling workers to manage their funds online or from a smartphone. Suddenly, managing their pay and other sources of income could become all-mobile, automatic and as easy as sending a text message—and they're willing and ready for that digital shift.

Create Accessibility for All

Sometimes, workers looking for alternate pay methods are either unbanked entirely, or underbanked, which limits their access to financial options that many take for granted—ATM access to get cash, the ability to do online bill pay, the ability to shop online and access to affordable credit. In fact, in 2017, there were approximately 51 million Americans underserved by the banking community, 15.6 million of whom did not have a bank account at all.

Many unbanked workers face the added challenges of finding transportation to a pay-cashing facility, paying high fees to access their money and having to determine a way

to budget the remaining funds. Workers exhibiting signs of financial insecurity are often more likely to have higher absence rates and lower productivity as a result.

In addition to unbanked and underbanked workers, access to non-traditional pay methods can encourage engagement among digital-native workers. For example, millennials have grown up in the digital age and prefer more accessible options like online banking and peer-to-peer payment apps.

Employers have a responsibility to provide access to and education on what tools can help their workers improve their own financial wellbeing. The result can ultimately impact the business as a whole.

The Future of Pay Is Here

Payroll is already moving into an integrated model where people can connect their wages and other sources of income to different accounts. To help employers and employees navigate these changes, an important piece of the puzzle includes prioritizing financial wellness. For workers, this offers an everyday hub to start improving their financial wellness. For employers, this can translate to a more productive and engaged workforce.

As we look ahead at the evolution of pay, there are ample opportunities for the HR industry to evolve and better support the needs of a modern workforce.

Stay informed and connected on workforce trends at <https://www.adp.com/spark>.



Lots of HR professionals talk about design thinking—but perhaps not that many understand it well.

Are You a Design Thinker?

BY ANDREW R. McILVAINE

The phrase “employee experience” has become nearly inescapable in HR circles these days. Last month’s HR Technology Conference was no exception.

During his opening keynote address, global analyst Josh Bersin noted that employee experience has increasingly become a focus among vendors.

“We’re not building software for HR anymore—we’re building it for employees,” said Bersin. “If employees don’t find it useful, if it doesn’t fit into ‘the flow of work,’ then it’s not going to be used.”

By the same token, HR processes like performance management are becoming less HR-centric and, instead, more focused on employees and managers, writes *HRE* columnist Jason Averbook.

The recent emphasis on employee experience has been accompanied by a surging interest within the HR

space in “design thinking,” an iterative process for understanding a business problem, as well as who and what the problem is impacting. Although design thinking isn’t new, its embrace by the HR community is.

“Design thinking helps you by beginning with a broad overview and then honing in, rather than starting with the solution first,” says Mike Pino, senior digital learning and technology strategist at PwC.

However, many HR leaders don’t clearly understand the concept, he says.

“Design thinking is really critical, but it’s also under-appreciated,” says Pino. “People like to say how much they want to use it, but they never make the time to actually do it.”

It’s human nature to want to immediately find solutions to a problem, he says. But design thinking forces you to tease apart the needs and context of a problem more carefully so you ask better questions and come up with multiple ways to test multiple solutions.

“That’s the real strength of design thinking,” says Pino.

Better Insights

Design thinking’s popularity as a concept has been helped along by the digital transformation that so many companies are undergoing, says Jannine Zucker, a principal at Deloitte.

“I can’t tell you how many of our clients are going through this, and they’re expecting HR to help them through it,” she says.

Companies are trying to adapt to a more agile way of working and are finding that their old processes for learning and performance management will simply no longer cut it, says Zucker. HR is usually tasked with redesigning these processes, but often, employees are being left out, she adds.

“The whole concept around design thinking is about bringing the customer, or the employee, into it and then iterating,” says Zucker.

Organizations that embrace DT understand that it’s continuous, she says.

“It’s ‘How do we continuously get feedback and then iterate and make the experience better?’” says Zucker.

Pino says design thinking can help HR leaders become better advisors to their company by guiding them to important insights—such as, their organization may not be suffering from a talent shortage after all.

Pino cites the example of a company that was concerned it didn’t have enough data scientists. Ordinarily, the solution would be to hire a lot of expensive data scientists, possibly getting into bidding wars with other companies over this sought-after talent.

“That’s an example of jumping to a solution too fast,” he says.

By utilizing design thinking, the company may realize it doesn’t have to find data scientists after all.

“Design thinking teaches you not to jump to the solution too fast, but instead to focus on understanding the needs and context a bit better,” says Pino. Through that, the company, for instance, may discover that what it really needs are people with the ability to use data to glean insights and tell stories.

“Telling stories through data is one portion of what a data scientist is good at, but you can also find people who are good at that within the existing team,” he says.

Pino recently helped a client undertake a design-thinking approach to solve what it thought was a compensation-related problem.

“They thought people were leaving because they weren’t happy with their pay,” he says.

It turns out that the company had based its reasoning on exit-interview data. But, through a combination of interviewing current employees and recently departed ones and testing

Leadership

out some ideas, it determined the real culprit was that employees felt stifled in their jobs.

“People don’t want to burn bridges, so they’ll often say in exit interviews, ‘Well, they’re paying me more,’ ” says Pino. “But design thinking teaches you that the first answer is often not the right answer.”

Although the client did end up making a small compensation adjustment, the real changes involved providing more rotational experiences so employees could develop and grow, he says.

“By teasing out the different kinds of things that are happening, and by empathizing with people on the other side, design thinking can help you uncover important information,” says Pino.

A “Natural Fit”

HR and design thinking are a natural fit, says Zoë Harte, senior vice president of HR and talent innovation at Upwork.

“They both use empathy,” she says.

At Upwork, Harte and her team used design thinking to come up with a better candidate experience. The company, which operates a platform for hiring freelance workers, had previously relied on an interviewing process that was “pretty arduous,” she says.

“We took a good hard look at it and said, ‘How can we reimagine this working far more efficiently?’ ” says Harte.

Today, entry-level salespeople who meet the company’s criterion are presented with a job offer the same day they’re interviewed. The effort has been so successful that the company expects to extend it to other job classifications within the organization, she says.

Like many companies these days, Upwork also has a significant number of remote workers. Studies have shown that remote employees often feel cut off and isolated from the rest of the organization. Harte oversees an ongoing initiative called the Remote Work Task Force to ensure these employees feel plugged in to the rest of the company.

“For us, it means empathizing with someone who’s not in the office—how do you ensure their voices are heard?” she says.

Thanks to the task force, Upwork’s remote workers have access to tools that make it easier for them to participate in discussions at headquarters and contribute ideas to the team. The tools, which include JamBoard and Google’s G Suite, enable remote workers to lead initiatives rather than waiting on corporate headquarters, she says.

During meetings at Upwork’s headquarters, employees at locations with the fewest workers speak first (via Zoom teleconference), says Harte.

“Even at companies with many remote workers, the core drivers

Thinking About People First

Is design thinking an important discipline for HR leaders to master?

In short, yes. That’s according to Ben Waber, president and co-founder of Humanyze. “It’s really thinking about people first and putting them at the center of whatever it is you’re trying to do,” he says.

Humanyze is a Boston-based start-up that uses data to find out how people really interact within the workplace. Its clients have used Humanyze’s findings to redesign their offices and change their work processes in order to foster greater employee collaboration.

Design thinking can help HR determine “what workers are trying to do at the organization and how can we make that better,” says Waber. Too often, HR finds itself chasing after so-called “best practices” that may not actually improve the organization, he says.

“It’s ‘Google’s doing this, Facebook’s doing that—if we do the same, we’ll be successful,’ ” he says. But it’s debatable whether such practices are right for your organization or even if they’re truly effective in the first place, he adds. “Do those companies succeed because of those practices, or in spite of them?”

HR can’t create a positive employee experience by simply copying what other companies have done, says Waber. Instead, this comes about by looking at the data within your own organization and parsing them to determine whether, for example, the company would be better served by a more comprehensive remote-work policy or a different office layout.

One of Humanyze’s clients, a European bank, wanted to find out why some of its branch offices were significantly outperforming others.

Humanyze helped it assemble data pertaining to physical movement within the offices and employee-communication patterns to come up with some answers. As part of the process, employees wore sensor-equipped Humanyze badges to track their movements within the office.



The team ultimately discovered that, at the highest-performing branches, employees interacted with each other and shared ideas much more often than at the lowest-performing branches. As a result, the bank redesigned its office layouts to encourage more employee interaction, introduced bonuses to encourage knowledge sharing and allocated funds for team-building activities. Ultimately, sales at the low-performing branches increased by 11% to \$1 billion during the following year.

Waber says his firm takes steps to address concerns that this sort of approach may be too intrusive.

“Employees have to consent to wearing the badges, and they sign forms that legally bind us from sharing individual data with the company,” he says. “We make it explicit that we don’t share information at the individual level.”

By compiling data on how employees move about the workplace and interact with each other, HR will have “hard metrics” that will make it easier to obtain the necessary funding for designing a better employee experience, says Waber.

“It helps you make a more compelling business case,” he says.

are often at corporate headquarters, which diminishes the experience those workers have,” says Harte. “By putting remote workers first, we’re able to be more innovative.”

Harte, who completed a course in design thinking at Stanford University several years ago, says Upwork has woven DT into a number of processes.

“I highly encourage other HR leaders to take classes in this,” she says. “It’s a remarkable tool for people in all functions.”

“Fuzzy Definitions”

Vanessa Shaw, a consultant who specializes in teaching design thinking to HR professionals, describes it as a “great lens for problem solving and managing teams.”

Originally conceived as a method for product development and user-experience design, DT has since found traction in other areas, including HR.

“When I came across design thinking, I thought, ‘I’m going to apply this to [organization design] and HR,’” says Shaw, whose background is in OD.

Many of Shaw’s clients start out with a fuzzy definition of design thinking.

“A common question I get asked is, ‘What is it?’ ” she says. “I tell them that it’s a great problem-solving toolkit for almost any issue you have at work.”

Shaw uses “journey mapping” to explain how design thinking works.

“It’s a visual representation of all the processes a person will go through,” she says. A journey map for a restaurant, for example, would break down the customer experience into a series of steps. Similarly, a journey map for a candidate experience would take a granular look at onboarding, which is often criticized for failing to integrate a new hire into the organization.

“Onboarding is a great example to use for design thinking because it’s very cross-functional, and a lot of parties have to get aligned in order for it to be seamless,” says Shaw.

HR professionals tend to have a good view of the “back of the house” aspect of recruiting, for example, but they’re often less clear on what goes on at the “front of the house,” from the candidate’s perspective, she says.

Journey mapping all of the recruiting steps—front and back of the house—gives HR a more holistic view of the process so they can more easily see areas for improvement, says Shaw. The next step is usually “empathy research,” which involves interviews, observation and focus groups to better understand the customer (or employee) experience.

Design thinking also calls for using feedback and interviews with

customers (or, in HR’s case, employees and job candidates) to come up with improvements to a process, test them and use the feedback to make changes or come up with new prototypes.

It’s a better way of improving the employee experience than the more common approaches, says Shaw.

“Generally, people who don’t use design thinking say, ‘Let’s solve one touchpoint along the journey, then benchmark against our peer companies and test it via a pilot,’” she says. “But pilots aren’t effective if there haven’t been prototypes preceding them.”

The benefits of a DT approach are more profound, says Shaw.

“Design thinking makes a positive impact on your culture immediately because it changes how you’re working and collaborating in the present,” she says. “If a team is feeling low-energy or overwhelmed, these practices will help reinvigorate people right away, not at the end after the pilot’s launched.”

Design thinking is vital to HR’s increasingly important role, adds Harte.

“It took a long time for HR to have a business voice, and now it’s our responsibility to capitalize on that and use our voice to drive innovation.”

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



From Offense to Opportunity

Low unemployment and the desire for a more diverse workforce are leading employers to do what was once unthinkable: hire the formerly incarcerated.

BY JULIE COOK RAMIREZ

One of America's leading healthcare organizations, Johns Hopkins Medicine, consistently ranks at or near the top for excellence in medical education, research and clinical care. The Baltimore-based alliance of the Johns Hopkins Health System and the Johns Hopkins University School of Medicine receives nearly 3 million patients and over 360,000 emergency-room visits annually across more than 40 care locations. That sheer volume of patient interactions and elite medical education and research requires an enormous staff of

more than 40,000 full-time faculty and staff members, making Johns Hopkins one of Maryland's largest private employers and the largest in Baltimore.

Like many employers, the healthcare giant found itself facing a shortage of workers in the late 1990s. Then-President (now President Emeritus) Ronald Peterson gathered his executive team, senior legal counsel, vice president of security and vice president of human resources to explore the problem and brainstorm possible solutions. "Our leadership at the time said, 'How can we look at this shortage and our openings and needs from a different vantage point?'" says Yariela Kerr-Donovan, senior director of strategic workforce development. "Who are we overlooking in our communities who would be great candidates for employment?"

Peterson and his team quickly honed in on one segment of the community: ex-offenders. The challenge then became to study best practices, look into legal considerations and investigate where in its hiring practices the organization was creating "unnecessary barriers."

Johns Hopkins is far from alone in relaxing its view toward hiring the formerly incarcerated. In recent years,

the practice has become so widespread, it's been dubbed a "movement" by Gerald Grimes, project manager at the Mayor's Office of Employment Development in Baltimore. The Society for Human Resource Management recently launched "Getting Talent Back to Work," asking employers and industry trade associations to sign a pledge to hire former inmates. More than 2,300 signatures have been gathered so far, according to SHRM Chief of Staff Emily Dickens.

SHRM's initiative came about as a result of the Formerly Incarcerated Reenter Society Transformed Safely Transitioning Every Person (FIRST STEP) Act, which was passed by Congress and signed into law in late 2018. The most significant criminal-justice-reform legislation in many years, FIRST STEP increases re-entry opportunities for non-violent offenders by expanding rehabilitative programming and earned-time credit opportunities. With more than 650,000 men and women released from U.S. prisons each year, opening the door to hiring those individuals would go a long way toward filling the 1.2 million vacant positions the Bureau of Labor Statistics reported in July.

Thinking Outside "The Box"

As Johns Hopkins began exploring ways to break down barriers that might keep ex-offenders from applying or being hired, one particular action became abundantly clear: the need to "eliminate the box."

"It created a problem for folks just in applying when they saw that there," says Kerr-Donovan. "It was like a punch in the face, a brick wall."

While SHRM stops short of taking an official position on controversial "ban the box" legislation limiting—and sometimes, outright prohibiting—employers from including a question about past criminal convictions on job applications, Dickens says the organization advises employers to consider what happens if someone checks the box on an application. "Does everything stop there?" she asks. "If it does, maybe you need to reconsider that."

While Johns Hopkins has removed the box from its application process, that doesn't mean HR ignores a potential employee's criminal history. Once an applicant has been deemed to be someone they would like to hire, a stringent screening process begins, during which that individual's education, references and background are carefully reviewed. To ensure those with a previous incarceration receive fair consideration, a former police officer and member of Johns Hopkins' security team was hired to work in talent acquisition, screening applicants.

"Your average talent acquisition [professional]/recruiter is not well-versed in the judicial system," says Kerr-Donovan. "The person who

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82%



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74%



74% of those same hiring managers went even further, indicating that diminished costs associated with hiring from this population—coupled with effective risk mitigation—provide extreme value for their organizations.

Source: www.GettingTalentBackToWork.org

does our screening is a former cop, so they know when they are looking at something to say, 'That wasn't anything' or 'That's something, but it seems strange, so I need to investigate it further.'"

The type of offense plays a big role in determining whether an individual will be hired for a particular position, says Kerr-Donovan. Someone with a conviction for manufacturing and distributing a controlled substance would not be hired as a pharmacy tech, for example, although the "talents that were used in the kind of employment that got them arrested," such as math and customer service, may be applicable in another area, she says. Those insights are best gathered by sitting down with the applicant and having an open, honest conversation about past mistakes.

"Sometimes, we have someone that may not be able to get hired for the job to which they've applied, but we recognize they have potential," says Kerr-Donovan. "In those instances, we have them talk with a career coach to see where there may be another opportunity or career path with their skill sets, so we don't lose good talent."

Jobs that involve working directly with patients are quite a step up from the opportunities afforded to ex-convicts just a few years ago, according to Jon Ponder, founder and CEO of Hope for Prisoners, an organization dedicated to assisting formerly incarcerated people re-enter the community.

"Ten years ago, when I founded this organization, all we were getting were minimum-wage jobs—folks to do telemarketing," says Ponder. "The narrative has changed across the country, as employers are starting to look at alternative pools of people."

Future-Focused

Although many employers are reducing their emphasis on criminal-background checks, Gabriel McGaha, associate at Fisher Phillips LLP, says it's still crucial to consider the nature

of the crime and how it relates to a specific job.

"If someone applies for a job as a bank teller, but they have a theft conviction on their record, the employer could subject itself to liability in the event that employee steals a client's money," says McGaha. "Even if the employer is inclined to not hire the person based on a criminal conviction, under the law, they still have to give them the opportunity to discuss it to get a better idea what happened."

While Johns Hopkins has abolished the box but still conducts stringent background checks, Greyston Bakery in New York embraces a system of "open hiring," in which interested parties simply come to the bakery and place their name on a list. When a job becomes available, the next person on the list gets hired for a six- to 10-month apprenticeship at the legendary Yonkers bakery, which has provided brownies and other ingredients to companies like Ben & Jerry's for more than three decades. After 30 days, they become union members; at 90 days, they are eligible for health insurance; and, upon completion of the apprenticeship, they receive the rest of their benefits package, including paid time off.

While Greyston never specifically set out to hire the formerly incarcerated, such individuals gravitate to the company due to lack of opportunities or embarrassment over checking "the box" at other potential employers. Currently, over 60% of Greyston's bakers are ex-convicts. According to Senior Development Officer Karen Tumelty, it's all about "investing in a person's future, rather than their past."

While critics may call a background-check-free approach to hiring risky, President and CEO Mike Brady disagrees vehemently. "Criminal-background checks simply tell an employer if someone has been convicted of a crime; it is not an indicator of ability," he explains. "We believe that, given the opportunity, anyone can become a successful employee."

For many employers, reservations about hiring ex-cons revolve less around concerns about them potentially stealing from the workplace or assaulting a co-worker and more around a lack of marketable skills, according to Ponder. Hope for Prisoners set out to mitigate those concerns. Through a partnership with the Nevada Department of Corrections, the organization operates inside five institutions, conducting assessments and vocational training to help prepare inmates for employment upon their release. They can learn data entry or construction skills; some even enroll in a culinary training program that often leads to employment with Station Casinos, which operates multiple properties throughout Las Vegas and has hired "every person we've sent over there," according to Ponder.

Reducing Recidivism

While other employers focus their efforts on employing ex-convicts after their release, Televerde Inc. actively employs people while they are still behind bars. The global demand-generation company was founded on the idea of providing women in prison with jobs training and education while incarcerated, as well as career opportunities after their release. Five of the company's eight engagement centers are located inside correctional facilities, where the "Women of Televerde" work in project management, business intelligence, and data analysis and reporting.

Upon their release, approximately 30% of the women go to work in Televerde's corporate office in Phoenix, where 40% of the staff, including 30% of the leadership team, began their careers while they were incarcerated. The rest use their newly gained skills to find employment elsewhere, including with Televerde clients, such as SAP and Adobe. More than 3,000 women have gone through the program over the past 25 years. Of those, less than 10% have ever returned

to prison, according to Michelle Cirocco, chief social responsibility officer.

That comes as no surprise to Rob Giffords, president of the National Restaurant Association Educational Foundation and one of the signatories of the SHRM pledge.

"The single greatest thing you can do to reduce the recidivism rate is to employ a formerly incarcerated individual," he says. "If they can be released from prison with some work-ready skills and be partnered with a community-based organization and with employers looking to hire, they are on a very good pathway. If all they know are criminal activities, unfortunately, some will revert to that in order to survive."

While he concedes that some criminal histories, such as violent offenses, are "more problematic than others," Giffords says employer experiences with ex-offenders have been largely positive.

"Many of our employers have figured out there are an awful lot of people who are not hardened, violent criminals but have made mistakes in life and need someone to believe in them and give them a chance," says Gifford. "Once they do, they get an extraordinarily dedicated and loyal employee."

At Johns Hopkins, retention rates for "justice-involved" employees are comparable to the rest of the workforce—69% to 71%, according to Kerr-Donovan. She stresses the importance of recognizing everyone has made mistakes in their life and that past behaviors are not necessarily good predictors of future success.

"Life is about a journey of growth, discovery and moving forward and evolving into the best person you can be," she says. "No one is the same person they were 20 years ago, so do not expect arrested development with this group."

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



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People

Compiled by Jen Colletta

The Federal Reserve Bank of New York recently appointed **Lacey Dingman** as executive vice president, head of the HR Group and CHRO. She will be responsible for overseeing all human capital programs, including developing and executing diversity and inclusion efforts and culture initiatives. She will also head up the Office of Diversity and Inclusion and the Office of Minority and Women Inclusion.

Most recently, she was senior associate director in the Division of Research and Statistics at the Federal Reserve Board of Governors, where she managed all aspects of the division's organization and infrastructure. She previously was chief human capital officer at the Securities and Exchange Commission and also worked at the Commodities Futures Trading Commission.

She earned a bachelor's degree in business administration from the University of Iowa.

Google Cloud welcomed its new vice president of HR, **Brigitte McInnis-Day**, who will focus on hiring and culture.

McInnis-Day most recently served as chief operations officer and head of digital HR strategy and transformation at cloud-based HCM provider SAP Successfactors, where she worked for more than 15 years. She previously worked in HR at VerticalNet and Mercer.

She holds a bachelor's degree in science, psychology and business



from Ithaca College and a master's in industrial organizational psychology from the University of New Haven.

Steven Shaffner was recently appointed as senior vice president of people strategy at *Sharonview Federal Credit Union*, one of the nation's top 200 credit unions. In this role, he is tasked with positioning Sharonview as an employer of choice and also overseeing its talent management and leadership and development teams.

Since 2017, Shaffner served as vice president of talent management at the organization, after having joined the company as a branch manager in 2008. He previously worked as a branch manager for American General Finance.

Shaffner holds a bachelor's degree in professional communications from Old Dominion University and is

currently pursuing a master's degree in executive leadership from Liberty University.

HCA Healthcare recently appointed **Jennifer Berres** as senior vice president and CHRO. Berres joined the Fortune 500 group of healthcare hospitals, surgery centers and access centers in 1993, and has since risen through the ranks of the HR department.

She began as a regional HR director and was later promoted to the division vice president of HR in the West Florida division.

Since 2013, Berres served as vice president of talent management.





How Open Source is Changing HR Research

I recently wrapped up my annual report on the state of intelligent tools in

HR tech, with research that covers products and services claiming to use artificial intelligence in people analytics, recruiting, learning, talent management, payroll and HR information systems. Here are some initial impressions:

The methods of conducting HR research have changed from an unbearably slow peer-reviewed academic process to a venture-financed small laboratory model. The old approach allowed information to be shared by teams focused purely on advancing the science. The new way focuses on accumulating intellectual property while trying to achieve revenue goals.

The large-scale providers of cloud processing and storage (Amazon, Google, Microsoft and Oracle) all provide some level of open-source tooling. Most of the so-called AI projects in and out of HR technology build on this backbone. The problem comes with results and

processes specifically in the HR-tech domain.

Also, when one organization using these tools learns something important, its leaders have little incentive to share it. For instance, more than a few companies have stopped using flight-risk forecasting because, in practice, it leads to higher attrition. With no way to share that information and no shared notion of the future of the HR-tech industry, information languishes while tech providers profit from reinventing the wheel.

This creates a perfect setting for the open-source principles of transparency, collaboration, meritocracy, community and frequent release. A central facility for housing discoveries on HR tech might accelerate industry growth. One company exploring this approach, Shaker International, home to Virtual Job Tryout, is the HR-tech industry's champion of open source.

One way to think about open source is as the intersection of commercial and academic styles, intended to move the field forward through intense sharing

of learning and techniques. Shaker doesn't believe its advantage comes from hoarding what it learns; rather, it shares discoveries widely, staying ahead by helping the companies chasing it. That, in the eyes of Isaac Thompson, one of Shaker's data scientists, is how you accelerate the growth of science.

Shaker, HireVue, Pymetrics and DeeperSense are just a few of the firms turbo-charging IO science with intelligent-tools technique. Employers including Walmart, USAA, Facebook and Google field substantial industrial organizational psychology teams searching for competitive advantage for their workforces.

Thompson, along with Nick Koenig of Shaker and Mengqiao (MQ) Liu of Amazon, wanted to bring the rest of the IO industry up to date quickly and thoroughly. They aimed to focus IO psychology on the use of machine learning and natural-language processing. In 2018, they refocused the annual Society for Industrial and Organizational Psychology hack-a-thon on creating usable code and models for the industry.

More than 100 teams, representing a balance of academia and industry, entered the competition. The contest centered on a natural-language-processing problem involving the evaluation of text inputs. The outputs had to be categorized as one of the “Big Five” personality traits. The final output was individual personality inventories.

The results are an open-source library of possible solutions to the problem. The top four were evenly divided between employers (USAA and Walmart) and academia (Bowling Green and Michigan State). Today, Thompson is helping SIOP to use competition to help solve the toughest problems in the business.

Several things are happening here: Shaker International is working to make open source a standard way of doing business in HR tech.


As a result, a library of tools is becoming available for vendors, academics and practitioners.

The evolution of HR from artisanal folk art to proper science is accelerating, with practitioners leading the way.

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.

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5.2 million

The increase in the number of people employed in the U.S. in the last three years. For the first time, most new working-age (25 to 54) hires were people of color.

Source: Washington Post



58%

Percentage of business leaders who are still using Excel spreadsheets to forecast capacity issues for their organizations, leading to inefficient workforce management and poor allocation of skills.

Source: Precursive

70%

Percentage of business leaders who agree that employee engagement is critical.

Source: Gartner

One in four

The amount of companies that have a digital-transformation plan in place, despite research showing that those with such a strategy are twice as likely to improve performance, staff retention and quality of hire.

Source: Aptitude Research, Alexander Mann Solutions



4

The "magic number" for reference checking job candidates to ensure quality hires and to prevent turnover. Obtaining feedback from four references significantly decreases turnover rates and no-shows on first day of employment.

Source: Checkster



82%

Percentage of HR leaders who expect that their roles will be unrecognizable in 10 years due to the rapid "HR to people" transformation taking place within organizations.

Source: Sage Research

145,000

The number of jobs economist expected to be added to the U.S. economy in September. Ultimately, employers added 136,000 jobs, fueling fears of slowing economy growth.

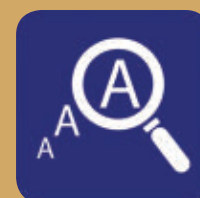
Source: CNBC



89

The number of Fortune 100 career sites that failed at least one standard for accessibility by people with disabilities.

Source: Phenom People



\$30 billion

The projected size of the global HR-management market in 2025, with a compound annual growth rate of 11% over that time.

Source: Grand View Research Inc.

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