In a shift, HRE's annual research found that keeping talent is the most vexing challenge for HR professionals. Page 10

Retention: HR’s Nightmare

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Who Will Be the HR Executive of the Year?

TIME TO SUBMIT YOUR NOMINATION!
Deadline: May 1

To nominate an HR executive, visit the Awards section of HRExecutive.com.

About the Competition
Human Resource Executive® established the HR Executive of the Year and the HR Honor Roll competitions 32 years ago to recognize those who have demonstrated excellence in HR.

Who Qualifies?
• Executives with responsibility for the entire HR function in his or her organization and with five or more years of experience in the HR field
• Candidates for the HR Honor Roll will be divided into two categories based on the size of their organizations: fewer than 7,500 employees and more than 7,500 employees.

Winners
The 2020 HR Executive of the Year and up to four HR Honor Roll members will be named by a panel of distinguished judges assembled by Human Resource Executive®. All will be featured online and in an upcoming issue of Human Resource Executive®.

Nomination deadline: May 1

To nominate a candidate: Visit HRExecutive.com and click on Awards.

2019 HR Executive of the Year
DAVID RODRIGUEZ
Global Chief Human Resources Officer
Marriott International

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

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

HR Tech
Dissecting the Disconnect
BY TOM STARNER
Spending on HR technology has never been higher, but realizing the value of that investment continues to be a vexing problem for many HR and IT leaders. Experts, including several who will be speaking at the inaugural Select HR Tech Conference in June, weigh in on how HR leaders can enhance their chances for success with new tech projects.

Health & Benefits
Student Debt: A $1.6 Trillion Problem
BY KATHRYN MAYER
With national student-loan debt sitting at $1.6 trillion, a record number of companies are designing programs to ease the financial burden on their employees, a topic that will be discussed in depth at HRE’s Health & Benefits Leadership Conference in April.

HR Leadership
The Rise of Remote Working
BY JULIE COOK RAMIREZ
The trend toward remote working has been steadily rising over the past 10 to 15 years, presenting new opportunities—and obstacles to navigate—for employers looking to offer attractive employee-value propositions.

Talent Management
Compassion: A New Treatment for Addiction?
BY WILL BUNCH
As the opioid crisis continues to grow, more employers are abandoning punitive approaches to instead offer “second-chance” strategies that help workers affected by addiction seek treatment and stay employed.

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A Look at What HR Leaders Think About HR Technology

HR in the Flow of Work
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Let’s Rethink Human Capital Management

Emerging Intelligence
A View from Inside the Largest HR-Tech Company

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When Benefits Get Personal

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Rolling out the Welcome (Back) Mat

Talent Management
What Should We Learn from the Gig Hype?

Departments
Insights from a CHRO
HR Trends
People
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#HBLChat Recap
Read the highlights of HRE’s recent Twitter chats with leaders in the HR and benefits space.

CHROs Weigh In
HR execs like Tracy Keogh of HP share their outlook on the industry in the “Insights from a CHRO” series.

Conference Plans Unveiled
Get a first look at the agenda for Select HR Tech and find out how to register for HR Tech.

Financial Focus
Commonwealth’s Melissa Gopnik sat down with HRE to discuss a new trend in employee financial wellness.
Karen Novitch Davis: The value of ‘solving people problems’

BY JULIE COOK RAMIREZ

Karen Novitch Davis is a seasoned human resources professional with more than 20 years of experience in the financial-services sector, where she has helped guide and design strategic planning and execution for a number of firms, with an emphasis on HR, talent recruitment, employee retention and cultural development.

In 2012, Davis joined Prosek Partners, a global company specializing in financial public relations, where she now is partner and CHRO. Previously, she was director of human resources at Third Avenue Management/MJ Whitnam, where she established, built and managed the HR function. Prior to that, Davis was at Moore Capital Management, where she handled recruitment, program development, performance management, compensation and training for the investment professionals and trading teams.

Davis spent most of her career with Morgan Stanley, where she served as a vice president with global responsibility. Her responsibilities included global management of the HR function for the firm’s Equity Research Division and head of campus-recruiting programs for the sales, trading and research divisions.

What did you want to be when you grew up?

I wanted to be a Broadway star. Throughout high school, I was the star of quite a few musicals. I actually was admitted to my college, Binghamton University, on a special talent application for vocal music, but I realized pretty quickly that wasn’t what I was going to pursue.

Do you still do anything in that realm?

I do karaoke. I’m good at parties, but that’s about it.

What was the worst job you ever had?

Paying bills at an insurance company. It was the most boring job because there was no human interaction. It was literally looking at bills, making sure they were paid, talking to nobody. I think I lasted one semester.

What was the best job you ever had?

To.nominate.yourself.or.another.HR.leader.to.be.interviewed.in.Insights.from.a.CHRO,.email.breletters@lrp.com.

career in HR might be better for me than a career in buying at a department store.

What is your current primary focus or initiative?

Our new HR Special Situations practice. With the emergence of Glassdoor, as well as the focus on #MeToo, diversity and equality, it’s forced companies to look inward and assess their own environment. We’ve been called upon to help clients navigate tricky employee-relations issues and deal with the internal and external narrative when things might go awry.

What is one thing your colleagues would be surprised to learn about you?

I think people think I sleep a lot, but I actually do. Even though I am always going 1,000 miles an hour, once I get home and my kids are in bed, all I want to do is sleep. I really try to have that down time, so I can come in and do it all again the next day.

Insights from a CHRO

Karen Novitch Davis: The value of ‘solving people problems’

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Fourth Industrial Revolution Brings Challenge, Opportunity

The Fourth Industrial Revolution has arrived, and it’s blurring the lines between people and technology, fusing the physical, digital and biological worlds.

That’s the primary finding of a new study, HR 4.0: Shaping People Strategies in the Fourth Industrial Revolution, conducted by the World Economic Forum in collaboration with Saudi Aramco, Unilever and Willis Towers Watson. According to the study, the 4IR’s impact will span all industries, economies and societies, redefining work and the way businesses produce value. The implications for HR are significant, according to Ravin Jesuthasan, managing director of talent and rewards in the Chicago office of Willis Towers Watson.

“Many of the constructs that we’ve gotten used to—the idea of a person being in a job—are rapidly changing,” says Jesuthasan. “It’s a pretty dramatic pivot from where HR has been since its inception to what’s going to be asked of it now.”

Specifically, HR is shifting from being a “steward of employment”—recruiting, hiring, onboarding, training, and administering pay and benefits—to being a “steward of work,” helping the business orchestrate how work is done, whether it’s being done by a person in a job, a person augmented by a machine, a gig worker or an employee of an outsourcer, explains Jesuthasan.

While HR might feel overwhelmed by this significant of a shift, Jesuthasan looks upon the 4IR as a unique opportunity for HR to redefine its mandate and further advance the function.

“As the Fourth Industrial Revolution plays out across companies, it’s creating this space for us to express our true humanity, empathy, creativity and ability to communicate with emotional intelligence,” says Jesuthasan. “There is a truly unique opportunity for HR to help companies make so much more of their human talent than might have ever been possible.”

The report lays out six imperatives that HR must work alongside business leaders to implement for the organization to successfully meet the challenges of the 4IR. These include developing new leadership capabilities; managing the integration of technology in the workplace; enhancing the employee experience; building an agile and personalized learning culture; establishing metrics for valuing human capital; and embedding inclusion and diversity.

For HR to execute on these six imperatives, Jesuthasan says, the function will need to develop a “much better” decision-making framework. Increasingly, that will require HR to develop new data and analytic skills, as they assume new roles within the function.

“They own understanding of technology is critical, as they look out across the changing world of technology to figure out what are the new technologies, how are they applicable to both the work of HR and the work of the organization, and what does it mean for the human work that is currently being done or that might be done in the future,” says Jesuthasan.

—Julie Cook Ramirez

The Latest Trends in Human Resources

Expanding the View of Employee Experience

Some HR professionals believe that employee experience improves the longer that workers stay on the job, especially when considering employee social networks, promotions, or rewards and recognition for their contributions.

But, based on a recent survey of roughly 1,400 workers in more than eight industries, just the opposite may be true: After six months on the job, the enthusiasm of employees diminishes by about 22%.

The survey was conducted by ServiceNow, which offers a cloud-based platform that delivers digital employee experiences to enhance productivity. According to the company’s Employee Experience Imperative Report, employers aren’t supporting employees’ basic needs on a day-to-day basis during the employee lifecycle.

“Enthusiasm should get better over time,” says Sunita Khatri, senior manager in the product marketing team at ServiceNow. “But research is signaling to HR that forgetting to solve everyday moments and flow-of-work [issues] matters.”

The survey revealed that 45% of employees still struggle to obtain information and answers to basic questions, such as finding a company policy or resolving an equipment-related problem. While only 41% believe their employers make it easy to select their equipment before their first day on the job, 51% say their employers make it easy to receive the necessary equipment when they start.

Khatri says HR leaders should be delivering the best possible experience, which starts with improving internal customer service—often an afterthought.

“Think about the design of significant moments,” she says. “Research validates that most employees today go through a leave of absence, onboarding, promotion, job or location transfer, have paycheck issues or offboard. These are the moments to look at to deliver a great experience.”

Take onboarding. New hires often lack immediate access to computers, software, passwords or even working phones, adds Shekar NV (Nalle Pilli Venkateswara), senior director of talent management and organizational alignment at Willis Towers Watson.

“Most employees really struggle with those basic things on the first few days of work,” he says. “We take onboarding for granted but it’s a very complex process behind the scenes and, unfortunately, it very rarely comes together to provide a beautiful experience. Employers really need to get this right. They’ve only taken baby steps.”

Beyond Engagement

Earlier this year, BetterUp, which offers a mobile-based leadership-development platform, surveyed 17,000 U.S. workers across 18 industries. It researched the relationship between employee experience (EX) and its Employee Experience Index, which is comprised of six elements—authenticity, engagement, optimism, purpose and meaning, social connection and belonging.

Among the organization’s findings was that “engagement alone doesn’t fully capture employee experience.” The relationship between EX and productivity was six times higher than for engagement alone. While these elements have risen to importance among employees, many HR professionals are not measuring them to better understand their relationship to business outcomes.

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“So, the nature of the work environment and the way social connections are established and maintained are driving forces for those industries.”

Although these elements were always in the background, Sinar says, their importance and impact have increased over time: High EX workers had 28% higher productivity, 37% lower turnover intentions, 142% higher employer Net Promoter Score, 46% stronger organizational commitment and 59% higher job satisfaction.

“Don’t stop with your traditional measures of engagement,” he says. “Recognize that [EX] isn’t just about improving someone’s wellbeing as an employee. There are payoffs on the business level, too.”

—Carol Patton
M is the name given to choosing fields women’s professional success aim at another stumbling block to 3M, Micron Technologies, Eli Lilly and discoveries. The protocol, launched in researchers secure patentable develop a gender-diversity innovation a Ph.D. in virology, recently helped gender gap. patents to help close a longtime IP in science and technology to take workplace-wellness programs, many employers are not getting it right. “Wellness doesn’t work if it’s not done in the right way,” he said. “Random acts of wellness ain’t gonna cut it.” Employers need to fully commit and embrace the programs to make them successful, he said. A number of industry reports have questioned the effectiveness of workplace-wellness programs. For example, a JAMA article last year looked at the experience of 35,000 employees at BJ’s Wholesale Club over a year-and-a-half, and found that, while those enrolled in wellness programs said they exercised more and watched their weight, they experienced no significant long-term outcomes like lower blood pressure or sugar levels. Loepkke, though, insisted that wellness does work—if a number of conditions are met in employers’ programs. Among them? Effective communication and implementation; incentives to motivate employees to participate in the program; employee input when developing goals and objectives; multi-year strategic planning; program accessibility; evaluation of effectiveness; a wide variety of program offerings; and executive-management support of a culture of health and safety. “You have to have management abide by a culture of health,” he said. “If management isn’t committed to it, it’s not going to work. They have to walk the walk.” One way to do this is to train mid-level managers and supervisors on how to support and care for employees in terms of wellbeing, he said. Leaders also needs to work with HR managers on consistent, integrated messaging about the program—and to encourage participation among employees. A combination of community and personal engagement and high-tech solutions—like health-coaching programs that help employees cope with stress or manage their nutrition or weight—is ideal. “There needs to be a significant branding campaign,” Loepkke said. Research shows that, without significant commitment from the employer—and management, in particular—employers have to pay a $3000 higher cash incentive to get the same percentage of employees involved in a wellness program. Just as important for workplace-wellness programs is a focus on mental and emotional health. Mental-health conditions are often underdiagnosed and undertreated, mostly because of stigma, Loepkke said, but recently more attention has been given to mental health, with more employers asking for help from their employer as they experience record rates of depression, anxiety, stress and burnout. For example, a recent survey from the Business Group on Health found that 27% of 2,200 employees surveyed would like their employer to provide additional support for mental health, including help coping with burnout. “Stress is the most ubiquitous toxic exposure of our time,” Loepkke said. Still, many employers aren’t offering enough support. According to recent research from Transamerica, while almost all employers believe improving mental health in the workplace is good for their business, 17% of employers acknowledge not offering any resources at all. The most common mental health resources offered by employers are stress-management classes (39%) and mental-health-awareness training (39%). Employers that focus on mental health improvement in their wellbeing programs have seen a decrease in perceived stress from employees, an increase in vitality and a decrease in mental exhaustion, Loepkke said. Overall, wellness support can have a profound impact on both employees and employers, he said. “Employers that implement good wellness programs become employers of choice in their community. You’re helping your employees be healthy, and your retention is improving.” —Kathryn Mayer

How Employers Can Avoid ‘Occupational Sorting’ by Women

Mercedes Meyer, a Washington-based intellectual property partner with the Drinker Biddle law firm, is on a crusade, urging women in science and technology to take more ownership of their ideas and inventions, including applying for patents to help close a longtime IP gender gap. For example, Meyer, who holds a Ph.D. in virology, recently helped develop a gender-diversity innovation toolkit for employers to help women researchers secure patentable discoveries. The protocol, launched in the fall, follows several years of beta-testing by major companies, including 3M, Micron Technologies, Eli Lilly and Bristol-Myers Squibb. For her next act, Meyer is taking aim at another stumbling block to women’s professional success—the concept of “occupational sorting.” It is the name given to choosing fields that your group is historically strong in and the parallel fear of competing in professions in which others—are this case, men—have long dominated. “Gender stereotypes are bad enough when others impose them, but studies reveal that professional women sometimes double down and inflicted typecasting and holding back on themselves,” she says. Meyer regards occupational sorting as another reason women inventors and innovators lag behind men when it comes to seeking and holding patent rights. She adds that, although women are the clear majority of the U.S. workforce, as well as of Ph.D.s and law school graduates, they appear as primary inventors on only a tiny fraction of patents. The number is so low, in fact, that terms such as “lost Edison” or “lost Einstein” refer to the legion of women technicians and scientists whose achievements are never known nor acknowledged, much less legally protected. Meyer, who handles M&A, due diligence, litigation and other IP matters for clients, says she has a special focus on helping grow the role of women in science, technology and other aspects of the innovation lifecycle. “The battle against stereotypes is fought not only against others but also within ourselves,” Meyer says. “People need to be taught that they can self-identify as being an inventor, an entrepreneur, a general counsel or a CEO and still be a woman.” For employers looking to help in this area, she recommends: • Identify areas that seem to attract more men or women (e.g., more women in nursing, education, volunteering for the school responsibilities for kids, pro bono legal work, etc.). Make sure to diversify units. Determine if those areas are linked to power/money. For example, many female scientists end up going into manufacturing units, which are less glamorous, powerful and money-oriented and have fewer opportunities for patents. • Use internal corporate affinity groups to reach out and get interest from those who are fearful of volunteering. • Determine how safe your organization is for women to speak up, be heard or volunteer. This is an issue for diversity as well as for corporate ethics and risk management. • Educate and actively employ initiatives that work to get people to do things outside their comfort zones. Most of all, she says, communication clarity matters. “This is not the fault of the ‘white guy,’” she says. “These are the rules our society uses to domesticate its children into adults that lead to this result. It makes all of us have biases.” Rather, there needs to be open communication so the “white guy” doesn’t shut down and think, “Oh, it’s just another #MeToo moment. It’s not my fault. I’m not like that.” She notes men also face stereotypes: They aren’t expected to be vulnerable or cry, but they can bluff and be loud and raucous. Women, on the other hand, must be “ladylike.” They can’t curse or ask for a raise and must be “proper.” “If you think about that, women surely can’t be promoters,” she says. “Of course, that’s a faulty assumption.” —Tom Starner

Why ‘Random Acts of Wellness’ Don’t Work

R ises in healthcare costs, chronic conditions and unhealthy lifestyle choices—such as drinking, physical inactivity and medicine non-adherence—are causing a rise of another kind: an increase in the number of employers embracing wellness programs. It’s an important quest, says Ron Loeppkke, vice chairman of U.S. Preventive Medicine, a wellness and population health-management company. Not only do wellness programs cut down on healthcare costs and help treat and prevent chronic illnesses, but they make a big impact on important factors in the workplace. “One of the biggest points of value of employee wellness is [that] it becomes a driver of other business priorities for employers,” Loepkke said in January during the International Foundation of Employee Benefit Plans’ Health Benefits Conference and Expo in Clearwater, Fla. “They get better employee performance, engagement, loyalty, morale, attraction and retention.” Still, despite a greater focus on workplace-wellness programs, many employers are not getting it right. During the International Foundation of Employee Benefit Plans’ Health Benefits Conference and Expo in Clearwater, Fla. “They get better employee performance, engagement, loyalty, morale, attraction and retention.” Still, despite a greater focus on workplace-wellness programs, many employers are not getting it right. During the International Foundation of Employee Benefit Plans’ Health Benefits Conference and Expo in Clearwater, Fla. “They get better employee performance, engagement, loyalty, morale, attraction and retention.” Still, despite a greater focus on workplace-wellness programs, many employers are not getting it right.
The creators of HRE_March.indd   8
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able to turn their skills, training and
organizations with access to their
education, training, skills,
records, including data related
to
central repository of data," explains
without the need to rely upon a
for verification and transactions
technologies can store their data
identity powered by blockchain
personal data.
individuals sole ownership over their
platform is centered on the concept
of self-sovereign identity—giving
problems plaguing both employers
and employees. Rising to the top
of the list was data management—
particularly, the fragmented nature
of employee credentials.
Most career-related data—about
employers’ educational history, past
positions and skills, for instance—are
housed in disparate locations, across varying platforms and
databases. That puts employers at a
disadvantage, the pair observed, as
organizations lack access to holistic
career profiles of potential and
current workers, restricting their
ability to tap AI and other tech to
make predictions about their value to
the organization. On top of that, self-
reported credentials have historically
been shown to be untrustworthy. And on the employee side, concerns about privacy are on the rise—
especially with the emergence of
new regulations like the European
Union’s General Data Protection
Regulation—prompting many to seek
more authority over their own career
profiles.
That’s where the Velocity Network
Foundation comes in. Launched in
January by 15 inaugural members—including big names in the HCM and
education fields—the vendor-neutral, nonprofit foundation is rolling out
the Velocity Network, a blockchain-
powered, open-source “Internet of Careers.”
The verified career-credential
platform is centered on the concept
of self-sovereign identity—giving
individuals sole ownership over their
personal data.
“Individuals with self-sovereign
identify power by blockchain
technologies can store their data
to their devices and provide it for
verification and transactions
without the need to rely upon a
central repository of data,” explains
Cameron. SSL, she says, gives users
complete control over their identity
records, including data related to
their education, training, skills,
projects, job history, assessments
and more.
“By providing potential
organizations with access to their
data,” she says, “individuals will be
able to turn their skills, training and
experience into genuine value in the
labor market and access better career
development opportunities.”

The 15 founding members,
Cameron notes, represent a diverse
cross-section of stakeholders,
including HR- and education-tech
vendors, gig platforms, background-
credentialing organizations,
recruitment firms and more. The
inaugural members are Aon’s
Assessment Solutions, Cisive,
Cornerstone, HireRight, Korn Ferry,
National Student Clearinghouse,
Randstad, SAP, SunTotal Systems,
SHL, Ultimate Software, Unit4,
Upwork, Velocity Career Labs and
ZipRecruiter.
Employers can reap the benefits
by applying analytics and AI to the
data for job matching, learning and
development, and tailored talent-
management and retention programs.
“In turn,” adds Cameron, “this will
provide the much-needed uplift
to productivity, which has been
below par since 2011, despite huge
technological advancements.
In the coming months, the
foundation will develop and test
the platform and focus on growing
the Velocity ecosystem, with plans
for the network to be available,
along with apps supporting initial
use cases, by the end of 2020.
To participate, entities must join
the foundation as members, and
ultimately can serve as credential
issuers, credential inspectors, data
processors or consensus node
operators.

—Jen Colletta

Upcoming Events
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 pewconference.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 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 hci.org/idconference2020.

May 5–8 | 2020 SHRM Annual Conference & 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 explore an expo for one-on-one conversations with vendors and experts. For more information: LRP Media Group at SHRMExpo.com.

May 17–20 | 2020 ATD 2020 International Conference & Expo, 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 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 for one-on-one conversations with vendors and experts. For more information: LRP Media Group at SelectHRTech.com.

June 28–July 1 | 2020 SHRM Annual Conference & Exposition, San Diego Convention Center, San Diego. More than 200 sessions across 10 tracks will offer insights into the challenges facing modern HR leaders and practitioners. Sessions explore the latest trends in such topics as benefits, culture, HR technology, diversity, leadership and talent management. For more information: SHRM at annual.shrm.org.
Survey: Employers Continue to Lag in Upskilling

With artificial intelligence and related tech making serious inroads in today’s workplace, it may come as little surprise that, according to a new survey, upskilling and reskilling will be key to evolving employee competencies that complement technological innovation.

Unfortunately, the same survey, the 2020 Talent Trends Report released by Randstad Sourceright, found that, while 91% of human capital leaders believe it’s their company’s responsibility to provide reskilling to meet business needs, only 22% are currently doing so to address talent scarcity. Nearly one-third of respondents who said they intend to offer reskilling aren’t sure how to get it done.

The good news is most employers (68%) plan to provide training and reskilling in the area of artificial intelligence, while 80% aim to develop workers’ soft skills. The findings mirrored those in the company’s 2019 research on employees, wherein their most desired skills included both technical capabilities (43%) and soft skills, such as communication (41%).

The survey, which included responses from more than 800 C-suite and HR leaders, also found that human capital professionals see talent fluidity—defined as the ability of workers to mold their skills to adapt to automation, digitalization and other changing needs of their organization—as critical to the future of work.

“Digitalization has changed the way we work and has redefined the skills that are most important for employees to possess,” says Rebecca Henderson, CEO of Randstad global businesses and executive board member. “Yet, while employers have acknowledged that it is crucial for their businesses to reskill staff to keep up with changing technology and bolster the soft skills that only humans can possess, it is troubling that so few companies are currently offering this necessary training.”

In addition to AI and soft skills, companies also plan to train existing employees in analytics skills (59%), technical capabilities (57%) and cloud computing (54%). Thirty-eight percent of respondents view reskilling as an important measure for redeploying employees at risk of losing their jobs due to automation.

Other key findings from the 2020 Talent Trends Report include:

• Internal mobility: About 47% of companies will be increasing investments in their internal mobility programs this year, up from 39% in 2016. In Randstad Sourceright’s 2019 survey of talent, 31% of working professionals said their ideal employer should offer career progression opportunities.

• Automated talent acquisition: Seventy-one percent of C-suite and human capital leaders say that technology has made the recruitment process simpler and more efficient for them, and 72% believe that technology is helping them make smarter hiring decisions. Eighty-one percent also say talent analytics play a critical role in sourcing, attracting, engaging and retaining talent.

• Digital insights: Nearly half (47%) of employers are investing in predictive analytics for talent, and a majority (54%) are investing in digital specialists to support HR. In Randstad Sourceright’s 2019 research, a majority (60%) of working professionals also said they would have more job opportunities if they possessed broader digital and tech-focused skill sets.

• Workplace culture: While 60% of employers said digital transformation was moving too quickly in 2019, that number fell to 45% this year, signaling that businesses are adapting their cultures to drive their digital shift. This is supported by the fact that 77% of talent leaders reported acquiring more digital skill sets to expand their reach and open up business opportunities.

—Tom Starner

While 56.8% of global workers consider themselves introverts, only 39% of senior leaders in the U.S. do.

The good news is that introverted leaders and employees can expand the diversity of perspectives available to an organization, including how to better communicate with and involve employees who prefer introversion. A few simple strategies include:

• Sending detailed meeting agendas with clear expectations ahead of time to give introverts time to prepare.

• Allowing for breaks in discussions to give introverted team members a time to chime in.

• Utilizing a range of communication formats, including presentations, meetings and written communications.

“While employers have acknowledged that it is crucial for their businesses to reskill staff to keep up with changing technology and bolster the soft skills that only humans can possess, it is troubling that so few companies are currently offering this necessary training.”

—Rebecca Henderson, Randstad

Why Introverts Struggle to Climb the Corporate Ladder

When seeking more diversity of thought among organizational leaders and employees, it might be a good idea to look inward.

That’s because, while 56.8% of global workers consider themselves introverts, only 39% of U.S. senior leaders do, according to data collected by the Myers-Briggs Co.

John Hackston, head of thought leadership at Myers-Briggs in London, says that organizations could benefit from promoting more introverts, whose talents and ideas often get ignored.

As defined by the nearly 60-year-old Jungian psychology-based Myers-Briggs Type Indicator, introversion means “an orientation toward their internal world,” which means such people “silently think through ideas before speaking up, while ‘people with extroversion tend to talk their thoughts out, say more things and, generally speaking, seem to be more confident,'” Hackston says.

That doesn’t mean that introverts aren’t as confident about their ideas—it’s just that their more thoughtful approach can be overlooked when cultural stereotypes of leadership skew toward extroverted behavior. Also, an introversion preference isn’t always across the board: People may be introverted and quieter in settings such as group meetings but behave more extroverted in one-on-one conversations with colleagues.

It’s worth noting that some cultures seem to have a more even split between introverted and extroverted leaders. Countries with the highest levels of introverted top executives and senior managers are Singapore and Zambia (53% each), Malaysia (51%) and Russia (48%). The lowest proportion of introverted leaders can be found in Finland (23%), Turkey (28%), Peru (29%) and Sweden (30%).

Despite the predominance of introversion worldwide, the question remains, why are introverted leaders in the minority?

“We know that—in Western society, in particular, but in many organizations around the world—people look for and expect [extroversion in] that leadership role,” Hackston says. As a result, many introverted people will adopt a strategy of acting more extroverted to advance their careers, since cultural stereotypes and unconscious bias against introversion can have a negative impact, he notes.

—Maura Ciccarelli
The number of job openings in the U.S. fell from 7.6 million in January 2019 to 6.8 million in January 2020, according to the Bureau of Labor Statistics. Is this an early sign that the talent shortage is dwindling? Maybe. But regardless of what those numbers reflect, HR professionals continue to worry about maintaining a skilled workforce.

While the largest decreases occurred in retail trade (139,000 jobs) and construction (112,000 jobs), retaining key talent is HR’s chief concern, according to a survey of more than 300 HR executives representing mid- to large-size employers across multiple industries conducted by Human Resource Executive® between December 2019 and January 2020.

Slightly more than half of the respondents worry about retaining key talent, with the next most common concern being developing leaders and succession planning, followed by improving the employee experience, and driving innovation and helping teams work together.

Although the talent shortage began dominating the labor market more than a decade ago, the No. 1 issue among HR professionals in the last three consecutive HRE surveys was employee engagement; last year was the first time that retaining key talent tied for the top spot.

So, what changed?

Susan Haberman, senior partner and U.S. leader of Career Business at Mercer, points to the 3.5% jobless rate, which encourages job hopping; employers’ increased need for specific skills, especially those involving digitization of work; and the challenge of improving employee productivity, which requires a blended mix of new skills and institutional knowledge.

“If all you’re doing is bringing people in from the outside, you’ll run into problems,” she says. “You see this in particular when looking at tech companies on the West Coast that have massive turnover.”

Some survey respondents also mention the exodus of baby boomers. How can employers capture and accelerate the transfer of their knowledge to the existing workforce?

In the coming years, however, that may not be an issue. According to Glassdoor’s Jobs & Hiring Trends for 2020 report, baby boomers—those 65 or older—will become the fastest-growing workforce, a trend the report calls the “gray wave.” According to Glassdoor, this segment of the workforce is expected to grow by 61% over the next decade, compared to 5.5% for the overall American workforce.

Holding the Reins


The fallout is different for each organization. According to one HRE survey participant:

“We struggle with high turnover in the healthcare industry, which can lead to staffing and safety concerns, as well as a lack of internal candidates for promotions.”

Another says, “We develop leading-edge custom business solutions. Our people MUST maintain capabilities and skills with the latest technologies.”

There’s no shortage of triggers causing people to quit. Some respondents blame outdated technologies and manually intensive processes. Others mention such contributing factors as high benefit costs, weak managers or leadership, poor communication or a toxic culture where core values and responsibilities are not clearly defined or even widely accepted by the workforce.

At organizations with high turnover, a big chunk of HR’s time is directed toward recruiting, onboarding and training new workers, which distracts from other important matters, ranging from employee coaching and succession planning to updating compensation and benefit packages.

Combined, more than 60% of survey respondents are either extremely or very concerned about their organization losing talent over the next 12 months. “Finding and keeping high performers will impact the bottom line of the business more readily than any other initiative,” adds a survey respondent. However, many HR professionals are being proactive. Most commonly, they are beefing up leadership/manager training, as well as enhancing employee
What’s Keeping HR Up at Night in 2020?

SOLUTIONS SPOTLIGHT
A look at a handful of companies doing interesting and noteworthy work to solve HR’s biggest pain points.

**COMPILED BY HRE STAFF**

**HR AREA: RETENTION, TALENT MANAGEMENT**

**What they’re doing:** Gloat’s InnerMobility platform creates an internal talent marketplace for companies by providing a “personal career counselor” to all employees. Employees can share their purpose, goals, skills and experience—and develop an internal career path—within the platform, which can link with existing HR systems. There, recruiters and teams can shop to find the skills they need for a project.

**Why it’s innovative:** Artificial intelligence powers InnerMobility, helping managers and teams fill their needs and enabling employees to try new things, develop new skills and expand the organization’s possibilities. Its matching is unbiased, relying only on skills and experience to connect employees and managers, and two-sided, meaning both employees and managers can initiate connections. It also can be used to develop and automate mentoring programs, for employee self-assessment and for full- and part-time jobs.

**HR AREA: SUCCESSION PLANNING**

**What they’re doing:** Saba believes great succession plans support organizational growth, help companies recruit and retain the best talent, and ensure that teams can quickly and effectively react to change. To that end, its Saba TalentSpace | Succession tool within Saba Cloud allows organizations to cull employee appraisals for key data, create talent pools based on critical competencies, plot performance to identify high-potential employees, create development plans, and evaluate strengths and weaknesses of talent pools.

**Why it’s innovative:** Saba’s tool creates a continuous, hyper-connected development experience to help align talent to the ever-shifting goals of a business. “For your organization to be able to confidently state that it’s ready to face the challenges and new realities of digital disruption, you need to make talent development, including succession, a priority,” says Anita Bowness, principal product manager, customer success for Saba. “You need to be identifying, supporting and developing the skills and relevant competencies your leaders and employees need to be successful, and that will move the needle on business performance.”

**HR AREA: RECRUITING, RETENTION**

**What they’re doing:** ADP’s candidate relevancy tool reviews every applicant’s resume and pushes resumes to the top of a hiring manager’s queue with a relevancy rating of high, medium or low. This helps recruiters choose candidates faster and based on skills that align with the job function, relying on ADP data, machine learning and natural-language-processing algorithms. Embedded into the recruiting workflow, it improves both the efficiency of the process and the quality of the hire.

**Why it’s innovative:** The tool, which is used in addition to traditional hiring tools, relies on ADP’s vast data set to train its predictive model, combing anonymized payroll records, HR data, 5 million job postings and more than 32 million candidate resumes. The model can describe people, companies, jobs and skills relevant for that position while leveraging overall performance and tenure to provide the most effective recommendations. Because it’s part of the recruitment workflow, recruiters can use the tool to identify or proactively source candidates—current internal employees or external applicants—who match these characteristics.

**HR AREA: RETENTION**

**What they’re doing:** Gloat’s InnerMobility platform creates an internal talent marketplace for companies by providing a “personal career counselor” to all employees. Employees can share their purpose, goals, skills and experience—and develop an internal career path—within the platform, which can link with existing HR systems. There, recruiters and teams can shop to find the skills they need for a project.

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communication, feedback, work/life policies, wellbeing initiatives and upskilling efforts.

Others are turning to frequently used employee magnets: Nearly one-third are increasing compensation, and one-quarter are improving benefit offerings. Still others are introducing new technology to match workforce expectations and enhancing talent mobility.

All the other “stuff,” Haberman says, like the quality of leadership, performing meaningful work and observing a corporate social responsibility agenda can also help retain employees.

“In a tight labor market, competitive compensation is an expectation,” she says, adding that she suspects the labor market will recalibrate or correct itself within two years. “You need an entire employee-value proposition and an employee experience that are very differentiating.”

But when unemployment rises and the economy starts to soften, she says, compensation will likely become more important and employees “will let go of some of this other stuff.”

Survey respondents report other key concerns, too, including driving culture change, managing healthcare costs, and upskilling and reskilling for the jobs of tomorrow.

“The war for talent is real and continues to be a struggle,” says one survey participant. “Culture change is required to provide a positive employee experience, which also means our leaders need to develop their leadership skill sets, confirm we have the right folks in the right seats and create succession plans for key positions while also drafting development plans for low performers and top performers.”

External global survey results from Deloitte also reflect similar findings. Leadership-development programs and digital skills are top concerns for C-suite executives, yet less than half (41%) believe their organization is either ready or very ready to meet their leadership requirements. Worse yet, Deloitte found, only 17% reported that C-suite executives regularly collaborate, and only 2% of U.S.
executives say their workforces possess the skills needed for the future. According to Deloitte, based on these responses, the company created several in-house programs that can fit into many work environments and be used as recruitment and retention tools. These include skill-development initiatives to help veterans, people on the autism spectrum and those returning to work after an absence.

Among the most surprising HER survey outcomes is that more than 51% of respondents report there isn’t a succession plan in place for the HR leadership role in their organization. Organizations looking to be better prepared on that front should consider taking a step back to rethink the value of the traditional “one-for-one” succession planning model,” says Tami Simon, senior vice president and global corporate consulting leader at Segal, a benefits and HR consulting firm.

Start by re-evaluating your organization’s business goals and how the workforce supports them. By overlooking this step, she says, HR professionals miss a key opportunity. Maybe a leader’s role has mushroomed or evolved into something different and will be redefined in the future. Consider dividing the leader’s responsibilities among multiple employees.

As a professional-developmental strategy, she says, this empowers people and spreads the risk among your workforce instead of focusing on enabling one person to adopt all of a leader’s responsibilities.

“[HR] needs to be more agile, flexible and creative when it comes to thinking about the needs of the business and how it’s going to meet those needs as business naturally occurs in the organizations,” says Simon. “The way to do that is to make sure [leaders] have protégés and properly give them enough career development.

If a leader is on vacation or retiring within the next several years, for example, conduct trial runs by rotating tasks. Ask one employee to present at the next client meeting and someone else after that, she says.

“The reality is that experience is the best leadership development you can give people,” Simon says, warning against going overboard by creating a cutthroat, competitive environment.

“Manage to people’s strengths. You also don’t want a company of Borgs. Different—leaders who are quiet and demure or others who are jovial and effervescent—can be successful in their own way. That’s how they remain authentic and how you create a culture of innovation and diversity of thought within an organization.”

Building Healthy Cultures

Meanwhile, the level of stress among HR professionals has either increased dramatically or somewhat among nearly 75% of survey respondents. One of the resources I like to consult as I plan for themes, topics and speakers for the annual HR Technology Conference is Human Resource Executive’s annual “What Keeps HR Up at Night?” survey. The research sheds light on what HR leaders are thinking about, how they are spending their time and, importantly, what subjects, functions, processes and programs are proving challenging to them as they strive to execute their people strategies. At HR Tech, we endeavor to provide the most relevant content program that helps HR leaders more clearly see how modern technology can help them with these most pressing challenges. With that said, I wanted to share a few observations about what the latest HER survey results suggest about the state of HR technology.

(Note: This is a large, detailed survey, and I am mainly focusing on the HR-technology implications. For an analysis of the full “What’s Keeping HR Up at Night?” results, see page 10.)

What Was Not Surprising

I bet that, even without looking at the results of the survey, you would likely be able to guess most of the top-five concerns of HR leaders. Retaining key talent, identifying and developing the next generation of leaders, improving employee experience, driving culture change and improving employee engagement all topped the list—and have been commonly vexing HR and talent leaders for years, perhaps even decades. While the challenges for HR seem to remain more or less the same, the solutions—and, in particular, the nature of the technologies to help drive these solutions—are starting to change.

What Was Surprising

Of all the options given to respondents about what’s keeping them up night, “effectively using AI and machine learning” came in second from the bottom, with only about 7% of respondents indicating this as a concern. Only “overseeing gig and remote workers,” at about 5%, was lower on respondents’ radar. While gig/remote work coming in so low is surprising, the AI results seem almost hard to fathom—given all the time, energy, innovation, marketing and even general press attention that has been given to advanced tech like AI and the impact of these technologies on work and workplaces. Scores of HR-tech providers have been completely built from or with AI technology, and just about all of the established, legacy providers are incorporating AI into their toolsets. With all this attention and investment in AI for HR, why did using AI rank so low on HR leaders’ radar?

A Few Hypotheses

I think these data may suggest a few things. One, there looks to be at least limited success from the HR-technology community—tech providers, consultants, analysts, even event programmers like me—in effectively communicating the value, capability, applicability or even a basic understanding of AI and ML technology to the HR-leadership community. The messaging is seemingly not making an impact just yet. And second, and perhaps more telling, is that the same HR-tech community might need improved and more meaningful messaging. We are all probably talking too much about AI and ML as tech solutions, and not talking enough about how these technology innovations actually speak to and can support what HR leaders tell us over and over again about what is important to them. Probably none of us advocates and providers of AI should even be talking about AI. But rather we should only be focusing on talent retention, leadership development, employee experience, driving culture change, etc. Those are the real challenges for HR, not “implementing AI.”

I will admit, as a longtime “technology” person, I have the tendency to see most business and workplace challenges as ones that can be solved, or at least supported, by the application of the right or best available technologies. At some level, this is true, and often in the past if applied to what have been, admittedly, some pretty simple (but important, nonetheless) problems: things like having an updated payroll system to help the organization keep current and compliant in times of growth and with changing legal and regulatory requirements. Or providing employees and managers better, easier to use self-service and mobile access to HR information and transactions. Or even creating a library of organizational information, policies, and learning and training materials. In truth, plenty of the recent HR-tech breakthroughs fall into this category: important, necessary and valuable, but not truly game-changing drivers of competitive advantage.

But this next wave of HR-software solutions—powered by much more advanced tech like artificial intelligence, machine learning, natural-language processing and more—offers organizations and HR leaders capabilities that extend much further than the prior generation of HR technologies ever could. The last 20 years of HR tech have largely been about efficiency, accuracy, accessibility and perhaps even transparency. Perhaps the “automation era of HR tech” describes the main, most common benefits realized by HR organizations, and it could explain why some of these “efficiency” and “accuracy” kinds of challenges rate pretty low on the HR list of challenges. Now, perhaps, it’s finally time to tackle the top of the list after all this time.

The next 20 years or so, in what might likely come to be known as the “AI era in HR tech,” promises much, much more—even if we are not sure, just yet, as HR leaders that we are ready to be interested and invested in AI. But the truth is, we really are interested and invested in making our workplaces better, our employees more engaged and supported, and in creating the best HR organizations that we can. And AI, whether or not we talk about it explicitly, is almost certain to be a part of those aspirations.

Of course, all the innovations and insights about AI in HR tech will be a major focus and feature of the HR Technology Conference this year, where we plan to showcase both the current state and future direction of AI in HR and the workplace. Make your plans now to join us!

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

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Some HR professionals reported worrying about the future, specifically that the aftermath of the 2020 presidential election could add even more pressure for HR professionals. Will federal or state laws change? Will there be additional reporting requirements or regulations? Will the Affordable Care Act survive?

More than half of the respondents are concerned about potential changes to healthcare, while other common worries include changing wage and hour policies and paid-leave requirements. Others point to a patchwork of state laws, pay equity, employee leave and immigration. Survey participants reported the least amount of concern about retirement, workplace discrimination and workplace safety.

Considering the strong link between retention and employee morale, it’s surprising that only 6.5% reported that employee morale and engagement in their organization is extremely strong; about one-third believe it is strong.

One way to build employee engagement and morale is to ensure that all employees understand their purpose and how their responsibilities contribute to the organization’s goals or mission, adds Simon of Segal. She says HR can achieve this through effective communication—on or off social media—and by using collaboration tools and employee-empowerment strategies.

Simon tells the story of custodial workers at a large hospital system whose job titles were renamed “health and safety professionals.” They were taught that one of the hospital’s biggest challenges was lowering the patient infection rate and that their chief role was to help patients avoid infection. They were then empowered to be innovative at solving problems within their job boundaries, which led to higher morale and engagement.

“Everybody needs to matter,” Simon says. “That’s a human instinct. We all want to be wanted.”

From an overall workforce perspective, perhaps the survey’s key takeaway for HR professionals can be summed up by the following participant comment:

“Organizations will struggle with recruitment and retention in this difficult labor market if they lack a great employee experience and a ready-now leadership pipeline.”

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Injecting new or updated technology into the human resource realm is no recent phenomenon; employers have been tweaking their HR-tech solutions for two decades or more. From client-server to cloud-native platforms, the spending and the effort on tech improvements are not in dispute—but their effectiveness may be.

According to HR-tech guru Josh Bersin, in his HR Technology 2019 Market: Disruption Ahead report, more than 12 million U.S. employers are spending over $5 trillion on payroll, benefits and other employee programs annually. Bersin reports that, with more than 40% of the U.S. workforce changing jobs annually, the result is a $250 billion-plus market just for products related to recruitment, advertising, assessment and interviewing.

Unfortunately, despite all that spending, it appears that results lag expectations and outcomes. According to recent research from Raven Intel and the International Association for Human Resource Information Management, HR leaders report their tech projects continue to disappoint in the all-important success quotient.

The 2019 HＲIM HR Software Study, executed by Raven, found that, of the 230 HR professionals surveyed involved in tech projects, just 38% say the project delivered “all” of the expected business value. More than half (53%) report getting “some of the value,” with 8% saying they got no value and 3% actually feeling they “went backwards.” In addition, 47% report no cost savings.

Conducted in September, the survey asked participants for feedback on a cross-section of projects implemented in the past two years, including HCM/core HR, talent management (learning, performance, compensation and career goals), recruiting, onboarding and payroll.

**Why the Disconnect?**

The survey results are similar to what Raven Intel is hearing from customers, says Bonnie Duncan Tinder, founder and CEO of Raven, which helps enterprise-software customers independently find the best implementation partner. (Tinder will be among the presenters at the upcoming Select HR Tech conference in June.)

Tinder says her firm sees the highest risk for failure when the buyer doesn’t do its due diligence in choosing a partner—for instance, perhaps it went with a firm suggested by the software vendor or a partner that had been used by another internal team.

“They chose the path of least resistance; they didn’t put in the time and effort on that partner selection that they put into choosing the software,” she says. In fairness, she notes, sometimes, by the time HR leaders have completed a grueling software-selection process, they may be so tired that the idea of slapping a partner onto the project to “make it easy” can become a trap—in terms of realizing successful outcomes.

“If you don’t have that second critical piece [of the right partner], it doesn’t matter how good the software is,” Tinder says. “You can get the best product on the market and spend millions of dollars. But if you don’t have the right project partner and the right project plan, it’s going to fail.”

Jeanne Achille, chair of the Select HR Tech conference, says that, in the past, the adage “Measure twice, cut once” was enough for making an HR-tech investment. Today, she says, the accelerated, intensively competitive pace of global business continuously creates multiple, highly dynamic requirements.

“That’s why, to ensure success, organizations need to deploy well-designed solutions that can accommodate the inevitable change,” Achille says.

Jason Averbook, industry analyst and co-founder/CEO of Leappan, a consulting and education firm that works with HR organizations globally, is forthcoming about his thoughts behind this all-too-common outcome.

“The disconnect surrounding HR technology today is preventing HR leaders from realizing intended results. HR is pinning its hopes on technology as a ‘digital holy grail,’ but that’s inadequate,” says Averbook, who will deliver the opening keynote at Select HR Tech. “Trying to make simple tools catch up to what I call the ‘now of work,’ rather than devising new, more innovative workforce strategies first, is a major factor driving that disconnect.”

Also, by not adapting to today’s talent challenges when upgrading or buying new technology, many—if not
HR Technology

HR IN THE FLOW OF WORK

My Reading List for Business Success

By Josh Bersin / Columnist

I am a big reader. I’m wired to learn by reading, so I find myself reading books, downloading reports and diving into articles wherever I am and whenever I can. I’ve also gotten into podcasts, which are very convenient for learning when you’re on the go.

As an analyst, I really consider it my job and responsibility to keep up on things in the world. What I’ve found is that broad interest in many social, economic and political topics teaches me “why” we face certain challenges. I also think everyone can benefit from history, which can provide so much context for where we are today—whether for business or current events.

As far as real-time news, I follow many people on Twitter, constantly browse stories on LinkedIn (which has done a masterful job of curating news that is relevant to me), and always read articles and emails people send me.

Finally, I learn a lot by listening to those I encounter every day in my work. I’m likely to learn something from every conversation, so I try to ask lots of open-ended questions.

Following is a partial list of my learning resources (view the whole listing of books, magazines, podcasts and more at HRExecutive.com). I invite you to broaden your knowledge and challenge your brain. Lifelong learning applies to us all, no matter our age or job title.

Sources for keeping up with what’s going on:

• Despite the political overload, I read the New York Times and Wall Street Journal every day.
• Every Sunday, I watch Fareed Zakaria GPS on CNN. He has a unique way of really making sense of global politics and reads like a spy novel.
• I love reading Tim O’Reilly’s newsletter on the future of work.
• I adore The Economist. It is the most educational, independent voice on what’s going on in the world; plus, its writers have a wry sense of humor.

Recommended books: (Don’t be intimidated; I do a lot of skimming.)

• The Ride of a Lifetime, by Bob Iger. Read this to gain a deeper understanding of how people and organizations work.
• Winners Take All: The Elite Charade of Changing the World, by Anand Giridharadas. Giridharadas has single-handedly figured out how to explain the big problem with income inequality.

• Range: Why Generalists Triumph in a Specialized World, by David Epstein. This book’s essential message is that research now proves that being a generalist is the best-long term path to success.
• The Fifth Risk: Undoing Democracy, by Michael Lewis. The author of Moneyball explains why the U.S. federal government is amazingly important to our everyday lives.
• The Value of Everything, by Mariana Mazzucato. This book rethinks how we define value and addresses some fundamental questions about the environment and compensation strategy.
• The Curse of Bigness: Antitrust in the New Gilded Age and The Attention Merchants: The Epic Scamble to Get Inside Our Heads, both by Tim Wu. Both of these books will teach you a lot about advertising and monopolies and the impact that they have on our world.
• Midnight in Chernobyl: The Untold Story of the World’s Greatest Nuclear Disaster, by Adam Higginbotham. This is a must-read if you want to understand the risks and opportunities related to nuclear energy, as well as the impact of groupthink and information warfare.
• The Hidden Life of Trees: What They Feel, How They Communicate, by Peter Wohleben. This book will blow your mind—and make you think a lot about how your company operates.
• The Four: The Hidden DNA of Amazon, Apple, Facebook and Google, by Scott Galloway. Galloway really “tears down” these four companies and discusses why they’re a drain on society.
• Hit Refresh, by Satya Nadella. Nadella is the Jack Welch of our times, without the blustering and bloviating that Welch brought to the business world.
• Strategy and Structure: Chapters in the History of the American Enterprise, by Alfred Chandler, Jr. This book is still applicable today and helps you understand how we got to where we are in terms of organizational design.
• Trevor Noah: Born a Crime, by John Murray. You won’t want to put down this truly inspirational life history.

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 hrletters@lsp.com.

most—employers also are not realizing the full potential of their people, he explains.

“Organizations that harness this potential not only will have a true competitive edge, but also will drive loyalty and workforce engagement,” Averbook says. “So, they have to get the tech planning and buying strategy right. A lot is at stake.”

Three Stumbling Blocks—And Steps for Success

Scot Marcotte, chief technology officer at Buck—an HR and benefits consulting, technology and administration-services firm—sees the biggest stumbling blocks with any new HR-tech project as threefold: overly complicated goals (expecting more than the solution can deliver), patchwork solutions that aren’t fully integrated with existing technologies and the wrong person in the decision-maker driver’s seat.

Marcotte offers a few practical steps to tackle the disconnect challenge.

First, HR must base decisions on evidence. Before investing in any new HR technology, Marcotte says, companies need to step back and use data to determine their HR objectives. Executives should think carefully about what they want the software to accomplish based on the needs of the business and their employees, who deliver on those needs. For instance, benefits and rewards platforms can use data from the firm’s own health, wealth, career and engagement sources, enabling HR and finance to apply analytics to establish a “talent baseline” of health, performance, engagement and rewards.

“With clear baselines, explicit goals and people analytics, the business can best model people scenarios effectively and gain the insight needed to identify the underlying health and wellbeing issues and the potential technology solutions,” Marcotte says.

Next, ensure new and existing systems mesh seamlessly. From workforce planning to talent-acquisition systems, and from payroll to performance-management platforms, he says, there are often up to 20 different components in a complete HR-technology system. Often, the solution needed isn’t a complete overhaul.

“Existing technology investments can be leveraged if those systems can provide baseline and ongoing metrics...
and can integrate with the other technology in place,” Marcotte says.

Finally, collaborate on the software decision. According to Marcotte, too often, IT takes the lead in selecting technology, since that department must ensure that HR software can be rationalized against other technology goals of the company—including cost and compatibility with other systems. Because HR has the clearest picture of talent needs through its analytics, however, HR leaders should instead be in the driver’s seat to identify what’s working and what’s not, where replacement is needed or consolidation is in order, and when the time is right to bring change into HR service delivery.

“Given the high cost of technology investment, it’s critical that HR and IT work together to assure software decisions make business—and people—sense,” he says.

‘Less Is More’

Another misstep, adds Jonathan Sears, Americas People Advisory Services Technology leader at EY—the multinational professional-services firm headquartered in London—happens when employers look to technology to solve all of their people, capability and process issues in a single implementation.

“They are making a mistake because it’s simply not possible,” Sears says. “In many ways, the technology is irrelevant if you’re not looking at the skills and capabilities of your people, and the processes in which your work is completed. New technology plus old process equals an expensive, old process.”

Effective change management and learning in this scenario that identified key success variables, Sears explains, and that means knowing how to enable a workforce to adopt the new technology, and measuring the readiness and effectiveness of the new technology across the organization.

“For decades, the data has shown that those organizations that invest in change-management activities have a much higher success rate from those who don’t,” he says.

Sears says traditional change management (e.g. training) has proven to be limiting in its effectiveness, and organizations have pivoted to tracking employee sentiment, business readiness and adoption, and ROI through digital change-experience tools, while also deploying high-end learning simulations and knowledge-capture tools to effectively change the way people work.

Raven Intel’s Tinder offers another roadblock in attaining a smooth, successful outcome from an HR-Tech project. People making the decisions often are not around long enough

PEOPLE SIDE OF DIGITAL

By Jason Averbook/Columnist

Let’s Rethink Human Capital Management

Do you ever look back on your New Year’s resolution (if you make them)? Do you even remember what they were? Maybe you resolve the same thing every year—either because it’s a persistent goal or because you never actually meet it. Maybe your resolution never even makes it to February.

We begin every year with similarly big and lofty goals for our organizations and for HR. If we’re going to draw a parallel, New Year’s resolutions feel kind of like performance reviews of old: We look in the rearview mirror at past performance, decide what we don’t like and throw an ambitious stake in the ground for future performance. Wouldn’t it be great if we remembered and revisited our resolutions all year … if we treated them like True North on our compass … if those resolutions functioned like a lightning rod for the curveballs, pace of change and shifting sands we know will come our way?

That’s where trends and insights play a key role. If we understand the needs of our modern organizations, the evolving expectations of the workforce upon whom we rely to deliver to the market and our customers, and the availability of solutions and techniques to power experiences and drive outcomes, we can better shape an organizational digital strategy that spans our workforce experience goals. In other words, these themes shape our people priorities. More importantly, they help us close the gap between the world we live in and the world of work.

Stop Thinking Technology—Start Thinking Digital

In 2019, mindset, people and process emerged as the most important parts of digital transformation—which can’t be about technology alone, or else we may miss the biggest opportunity of true transformation: improved workforce experience. Last year, we finally embraced workforce experience as the most important HR/people priority. The value of AI redefined as augmented intelligence helped us acknowledge the value of improved transactions for a better experience. Finally, the value curve changed for HR technology where our experience layer—what the workforce interacts with—drives a continued focus on integrations and a return to best-in-breed buying strategy.

Shifting from technology to digital requires that we design for the internal customer—your employees, your business, your line managers and your team leaders—and not for the simple sake of HR getting the data they need. All of this demands experience COEs, or centralized delivery of one seamless, frictionless experience for the workforce. When you do all of this, your HRPs can be proactive, focus on predictive people intelligence versus data and are tied to the business rather than tied to the HR department.

The shift to workforce experience as the preeminent priority of HR reinforces several additional paradigm shifts:

• HR doesn’t drive engagement of the workforce. The business drives engagement.
• HR technology is not a function; it’s a conduit to deliver messaging to the workforce.
• Workforce technology can only move from addiction to addiction by creating an experience.
• We need to shift the focus of our design, the core of our strategy and our empathy, to the recipients of the experience we deliver.

This experience should span every moment that matters in the employee journey, by the way. Do this:

• Push up your career site. Beautiful, right? Bright, colorful pictures of smiling faces playing ping pong. Happy. Fun to interact with, easy to find what you’re looking for, makes you feel good (we hope). Now, pull up your employee intranet, your “portal.” Does it scream bright and happy, easy breezy? It’s usually an ugly link farm we’d rather not get lost in.

Create a frictionless workforce experience that offers the right product to the right people at the right moment through the right channel. Understand what people need and when, meet them where they are and make it easy for them to do their best work. That’s a beautiful experience that leaves a smile on the faces of those in our workforce, we have suddenly started treating our internal employees like internal customers. It’s time to bridge the gap between the outside world and the inside world and to bring that experience to our workforce. That’s how we win the war for talent. We wage it for the people inside our own business.

All of these shifts require a new mindset and new skills for HR: skills like value creation and marketing, storytelling, persona design to capture the mindset of people in the workforce, enhancing process design as an experience path and design capabilities. An experience economy demands development of these skills as core capabilities within our organizations, and all of this requires empathy. Shifting our focus to the workforce.

Thinking differently. Designing an experience for the empty chair rather than for the HR user.

Workforce 2020 is about the workforce—and it’s about time.

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

By John Sumser Columnist

At $14 billion in annual revenue, ADP dwarfs the competition. Its 800,000 customers span the entire range of settings for HR—from the smallest, finest niche operation in the industrial center across town to the largest global behemoth—so no one understands more clearly the array and complexity of HR execution. The company’s Research Institute produces a monthly jobs analysis that is better than the government’s Current Employment Statistics report.

I recently spent a day in ADP’s innovation lab in the Chelsea neighborhood of Manhattan, home to large chunks of the exploding digital industry in New York. The lab is tucked among the other technology giants.

Being the biggest is not always an easy thing. In some quarters, ADP is the company people love to hate. Entire ecosystems have grown up in its wake, and ADP is the target of tons of small competitors who are no more than 10% of its size, mostly much smaller.

ADP serves many niches and tailors its offerings to meet those demands. There isn’t a one-size-fits-all branded solution, as it must serve the needs of all clients, who come in all sizes and many industries across the globe.

There is a deep logic and flow to its product-development process. These days, the process of refreshing and renewing offerings begins in the enterprise toolkit and migrates out to the smaller customers over time.

ADP’s vision and ambition are also big. ADP intends to continue to demonstrate its technical prowess by creating an enterprise toolkit that enables the sorts of client-specific accommodations required to keep 800,000 clients happy. The vision begins with architecture, then imagines ubiquitous AI, delivers business-relevant insight to individual managers and even allows clients to create their own tools.

That’s a lot to digest. The overall software project is a massive trans-national collaboration with design and coding happening in multiple centers around the world. Built on a set of interchangeability standards, the output is a modular design with lots of block-sized components that are melded together in the installation process.

The goal is a universal tool that comprehensively meets the needs of individual customers. The distributed development approach reflects the fact that the head of global product and technology, Don Weinstein, is an engineer by training. The outcome objective is audacious.

ADP is taking the view that AI belongs anywhere it can find a home. Their explicit “AI everywhere” strategy takes what other enterprise players are effectively doing and makes it a commitment. “AI everywhere” means that the design and development is looking for places that ADP can leverage its huge data stores and massive client base.

Another principle at the heart of the product is “no code development.” ADP wants its clients to be able to easily develop their own applications. The idea is that a customer should be able to point to data sources and lay out logic as a way of developing apps that solve specific problems.

A great example of this is the Chatbot Creator they showed me. With simple logic that you can define as a graphic, it’s possible to create a chatbot that performs the fundamental tasks of repetitive data collection or screening with knockout questions. This will be a much-copied feature as the industry moves towards a purely conversational interface with HR.

These bits and pieces are wrapped around ADP’s most interesting application of its data. Their mobile app, the fourth most-downloaded business app in the Apple iPhone ecosystem, can be tailored to deliver relevant business alerts to users. The system allows integration with other key business data to produce alerts and recommendations tied to the key objectives of individual users.

This is where the practical line between AI and big data blurs to the point of meaninglessness. At the core, this tool compares performance against targets then delivers forecasts, alerts, notices and insight. It’s very mathy. In early configurations, the machine-learning components are limited, but that doesn’t interfere with the power of having real-time data immediately available.

ADP is building new AI-based tools that emerge from its core strengths and beliefs. Unsurprisingly, that’s the approach the company is taking across the board. This is practical intelligence that cares more about value delivery than whether or not it is AI.

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.

To learn more about how to ensure success in your HR-tech projects, register for Select HR Tech, the new conference from the creators of Human Resource Executive® and the HR Technology Conference & Exposition® that debuts June 9-11 in Las Vegas.
The China HR Tech Conference provides a Unique Chance to hear honest feedback from companies who are DOING HR “RIGHT” and who were also transparent about what they could be doing better.

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What’s on the HR Tech Horizon?

HR Tech Influencers share their insights about the potential, and the challenges, of emerging technologies. 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):

Jenny Payne
Manager of Talent Management and Engagement, Top’s Markets

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

One of the most important strategies when it comes to getting your workforce to actually use new technology is involving key end users in the process right from the beginning, as early as the selection process. Those are the folks who are closest to the processes the new technology is intended to enable or enhance, and they are the ones who will bring to light questions and issues that HR may not even think of. So, for instance, if you’re implementing a new ATS, you have to involve your recruiters and hiring managers. And don’t just involve them in the design process, but also make them the champions for the new technology with your larger user population; they’ll be able to relate back to other end users the key benefits, as well as serve as key trainers during your rollout process.

Jerome Ternynck
Founder and CEO, SmartRecruiters

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

If talent acquisition is evolving into a sales- and marketing-like function, then we need to stop measuring recruiting success via cost savings alone, and start measuring it through quality of new hires and its impact on productivity. This, in turn, builds the business case.

Instead of using cost-per-hire, which incentivizes teams to be cheaper (not better), we think about recruiting costs in relation to the production we expect to get out of new hires—this is akin to customer-acquisition costs. We measure this through Hiring Budget, which anchors recruiting costs to new-hire payroll, thus allowing us to appropriately quantify our investment.

For speed, instead of using time-to-fill, which forces teams to hire aimlessly faster, we ask, “Are you filling the right jobs on time?” We track this through Hiring Velocity, which allows businesses to better forecast their ability to acquire the people needed to achieve business-growth targets.

Finally, there is no industry standard to measure quality of hire. For this, we use Net Hiring Score, which gives us a combined, NPS-like score for both new-hire fit and performance (i.e., is the new hire happy and manager satisfied?).

Together, these three metrics have helped our customers better understand their TA strategy and identify investment opportunities for growth.

Gerry Crispin
Principal and Co-founder, CareerXroads

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

The vision of what is possible is shifting back to the TA and HR leaders. For decades, it was mostly the technologist as entrepreneur who built HR “solutions” that they envisioned would satisfy a 21st-century HR function. Today, increasingly, it’s the TA/HR/PM leaders, who now, with years and years of experience and frustration managing those unfilled promises, are beginning to drive a new set of solutions.

Trish McFarlane
CEO and Principal Analyst, H3 HR Advisors Inc.

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

The first big mistake organizations make is having vendor paralysis: They look at far too many vendors for far too long. The scope should be kept as specific as possible, then deep dive with three top vendors. The second mistake is not being realistic about the amount of time needed to go through implementation. My recommendation is to determine how many hours you think your team will need to devote to the implementation process, then double it.

Katrina Kibben
CEO and Co-founder, Three Ears Media

How is HR technology changing the way people work?

HR technology is creating more efficiencies that improve the overall communications for people on both sides of the equation. We’re finally admitting that recruiting communications need to happen across channels—from email to mobile and social. Bonus: We’re even starting to track it.

Dan Shapero
Vice President of Global Solutions, LinkedIn

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

Technology continues to transform the global talent marketplace, with the rise of automation and the shrinking shelf life of skills. We’re simply not operating under the same rules that were in place just five or 10 years ago. The majority of candidates (and jobs) can now be found online and via smartphones. Employees and job seekers are more informed about opportunities than ever before, making them more agile than ever. And, gone are the days where the skills an employee acquired while getting a college degree are enough to sustain them throughout a career. Led by this growing skills shortage, demographic shifts and the new rules of work, the competition for talent and getting hired has reached a new level.

Jason Lauritsen
Keynote speaker, author and consultant

How is HR technology changing the way people work?

On one hand, I’m hopeful that the latest evolution of HR-tech tools is building new positive habits around appreciation, seeking and using feedback, learning on the fly and finding greater agency in managing their own career paths. There are so many great tools out there—which leads to the other hand, where I worry that all of these tools are actually creating more distractions and unintentionally making us both less productive and creative. Until the functionality we refer to today as “HR tech” lives and works within the tools we rely on to do our daily work, we’ve still got a lot of work left to do. A lot more innovation is still needed.

Jen Benz
Senior Vice President, Communications Leader, Segal Benz

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

The best thing you can do is understand your workforce and then build technology to meet their needs. When you launch a new solution that solves a problem and helps people be successful, they are going to want to use it. Second, plan early so you have the resources to not just launch the new technology but drive ongoing adoption. A great way to drive adoption is to include high-value content that people want or need (like your employee discount, timesheet or scheduling). Finally, build in ways to gather user feedback so you can continuously improve the tools.

Andy Spence
HR Transformation Director, Glass Bear Consulting

What’s the single most dramatic shift you see happening in the HR-tech space today?
The most dramatic shift to HR technology is how we manage our career data. Currently, we freely give our career data to help us find work, and this data is then sold to recruiters. This has created an inefficient market with high costs for employees or employers. A new infrastructure for work is being built where individuals own and control their verified career credentials. This will change how we find workers, suitable work, manage our careers and our organizations—and, of course, changes most of our current HR-technology infrastructure.

Derek Belch
Founder and CEO, STRVR
How is HR technology changing the way people work?

Immersive technologies are at the forefront of a transformative workplace revolution. They are fundamentally changing the way people learn, providing on-demand, real-world simulations that lead to real-world behavioral change. With immersive learning, people can now learn in the flow of work, so there is minimal disruption to the business and maximum impact on performance. Immersive technologies boost engagement, confidence and morale. Unique performance insights also allow learners to self-identify areas of strength or areas that need improvement.

It’s a transformative technological revolution in the HR space, and one that’s going to become commonplace in the years to come.

Boris Groysberg
Professor of Business Administration, Harvard Business School
What area of the HR function will be most impacted by emerging technologies?

Thanks to emerging technologies, training opportunities will soon be available any time, and people will not have to wait months for the next training session. Furthermore, training opportunities will be highly customizable, allowing firms to align them closely with their strategies. They will also be more interactive, which should increase their effectiveness. In our HBS background note Developing Leaders, my colleagues and I write, “Lectures can be used to familiarize participants with conceptual ideas and material, but interactive techniques must be employed if the abstract knowledge is to translate into new skills.” Emerging technologies will play a pivotal role in increasing access to these kinds of interactive opportunities.

Chris Forman
Founder and CEO, Appcast
In acquiring and implementing new technologies, what are the most common mistakes HR organizations make?

Massive changes are afoot in talent acquisition. From the entry of Google and Facebook into the “jobs listing” business, to the rise of software-driven ad buying, to the nascent introduction of AI to improve candidate experience … the whole sector is on fire.

David D’Souza
Director of Membership, CIPD
How can HR leaders best make the business case for HR-technology investment?

The best business case for HR-technology investment is to center the case on the business rather than on HR. The problems we are trying to solve are business problems: improving performance, making the most of the potential of the people in the organization or supporting decision-making. If we can link investment clearly to the ambitions and objectives of the business, that makes it far easier for other key stakeholders to understand the benefits to them rather than thinking of it solely as an HR initiative or a localized investment.

Lorna Borenstein
Founder and CEO, Grokker
Are there certain strategies that are more effective than others when it comes to getting your workforce to use new HR technologies being put in place?

Treat employees like consumers if you want them to use new technology. This means delivering an experience that delights them: Pick tech that resonates with how employees like to interact (on their smartphones, using video, on-demand, etc.) and that uses consumer-grade gamification plus the kind of calendaring and notifications they have grown accustomed to. Don’t just set it and forget it—continuously provide opportunities for your employees to use the tech. So, pick partners who know how to do this and have battle tested their tech with actual consumers.

Jeanne Achille
Founder and CEO, The Devon Group
How is HR technology changing the way people work?

I’d argue this question should be flipped. It’s people who are changing HR technology. Years ago, whatever HR and the organization dictated became the norm. So, if your job included being issued a swell 7-pound laptop, so be it. You lugged it around and did your job. Newer entrants into the workforce—especially those who are digital natives—won’t stand for less than a consumer-grade “bring-your-own-device” experience in HR technology. It’s the key driver behind vendors scrambling to up their game and HR departments trying to complete digital transformations in a reasonable timeframe. The quality of the employee experience can make or break the employer brand. No organization can be an employer of choice if workers are forced to interact with outdated technologies.

Ram Charan
Business adviser, author and speaker
What area of the HR function will be most impacted by emerging technologies?

In this age of transparency, in which people have instant access to information, HR’s greatest need is to enable each employee to know his or her potential and to help the person achieve it at the right speed with the right experiences. Technology will permit HR to extend its obsession to have the right people in the right jobs at all times. It will allow the employee experience to be personalized—just as Amazon personalizes the consumer experience—so an individual’s fit with the job can be continually upgraded as the world changes. A great fit releases human energy and delivers superior results against competition.

Coming Soon: Top 100 HR Tech Influencers for 2020

HRE is putting together our second annual list of the most influential leaders in the HR-technology space, including CHROs, consultants, product leaders, analysts and more. If you want to suggest someone who should be considered for the 2020 Top 100 HR Tech Influencers list, email Executive Editor Elizabeth Clarke at eclarke@lrp.com with the candidate’s name, title, organization and a sentence or two about his or her contributions to the HR-technology industry. And look out for the full list in the May edition of HRE and next month on HRExecutive.com.
Serena Haming celebrates paying off her student debt less than two years after her college graduation, which she accomplished with help from her employer, Trilogy Health Services. The senior-care provider is among a growing number of companies offering student-loan-repayment assistance to employees.

Benefits

Student Debt: A $1.6 Trillion Problem

As employees drown in school debt, a growing number of companies are getting educated on how to best help them—and getting creative with plan design.

BY KATHRYN MAYER

Serena Haming graduated from the University of Louisville in 2018 with a degree in business marketing, a job waiting for her—and $15,000 in student-loan debt. “I graduated in May and, by December, I already had another $2,000 in interest that accrued,” she says. “Looking at that huge number was just such a burden.”

But she had a rare ally to help her pay off her debt: her employer, Trilogy Health Services.

The senior-care provider gave Haming and other employees $250 a quarter toward their loans, last year upping its contribution to $100 a month. “We get paid once a week at Trilogy, and every week I would put part of my paycheck toward paying [the loans] off. Once a month, I could see Trilogy’s $100 payment, which really impacted the interest over time.”

Haming was set on paying off her loans in a short time and, by the end of last year, she did just that—all $17,971.36 in 18 months.

“People don’t really talk about the moment of paying off your debt and that feeling of weight off your shoulders,” she says. “To have a company that backs you up and showcases that was really powerful for me.”

Trilogy is one of the growing number of employers stepping in to help their workers pay down education debt. Companies including Aetna, the Hartford, Estée Lauder, Staples, Sotheby’s and Unum have rolled out student-loan benefits as employers see the effect student debt is wreaking on the workforce.

Today, about 8% of employers offer a student-debt benefit, up from 4% last year, according to the latest available data from the Society for Human Resource Management. But insiders expect that number to grow.

“I think [student-loan benefits] will continue to become more mainstream—[they] already [have],” says Carl Gagnon, assistant vice president of global financial wellbeing at Unum, which started offering the benefit in January. “Student-loan debt has tripled over the past decade and continues to impact workers’ finances, their focus at work and their ability to save. With unemployment low but wages relatively stagnant, employers are looking to expand their benefits offering to provide more value to employees, and this is one way they can do that.”

Though they’ve been around for a couple years, student-loan benefits—being discussed in a panel session at HRE’s Health & Benefits Leadership Conference in April—are still a new proposition for many employers. But, as the labor market tightens, employers are being forced to come up with strong solutions for recruiting—and keeping—talent. And that includes enviable benefit options that employees are clamoring for, including student-debt assistance.

“When we talk to companies, if a big employer in their market already has a student-loan benefit, the conversation quickly becomes, ‘I need to do this from a talent perspective; my competitor is offering this.’ This is happening furiously as a result of that,” says Scott Thompson, CEO of student-loan-benefit provider Tuition.io, adding that the last couple of years have been “night and day” in terms of employer awareness of the benefit.

Not only that, but employers are getting more creative with the benefit, from chipping in payments and offering ways to refinance debt to tying loan payments to retirement accounts or allowing employees to trade in paid time off for a contribution toward their loans.

“Employers see the need, they understand the need, they want to do this,” Thompson says. “More and more are saying, ‘I need to find a way to do this, and I need to do it now.’ It’s much more about creative plan design and use of benefit dollars, finding the money to afford the benefit.”

Helping with Financial Stress

Student-loan benefits are part of a bigger trend of helping employees ease financial stress—a frequent and growing problem among the workforce. Data from financial firm John Hancock shows that 69% of workers are stressed about their finances, with 72% admitting to worrying about their personal finances at work, and one in three doing so more than once a week.

Not only does financial stress take a big toll on employees’ health—it can result in everything from depression and anxiety to migraines, ulcers and heart issues—but it also takes a hard hit on employers. Employees with money issues typically suffer from presenteeism and absenteeism and are less productive.

For many employees, student-loan debt is one of their biggest financial stressors. Overall, student-loan debt in the country collectively tops $1.6 trillion, according to the Federal Reserve, and the average person leaves school more than $30,000 in arrears—statistics spurring a growing number of HR professionals to look at student-loan benefits to help.

The number of employees with debt was the catalyst for launching the benefit at Northern Rivers Family Services, a New York-
based nonprofit, explains Linda Daley, the organization’s chief human resources officer. About 65% of Northern Rivers’ 1,400 employees hold a bachelor’s degree or higher, and many are saddled with student-loan debt.

“We’re aware that our employees are not immune to the burden of this financial stress,” she says. “The goal for many of our employees is to chip away at as much of their student debt as possible, and every little bit from Northern Rivers helps.”

The employer contributes a minimum of $35 every month toward eligible employees’ student loans, and it is budgeting $150,000 annually for the benefit. The program, which is in partnership with provider IonTuition, aims to help employees to repay their debt faster and save money on interest.

Meanwhile, workers at Trilogy Health Services collectively hold more than $36 million in student-loan debt, with each employee owing an average of $31,668, says Todd Schmiedeler, the company’s senior vice president of foundation and workforce development.

“When we heard that, that made a real impression on how we could help our people. It just shows us how many people are really in crisis around this debt [problem],” he says. “That debt is scary—it delays home-buying, it delays getting assets. It slows people’s ability to feel like they’re making a way for themselves.”

Nearly 1,500 employees—the company has 15,000—currently take advantage of its student-loan-repayment benefit, but Schmiedeler expects that number to grow.

“We hear such great response from it,” he says. “I had people that hugged me and cried when they were helped to pay off their debt. That makes us feel good about what we do.”

Taking a New Approach

Montefiore St. Luke’s Cornwall, a not-for-profit community hospital with campuses in Newburgh and Cornwall, N.Y., last year announced its own unique student-loan benefit.

Through the new program with Tuition.io, MSLC’s 2,000 employees can transfer their unused paid time off to the repayment of their student debt, including federal and Parent PLUS loans. Eligible employees can convert 30 to 75 hours of unused PTO into payment against student debt, which will be distributed semi-annually, with a maximum $5,000 annual contribution, the company says. The program is now available to non-union, full-time and part-time employees, and the hospital says it soon plans to expand the initiative to include unionized employees.

The program has garnered positive feedback and results, says Dan Bengyak, MSLC’s vice president of administrative services, especially because those working in the medical field are especially saddled with debt. More than 50 participants so far have signed up for the program, and nearly $90,000 has been paid out.

“Medical graduates are often faced with what can seem like an insurmountable amount of debt as they transition from student to medical professional,” he says, adding that the program is “at the forefront of employee benefits and squarely addresses the very real challenges faced by thousands of workers.” Medical students bear a larger-than-average financial burden after graduation. Three-quarters of medical students leave school with education debt, holding an average balance of $196,000.

Montefiore St. Luke’s Cornwoll benefit is similar to that of Unum, which launched its own student-loan benefit tied to PTO in January. Employees of the insurance company can transfer up to five days, or 40...
Benefits

hours, of carry-over paid time off into a payment against student debt through a program managed by Fidelity Investments. The payment is based on an employee’s hourly rate. So, if an Unum employee who is making $20,000 a year decided to transfer five days of PTO into a payment toward his student debt, that would equate to an annual $961 payment toward student debt.

It’s too soon to tell how the benefit is going, but employee reaction has been positive, Gagnon says. He estimates about 30% of Unum’s workforce carries student debt and that 500-700 employees may take advantage of the program.

Though having employees decide between taking a vacation or paying off loans may seem like a difficult option to present, most workers leave vacation time on the table. In 2018, American workers gave up about $622 billion in lost benefits by forfeiting more than 200 million vacation days that could not be rolled over, according to Project: Time Off, which is sponsored by the U.S. Travel Association.

“About 40%-50% of our employees carry over unused PTO each year, so the foundation was already in place,” Gagnon says. “All we had to do was give them another choice in how they use that carry-over benefit.” Beginning in their first year at Unum, full-time employees receive 28 days of paid time off, including holidays and personal days, with additional PTO available over time. Each year, employees can carry over up to five days of unused paid time.

“No every employee with student debt will take advantage of the program, and that’s OK,” he says. “We want employees to choose which benefits work best for their unique situation, preferences and lifestyle. This option gives them more choice in how they use their benefits.”

Retaining, Recruiting Employees

Of course, student-loan benefits are a costly bet for employers. Employers are allotting hundreds of thousands or even millions annually for the benefit—which can temper some employers’ urgency to implement the perk, especially when they are already trying to control ever-increasing healthcare costs.

“A lot of companies have financial pressures and, if you do the math on this benefit and call it at $100 a month, it can be a lot of money,” Thompson says. “If you’re a 2,000-3,000 [person] employer, all of a sudden you can be in $10-$20 million of expense. The CFOs look at this and say, ‘We’re already spending X percent on top of a person’s salary on benefits.’ ”

That’s where solutions like allowing employees to trade PTO for a payment or providing financial-education resources as part of a wellness program. Thompson says the wellness integration is a trend that’s picking up.

“We’re starting a lot of wellness-first relationships with very large employers, where the employer says, ‘Look, I want to help my workforce, but I don’t have the budget to do a contribution at this point. Let’s take this first step of getting these wellness and education tools first, then figure out how to add a contribution later.’ ”

Overall, proponents argue the benefit, notably repayment programs, pays for itself with reduced turnover, increased employee satisfaction, of course, a bigger boost to attraction and retention efforts. In addition to showing positive, feel-good reaction from employees, Trilogy says, its student-loan-repayment benefit has seen “tremendous success” in regard to retention. Trilogy employees who use the benefit stay 2.5 times longer than those who aren’t signed up for the program—a significant stat in the healthcare industry, which typically has record-high turnover rates.

“These kinds of programs are really making an impact,” Schmiedeler says. Trilogy employee Haming agrees, saying she feels more dedicated to Trilogy because of the benefit and hopes other employers follow to make meaningful change for employees with debt.

“It makes sense for other companies to hop on the bandwagon,” she says. “There’s way too many pros to cons.”

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

Hot benefit trends, including those mentioned here, will be discussed during the upcoming Health & Benefits Leadership Conference, which will be held April 15-17 at the Aria Resort & Casino in Las Vegas. For more information, visit benefitsconf.com.
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Leveraging Payroll Innovation to Alleviate Worries About Recruiting and Retention

Ask HR professionals what’s keeping them up at night and the answer is often the same, especially in this tight labor market: finding qualified candidates and retaining their best employees. Unwanted turnover, engagement issues and talent-acquisition costs are sleep stealers for sure, and all may be symptoms of recruiting and retention challenges. But there are factors that you can control, and you can encourage your workforce to want to stay with you with benefits that don’t strain your budget or your company’s bottom line.

How? One alternative is to seriously consider new payroll innovations that are transforming the industry and meeting the needs of the changing workforce.

Personalizing Payroll Because One Size Doesn’t Fit All

Today’s employees want their self-service experiences to feel designed with them in mind, no matter what generation or industry they fall into. But it can be all too easy for payroll to remain stagnant—all that most require is that it’s timely, accurate and compliant. However, introducing changes to your payroll can lead to greater organizational efficiencies and increased employee engagement.

Three payroll innovations HR leaders are leveraging to address the needs of the changing workforce include:

- payroll personalization;
- pay flexibility; and
- payroll equity.

Putting Information in Employees’ Hands

Providing self-service capabilities is one of the ways you can personalize payroll—it enables employees to access (and oftentimes manage) payroll-related information when and where they want to.

Employees today are no longer just tech-enabled, they are tech-dependent, with their smart phones forever by their sides. Innovation that recognizes this and allows them to use any device to view paystubs, enter time worked, view work schedules or update personal information is a step toward giving them the autonomy they desire.

Of course, anything that employees can do on their own frees up HR teams to tackle more strategic initiatives.

More Flexible Pay Approaches

Most employers are still paying employees on a weekly, bi-weekly or monthly basis. What’s changing, though, are the expectations of many employees, especially millennials and those in Gen Z, and these traditional cadences are shifting.

One example is pay on demand, which gives workers access to wages that are earned but not yet paid out. This process is typically executed using a service that keeps track of the time worked/pay earned and then distributes the amount requested to the worker.

Taking pay flexibility a step further, employers will soon be able to disburse payroll with real-time payments through The Clearing House (TCH) Real-Time Payments (RTP) network (similar to person-to-person payment apps like Venmo and Zelle). With the help of cutting-edge HR-technology solutions and a financial industry focused on faster payments, employers can deposit a worker’s pay directly into employees’ bank accounts or mobile wallets in a matter of seconds via the TCH RTP network.

Being Equitable About Pay

Transparency around pay makes good business sense, especially when you’re trying to breed a culture of inclusivity. If there are specific areas where pay equity is lacking, employee performance or productivity can certainly be affected.

All you need to do is look at today’s headlines to see how pay inequality affects a company’s image and reputation. Gender pay gaps. Race pay gaps. These are making news and driving lawsuits.

When you’re transparent, proactive and strategic in how you’re paying your people, employees may perceive the organization as more trustworthy and honest, and that it’s not trying to hide something from them.

Leverage the benchmarking and analytic capabilities of your systems to ensure you’re on track to be fair and competitive.

Payroll is the Foundation of the Employer-Employee Relationship

According to a CareerBuilder survey, 78% of Americans live paycheck to paycheck—that’s a major portion of the population that may benefit from an alternate payroll frequency than the bi-weekly or monthly norm.

Ultimately, employees who are happy and fulfilled in their personal life—which includes financial wellbeing—are more likely to be engaged in their work. HR and business leaders should be exploring all technology options to optimize employee wellness from every angle—including how they’re paid.

Payroll systems are rarely considered a source for this kind of employee engagement, but that conversation should change. Choose a payroll service provider with innovative technology solutions—including flexible payments—and gain new ways to streamline processes and meet changing workforce expectations.

At the end of the day, this will help you attract and retain quality employees—and give you a better night’s sleep.
When most people think about payroll, words like “accurate,” “timely,” and “weekly” or “biweekly” come to mind, and as long as those needs are being met, we rarely think about it much. But as disruptions happen in many industries, and as the workforce continues to evolve, payroll leaders, CEOs, and CFOs need to be thinking about how they pay their people.

That’s why we put together “Payroll Innovation: Three Workforce-Centered Trends that are Changing the Payroll Landscape.” In this free eBook we discuss the changing workforce and three payroll innovations that are helping to meet the needs of these employees.

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Download this free eBook at: paychex.com/payroll-innovation

The Power of Simplicity
Four Workplace Benefits Trends for 2020 and Beyond

For decades, group benefits covered most Americans and worked very well. Brokers and employers provided comprehensive, affordable plans, and employees remained productive and loyal to their employers. But times are changing. The fast-evolving delivery of benefits coverage reflects the growth of smaller companies, rising healthcare costs, student-loan debt, changing work/life balance, flexible work arrangements, more diverse workplaces and family dynamics. This is prompting employers to rethink their overall employee-benefits offerings.

Brokers, employers and insurance carriers must continue to adapt, creating new products and services, and effectively managing costs to continue to attract and retain talent. To help address these changes, below are four trends from two Guardian studies that looked at what employees want from their employer benefits.

1. **Paid leave:** In Guardian’s sixth annual Workplace Benefits Study, 58% of employees mentioned they want paid time off for parental bonding/to care for a sick loved one. These findings illustrate that what employees want more than anything is time. With nearly six in 10 working Americans saying they would prefer to work for an employer that offered paid time off for parental bonding and caregiving, the simple conclusion is that employees are looking for more flexible work arrangements and options that allow them greater access and ability to manage their own time to better support their family.

2. **Voluntary benefits:** In Guardian’s Workplace Benefits Study, employees also shared the top benefits that would motivate them to want to work for an employer. A popular choice was supplemental or voluntary health-insurance benefits (55%). Voluntary insurance offerings, such as accident, critical illness, cancer and hospital indemnity coverage, were viewed as welcome additions to help pay for expenses not covered by employees’ medical plan, as well as to 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.

3. **Student-loan repayment:** According to the study, 25% of all employees want a student-loan-repayment benefit. This continues to be one of the hottest new benefit trends currently being offered by employers across the nation. In fact, for the past two years, it has been the most asked-about benefit at job fairs. Nearly seven in 10 millennials say a student-loan-repayment benefit would influence their job decision.

In response, many forward-thinking companies have begun partnering with student-loan-refinancing companies or incorporating student-loan-repayment options into their benefits packages as a way to attract new talent. This can also foster meaningful relationships with current employees in an effort to boost morale, retention and workplace value.

4. **Inclusive benefits:** According to Guardian’s upcoming Workforce 2020 study, more than three in four employers say that offering benefits programs that meet the diverse needs of their workforce is a high priority. Yet, only 29% of employers offer benefits to same-sex couples and only 26% offer paid time off or flexible time for caregivers.

Millions of Americans, or 13% of the labor force, work full- or part-time while also providing ongoing care for an ill or incapacitated parent, spouse or child. Being a caregiver while balancing work and family responsibilities can be stressful and overwhelming.

Working caregivers increasingly look to their employer for support as they try to balance their responsibilities. Work/life balance, flexibility and empathy are of even greater concern to caregivers compared to other employees. Meeting their need for work/life balance can help improve workforce health and productivity, resulting in considerable cost savings.

Most employers say creating an LGBTQ-friendly culture and inclusive communications are priorities. Financial stress is high among LGBTQ workers whose employers do not offer benefits to same-sex couples. Among LGBTQ workers with workplace benefits, such as group life and health insurance, a retirement plan and paid leave, 64% feel that they would face financial hardship without their benefits, compared to 52% of non-LGBTQ workers. Aside from partner health-insurance coverage, two other financial areas of concern to LGBTQ persons are “paying for long-term-care expenses” and “paying off college debt.”

With today’s workforce, a one-size-fits-all approach doesn’t work.

While competitive pay and good benefits have been shown to influence an employee’s decision to join and stay at a company, it is also becoming increasingly important to deliver a more targeted, personalized approach that caters to a diverse workforce. For employers, that means helping improve retention and attracting talent to help their business grow and thrive.
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Execute a Strategic and Efficient Compensation Cycle

In a recent study from HCI, HR leaders candidly shared about building a sustainable and strategic HR function. Ninety percent know they need to be more strategic, but 49% don’t know what to do to get there. Why not start with compensation?

Compensation is your organization’s biggest operating expense. It can also be your organization’s competitive advantage. The way you pay people indicates how you value them and can impact your ability to attract, retain and engage the people you need to meet your business goals.

Compensation cycles are a good opportunity to put in place strategic compensation practices. They can also be such a headache that most stakeholders just want to get them over with. But you can have it all. You can create a more strategic, efficient compensation cycle with planning and foresight.

Stay in Lockstep with your Chief Financial Officer

As your company’s people expert, you are uniquely positioned to be a strategic advisor to your executive team. This holds particularly true for the chief financial officer, who manages the company’s top and bottom lines. Compensation is likely your organization’s biggest line-item expense. It requires a strategic approach to maximize return on investment.

Let’s say you recently received updated compensation market data and corresponding updated salary bands. Now you need to make recommended adjustments during your upcoming compensation cycle to bring employees in line. Get buy-in from your CFO by sharing turnover data by demographic and the estimated cost of that turnover. Quantify the lost further by sharing how many candidates have declined offers against higher competitive offers and the associated cost of vacancy for those positions. Share with them the value of using compensation-management software to efficiently allocate and manage budget—both during and after the compensation cycle. Keep them looped in every step of the way so you can get the program investments your business needs.

Begin your Compensation Cycle with Strategic Adjustments

Compensation cycles are complex, with lots of moving parts and many different people involved. Promotional increases (98%) and merit increases (95%) are the most common types of salary increases, according to WorldatWork’s recent Compensation Programs & Practices Survey. The next most common adjustments are market adjustments (84%) and internal-equity adjustments (71%).

Companies often begin with a simple budget and manager recommendations. Aligning those recommendations with company goals and values is a lot to track and organize. Late nights managing last-minute changes are the norm for HR leaders during a compensation cycle. It’s easy to make mistakes that require correction later.

A staged approach could be both simpler and more effective:

1. Strategic adjustments: First, make adjustments for corporate priorities. These include market-rate alignment and compliance increases. Account for these first, setting minimum allocations before handing off to managers.

2. Merit-based recommendations: Managers are the best suited to recommend merit-based raises to help retain top performers. There may still be corrections, but starting with strategic adjustments makes these both fewer and smaller.

3. Executive hold-backs: Hold back 5-10% for additional targeted and discretionary adjustments at the end.

Have a Plan to Communicate Results

Most companies aren’t very transparent about pay, and it’s leaving a bad taste in employees’ mouths. From the same WorldatWork survey, only 42% of companies share information regarding the design of their pay program, while 38% share the base salary range for the employees’ pay grades with them. Given this information, it’s no surprise that Deloitte, in its 2018 Global Human Capital Trends report, found only 45% of highly compensated employees feel they are fairly paid.

Build a plan around how transparent your company wants to be with regard to compensation. Then, train managers on how to have compensation conversations with their direct reports. At the very least, each employee should understand why they were given their allocated increase and how they can earn the next one. Strong employee communication increases satisfaction and engagement, which Gallup has found increases productivity and profitability.

Without great communication, the work you’ve put into a thoughtful compensation strategy won’t land where it counts.

Final Thoughts

Spreadsheets are still the most common tool used for designing salary structures, communicating salary ranges internally and administering pay. HR teams may struggle to get budget for technology updates, given the label of a “cost center.”

Running an efficient compensation cycle can help secure buy-in for other HR-led programs and technology. Even better—a strategic approach to compensation elevates the visibility of HR as a key partner in your company’s success.
Another late night fighting with spreadsheets?  
You’re ready for stress-free compensation cycles.

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Lisa Buckingham (left), executive vice president and chief HR, brand and communications officer at Lincoln Financial Group, chats via videoconference with a remote employee.

The Rise of Remote Working

BY JULIE COOK RAMIREZ

ince its founding in 1938, Kaplan Test Prep has been dedicated to providing excellent academic instruction and support. Perhaps best known for prepping students for the SAT and other standardized tests, Kaplan also helps doctors and nurses, attorneys and financial advisers pass licensing and certification exams; enables global educational experiences through language-study and study-abroad programs; and provides new economy skills training (NEST) programs and resources for skills that are in high demand in today's job market. With such a wide array of services, one would expect Kaplan's New York headquarters to be a massive, bustling center of activity. However, few of the company's 4,000 employees can be found in its Big Apple office—or any other Kaplan facility. That's because 80% of the company's employees work remotely. Granted, that includes 3,000 teachers who work part-time for the education-service provider. However, half of Kaplan's nearly 1,000 full-time employees also work remotely, in large part thanks to technological advances that have enabled a highly dispersed workforce to function effectively in an unlimited number of locations, according to Vice President of Organizational Effectiveness and Human Resources Sarah Kasten. “Once, we had to have people staffed in those physical, in-person, on-site locations, but the technology has enabled us to shift to a business model that lends itself to remote jobs,” says Kasten. “That modality change was the biggest drive of significantly increasing the percentage of our employees who are remote in almost every functional area.” Despite the highly publicized recalls of work-from-home employees by Yahoo, IBM, Best Buy and other large employers, the trend toward remote working has been steadily rising over the past 10 to 15 years, according to Sara Sutton, founder and CEO of FlexJobs Corp. and founder of Remote.co in Boulder, Colo. She points to findings from an analysis of U.S. Census and Bureau of Labor Statistics data by FlexJobs and Global Workplace Analytics that found the number of people working remotely in the U.S. increased 159% between 2005 and 2017, reaching 4.7 million people—3.4% of the total U.S. workforce. While ready availability of powerful, portable mobile devices and widespread high-speed internet have played major roles in the proliferation of remote-working opportunities, Sutton also credits socioeconomic factors, increases in traffic, growth in cross-border commuting, global competition for talent and skilled workers, and generational changes for driving the move to remote work. “Millennials have grown up with the mobility and flexibility that technology provides and are well-acustomed to communicating, learning and collaborating online, which is resulting in the integration of remote work at an even faster pace,” says Sutton. “They don’t take for granted that work needs to be done in an office or during set hours, and they’re highly likely to seek out work/life balance and schedule flexibility.”

Granted, millennials aren’t the only people attracted to remote-work opportunities. At Radnor, Pa.-based Lincoln Financial Group, claims and underwriting professionals—an admittedly “aging demographic”—account for 16% of the 12,000-employee company’s 1,800 remote workers, according to Senior Vice President and Chief Talent Officer Jen Warner.

A Matter of Trust

The ability to work remotely often eliminates barriers that might otherwise prevent a desired candidate from accepting a job offer, says Matt Stevenson, partner and leader of the Workforce Strategy & Analytics practice at New York-based Mercer. These include an inability to relocate for a job due to health concerns, caregiving responsibilities, a spouse’s career or other commitments. Others may simply despise the idea of a daily commute and reject an offer out-of-hand for that reason. Being open to remote-work arrangements allows companies to tap into a massive talent pool that would otherwise not be available to them, says Stevenson. At Lincoln, the work-from-home option has enabled the organization to bring “rock stars” onboard who would have otherwise been out of reach, according to Lisa Buckingham, executive vice president and chief human resources, brand and communications officer.

That’s not to suggest remote working is without concerns. Employers consistently question whether employees remain on task when surrounded by the many potential distractions inherent to a home-office setting: barking dogs, crying children and the lure of the TV, refrigerator or household chores. “It’s not like you can pop your head into their office and make sure they are sitting at their desk, working on what
they are supposed to be working on,” says Jessie Bustamante, an associate in the Kansas City, Mo., office of Fisher Phillips LLP. “We see a lot of employers just saying, ‘We are going to treat you like an adult, so take whatever time you need, but make sure your work is getting done.’”

Indeed, Buckingham had to reassure Lincoln’s senior management its remote workers weren’t “doing their laundry when they’re supposed to be on a conference call.” She says it comes down to trusting the employee to get their job done and holding supervisors accountable for managing each employee’s productivity and performance.

Generally speaking, remote workers tend to be more productive than in-office employees, says Sutton. If anything, they tend to overwork, which Bustamante says points to the need for robust policies requiring remote workers to refrain from answering work-related emails once they have clocked out for the day.

“Employers must be aware of how much their remote workers are indeed working and make it clear that it’s not just OK, but necessary, to step away from work and recharge,” says Sutton.

Doing Remote Right

Granted, not everyone has what it takes to be a successful remote worker, according to Nicholas Bloom, the William Eberle professor of economics at Stanford University and co-director of the productivity, innovation and entrepreneurship program at the National Bureau of Economic Research in Cambridge, Mass. While he says there’s no “golden characteristic,” employers want to make sure employees possess skills and qualities that signify whether an individual will excel as a remote worker.

Atlassian had always been hesitant to embrace remote work because leadership had “never seen it done well,” according to Nicki Bellington, head of talent and culture at the enterprise software company. Looking for innovative approaches to these challenges, Atlassian rolled out an initiative to expand its remote workforce in the U.S. and Australia in the hopes of tapping into a “huge pool of talent that may not live in major hubs,” according to Bellington.

In recruiting for remote positions, “solid communication skills, good time management and autonomy” are all desirable characteristics, says Bellington. Preference is given to candidates with previous remote-working experience because they are used to the “remote mindset,” as well as “the awareness and ability of the social differences of working remotely,” she says. As a result of the initiative, remote workers now account for 8% of Atlassian’s 4,000 employees, and Bellington says the company plans to “open up more roles for remote workers globally over the next year or so.”

HR LEADERSHIP

Rolling out the Welcome (Back) Mat

By Eva Sage-Gavin / Columnist

Years ago, my husband took one year off from his law-firm career to be the lead parent with our daughter and support my promotion in a Fortune 50 company. We painfully remember how difficult it was for him to explain to hiring managers that it was the right thing for our family—and not a questionable “gap” in his resume. At that time, some saw it as doubly negative because, not only had he taken this step voluntarily before the concept of paternity leave was considered acceptable, it was also a sacrifice of his career momentum to propel mine. There was no easy ramp back after his one-year family leave, and few resources were available to help. This is why I’m very excited to see returnships begin to increase in number, as they are a phenomenal return-to-work option for men and women who have taken a few years off for any reason. Similar to traditional internships, companies hire individuals for a specified number of months. They provide mentoring, training and—in some cases—competitive pay and benefits. Returnships are becoming part of the talent-pool ecosystem, which is a good thing—for workers and for companies that are in dire need of experienced talent. It couldn’t be happening at a better time. As we watch our workforce demographics shift, millennials are coming center stage. A vast majority—84%—of millennial men and women expect to take a “significant” break during their careers. As HR leaders, we encourage work/life blending, right? On the flip side, though, we are trying to reverse the sharp drop-off in female leaders above middle management—fueling the pipeline with talented women. Our companies are setting bold goals for gender equality. My current employer, Accenture, is on track to achieve gender parity by 2025, with 50% representation, and our new CEO, Julie Sweet, has recently taken the reins. Looking for innovative approaches to these opportunities, I had the pleasure of speaking with Fran Katsoudas, executive vice president and chief people officer at Cisco, about the company’s returnship strategy, which was developed to improve gender diversity and identify new pools of talent in the hyper-competitive tech industry. As context, women in tech make up from 27% to 47% of the workforce at major tech companies, but that number drops to as low as 17% for IT or technology-related jobs. Cisco is proactively and innovatively tackling this challenge.

For Cisco’s first round of returnships, it recently partnered with Women Back to Work, an organization that helps women reenter the workforce. Over 16 weeks, participants were assigned to areas that matched their technology interests and skills, from enterprise networking to software development. Seventy-three percent of those returnship participants are becoming true returning—with full-time jobs at Cisco post-program.

Nathan Sheranian, who leads HR for the company’s Internet of Things business unit, talked about the team learned from a leadership perspective: “Check your assumptions at the door. Some of our candidates in round one were women who had been out of the workforce for 15 years. I was nervous about how well candidates could pick up technical and engineering skills after lengthy hiatuses, but we found that there are talented developers who can come in and assimilate again very quickly.

In addition to training participants, Cisco also receives strong business sponsorship from leaders including Sonar Thekdi, vice president of engineering business operations for Cisco’s Internet of Things. And they wisely chose to train their managers, who were carefully selected. “We covered things like interviewing skills when covering resume gaps. Instead of focusing negatively on the gap, probe for crossover skills that could be useful,” Sheranian explained.

Candidates were also able to access learning offerings, taking a quick online assessment that would evaluate their skills and provide education in areas where they needed it. I couldn’t agree more with Sheranian’s advice to check our assumptions at the door. In a recent conversation with Walmart Labs—anther organization that is conducting returnships—HR lead Bobbie Grafeld, vice president of human resources at Walmart eCommerce, shared: “If you have a gap on your resume, recruiters immediately dismiss you. This talent pool is highly educated and highly skilled. They just need a little help getting their foot back in the door.”

A time when good talent can be hard to source, returnships are a wonderful way to get people with mid-career experience back to work. And, as we strive to achieve more diverse organizations, it’s wonderful to see some highly qualified and experienced executives join our teams again. Our companies win, our families win and everyone benefits.

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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## Leadership

Automattic’s entire 1,100-person global workforce—including software developers, designers, technical customer support, HR, legal, finance, accounting and marketing—is free to work from wherever they live. When hiring, Automattic looks for self-starters with a high degree of independence who value continuous learning and are receptive to feedback, says Lori McLeese, head of global human resources. While the company doesn’t require previous remote-work experience, candidates are put through a paid trial, consisting of a part-time project to be completed using Automattic’s systems and tools. This allows the company to evaluate their ability to work and communicate in a distributed environment.

“The trial allows candidates who haven’t worked distributed before to evaluate whether it’s a good environment for them and for us to evaluate whether we think they will be successful in a distributed environment,” says McLeese. “If the candidate requires a lot of handholding and waits for specific instructions before moving forward on work, they probably won’t be a good fit.”

### Team Time

Lack of face-to-face interaction with colleagues is a significant challenge for remote workers, both in its ability to hinder collaboration and its tendency to foster a sense of isolation. When you work from home, you can’t catch someone in the hallway to ask a question or head over to someone’s cubicle for an impromptu chat,” says Sutton. “You have to be proactive and make time for those conversations and questions.”

At Kaplan, Kasten says, managers seek to ensure that remote workers feel like they are truly part of the team and engaged in the organization’s mission. If a five-person meeting is scheduled, for example, and one of the employees is working remotely, the other four will dial in from their desktop computer, so all participants “feel like they are having equal participation. When meetings cannot happen in the hallway or in the cafeteria or by the water cooler,” says Kasten.

At Atlassian, teams are encouraged to come up with their own rituals and practices to foster inclusion and belonging with their remote colleagues. Examples include life-size cut-outs of remote colleagues, weekly sessions during which everyone on the team calls in to work together, and Friday evening social time when employees dial in to hang out, play video games or simply have a drink and bond as colleagues.

Keeping remote workers at the forefront of people’s minds is crucial if an organization seeks to avoid one of the most significant problems encountered by this segment of the workforce—a lack of career progression and advancement opportunities. “Their careers basically screech to a halt when they work remotely,” says Stevenson. “It’s very rare they will get promoted.”

The tendency of leaders to “go to whoever is in close proximity” is top of mind at Lincoln Financial, where HR seeks to ensure the majority of opportunities aren’t going to on-site employees. “We need to make sure the manager is thinking broadly and being fully inclusive of their entire team, when it comes to career opportunities,” says Warne. “It all comes down to the leader having open dialogues with all employees to understand their longer-term career preferences.”

Soon to be revealed...

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**The number of people working remotely in the U.S. increased 159% between 2005 and 2017, reaching 4.7 million people—3.4% of the total U.S. workforce.**

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

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“Here’s to the crazy ones. The misfits. The rebels. The troublemakers. The round pegs in the square holes. The ones who see things differently. They’re not fond of rules, and they have no respect for the status quo.”

–Steve Jobs

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**#HRTechTopInfluencers**
As the opioid crisis continues to grow, more employers are pivoting away from punitive approaches to instead connect workers to treatment and, ultimately, help them stay on the job.

BY WILL BUNCH

The email that showed up unexpectedly one day in February 2017 in the inbox of Roger Krone, the CEO of the large McLean, Va.-based national-security contractor Leidos, had a subject line that read, simply: “A father’s request.”

The employee who sent the email—John Hindman, a public affairs adviser—lamented the normal chain of command in going straight to the chief executive of a 33,000-employee Fortune 500 company. But Hindman’s anguish over the death of his 30-year-old son, Sean, who’d died the previous September from an overdose after battling an opioid addiction, convinced the employee that it was worth any risk to plead with his boss to do something about the opioid epidemic.

“Roger is also a father, and it really hit him emotionally,” recalls Melissa Koskovich, the senior vice president for communication and marketing at Leidos who became the firm’s point person on its opioid efforts. The CEO reached out to Hindman that day and soon announced that—at a time when many companies were still denying or ignoring the extent of the drug crisis—Leidos would instead aim to be a role model for other companies. Six months later, Krone wrote in a letter to all Leidos employees that he’d accepted Hindman’s challenge to issue a major response to the opioid epidemic that was inevitably affecting workers and their families and that “it has to start with compassion and open dialogue.”

Leidos wasn’t the only company realizing as the 2010s came to a close that both the size and the scope of the opioid crisis called for a different approach to drug abuse than the tactic of the past—most U.S. firms in the latter 20th century. That had been an era of aggressive drug testing, with many workplaces—especially those in safety-sensitive industries—adopting “zero tolerance” toward employees caught using illegal drugs.

Today, the buzzword is so-called “second-chance” approaches for employees suspected of falling prey to opioid addiction, with human resource executives now tasked with developing protocols around compassion, treatment and keeping workers on the job. Some of that stems from the understanding that many drug problems start with a doctor’s initial legal prescription for painkillers, such as OxyContin or Percocet, but can soon spiral out of control. In addition to treatment and recovery, HR leaders are also looking at changes in company health plans or enhanced training, aimed at stopping addiction before it starts.

Company Costs

As Leidos developed its new strategy on opioids, company officials realized that a simple change in the company’s prescription-drug plan—mandating that any first-time prescription for painkillers cover no more than seven days—could greatly reduce the chances that a pain patient would develop an addiction.

Along with that one-week supply, patients get an education letter about opioid addiction and even a Deterra bag, which dissolves unused pills for disposal in the trash. Koskovich says fewer than one in 10 Leidos workers seeks to extend a prescription beyond the seven days.

“It’s a cost up front for the company,” Koskovich says of the disposal bags and the related education efforts, “but the employee benefits, and it saves money on the back end” in lower pharmaceutical expenses for Leidos. The firm has plowed some of those savings into anti-opioid efforts that have included a documentary film called *Circle of Addiction*, narrated by actor Jim Wahlberg, as well as new partnerships with anti-drug nonprofits.

Experts say smarter and more compassionate responses from companies and their HR executives to the opioid crisis—which, according to the U.S. Centers for Disease Control and Prevention, claimed an alarming 47,600 deaths due to overdose in 2017—are partly a belated realization that the workplace may be the best place to detect an addiction problem and intervene. That’s because the economic and psychological importance of holding onto a job often motivates people in the throes of addiction in a way that appeals from friends and family may not.

“The workplace is where you spend most of your day,” says James Reidy, an attorney at New Hampshire-based Sheehan Phinney Bass & Green PA and an expert on company drug-abuse policies. He says employees whose opioid problems become evident on the job “are running the risk of losing income and benefits—as well as their comforts and shelter—and if that person isn’t so much in the grip of addiction, they recognize they could lose it all.”

And yet, companies like Leidos with aggressive intervention strategies still seem like the exception rather than the rule. In 2018, the Hartford Financial Services Group surveyed 500 HR executives, along with 2,000 other
TALENT MANAGEMENT

What Can We Learn from the Gig Hype?

A few years back, I wrote a column on the release of the Bureau of Labor Statistics’ 2017 Contingent Worker Survey, which found that the percentage of Americans who met the definition of the new “gig” term—non-employees working either as contractors (Uber drivers) or via contract firms (“leased” workers)—had actually declined since 2005.

Recently, a prominent story in the New York Times reviewed the results of newer data, including income-tax returns reporting independent-contractor income and other sources. They concluded that the gig claims were overblown: Relatively few individuals work as independent contractors, especially on electronic platforms like Uber. Those who do earn relatively little from it: Less than half earned more than $2,500. More people earned money from selling on eBay or other sources than working on electronic platforms. There is no evidence that it replaced regular employment in any significant degree.

The punchline of these studies is that even those people who perform gig work do so only in a marginal way, and they typically do so on the side while maintaining regular jobs. The early interest in gig work appears to have been driven by the soft labor market following the 2009 recession. People took that work because they lost their jobs, because they couldn’t get full-time work or because they just were trying to make a little more money on the side. As soon as they could get regular work or more overtime hours, they dropped the gig work. Gig work, it turns out, has more in common with yard sales than regular employment.

In other words, it wasn’t the case that people really wanted gig jobs: This is not how “millennials” want to work—or anyone else, for that matter. It may be how at least some employers wanted work to be organized, but it has not played out that way.

This doesn’t mean that these electronic platforms are going away. In the case of the best-known ones, Uber and Lyft, these are more than platforms, they are companies selling services, hence the current debate as to whether their drivers are really employees. The “pure” platforms that link buyers/clients and sellers/workers directly have been around since the 1990s. For certain types of standardized project work, they provide a good way to share information about opportunities and will continue to do so, but those tasks remain relatively rare in the overall economy.

What we do make now of all the consulting reports and pundit’s that claimed that work as we knew it was changing, that we were moving toward more and more gig work, that the increase was inevitable and that as much as one-third of contemporary work was already “gig”? How could so many reports be so consistently wrong?

A common theme among these reports and claims was that there was rarely, if ever, any evidence behind them. It was sometimes just an argument that sounded smart and other times just a claim. If you look back on the reports, what is striking about them is not just that they were wrong but that they were almost all wrong in exactly the same way, in that they all made almost the same claims. The reason for that seems to be that these were not really separate, reasoned interpretations of where work was going. It is more accurate to say that they just repeated claims that had already been made and, once enough others had made them, well then, it was gospel. The only way a new report could get attention was to make even more extreme predictions, and we are off to the exaggeration races.

The reason these claims have been so wrong is principally because they were not constructed in a serious way—or, to put it more bluntly, they were not necessarily interested in being right. They were not assessing the evidence, reading what had been written already about alternative work or considering the plusses and minuses of these platforms. They were promoting an idea that something new was happening that needed to be addressed now. The point of these reports was not so much to predict the future accurately as it was to get attention—and get it now. The media want to report what is new: There is no story around “not much happening here.” The claims keep coming because they work; they do get attention and the wilder the better.

A lot of organizations wasted a lot of time and money gearing up for the “inevitable” gig economy, just as they did getting ready for the predicted labor shortage in the early 2000s that never came or virtually every other assertion about the labor force and the labor market this century. I suspect the reason we keep falling for these claims is because no one wants to be the one waiting to see how things play out when everyone else has taken the bait. Maybe we are more comfortable being wrong with everyone else than being right by ourselves.

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that’s helped create benchmarks to determine which companies have a problem. He says the data have cut down on over-prescriptions while steering workers into EAP programs. “It’s important to catch them,” he says, “when they’re ready to get help.”

New approaches to hiring. Richmond, Ind., is another community in the American Midwest hard hit by opioid abuse. Like other local employers there, Belden—a global manufacturer of security products—was struggling to fill vacancies, with so many prospective workers failing drug tests.

Instead of automatically rejecting these applicants, Belden came up with a program called Pathways to Employment that—at an average cost of $16,000 per person—connects candidates with personalized drug treatment and, aided by repeated drug testing, eases them into the company before moving them into higher-paying safety-sensitive jobs when they’ve shown they’re free of addiction.

Innovative approaches to healthcare. Dave Chase, head of the reform-minded healthcare consultancy Heath Rosetta and author of the 2019 book The Opioid Crisis Wake-Up Call, says that 2% of the American gross domestic product is spent on treating lower-back pain—not with therapy or other effective treatments but by simply prescribing opioid painkillers. One out of six of those patients, Chase says, will become addicted.

“This is entirely a self-inflicted wound from our healthcare system,” says Chase, who notes the current fee-for-service regime has invited over-prescription of opioids. He’s worked with companies such as Rosen Hotels to change healthcare models to a value-based system that rewards better outcomes—and which has drastically slashed opioid prescriptions, curbing the risks of addiction.

Train managers on when and how to intervene. Experts such as Norbert Alicia, vice president for EAP and work/life services at Health Advocate, a Plymouth Meeting, Pa.-based firm that works with employers on healthcare solutions, says it’s important that managers learn both the signs that a worker might be having an opioid-related problem and then how to approach them, if necessary.

“An employee may come out like a bull in a china shop [if confronted], and you need to know how to deal with it or not deal with it,” says Alicia. Many firms assign those difficult conversations not to a line manager but a highly trained specialist, typically from the HR department.

Nationwide’s Herath says one HR specialist has become the point person for managing employees in recovery. “She’s their lifeline,” Herath explains. “She talks them through their random tests and what they have to do. The model we created is that when someone needs help, we hold their hand and hold on.”
People

Walmart has announced Donna Morris as its new chief people officer. The seasoned HR vet worked for Adobe for nearly 18 years, most recently as CHRO and executive vice president of employee experience. During her leadership, Adobe expanded family leave, gender-equity efforts and cultural initiatives. She previously worked in human resources at Acelo, Fulcrum Software, the city of Ottawa and Rogers Communication.

She holds a bachelor’s degree in political science from Carleton University.

Plant-based food producer Impossible Foods recently hired Brian J. Miller as its chief people officer to oversee recruiting, development and retention. Miller spent the last 10 years at biotech company Gilead Sciences, where he most recently was vice president of talent, development and inclusion. He also previously headed up learning and development at Amgen and was the founder and CEO of digital- and HR-consulting firm E3-Services.

He earned a bachelor’s degree in economics from the University of the Pacific and a master’s degree in education from Harvard University.

Residential property-management firm FirstService Residential hired Jesse DiGiovanni as vice president of HR for its East Region. She will oversee all HR activities for the division’s 1,700 employees.

She has held various HR leadership positions, including at The RealReal, 24 Hour Fitness, Family Dollar, CVS Caremark Corp., Friendly’s Ice Cream and New York Times. DiGiovanni has a bachelor’s degree in HR management and finance from Ramapo College of New Jersey and a master’s of business administration in HR management from Fairleigh Dickinson University.

Travel-management platform CWT announced Laura Watterson as senior vice president of global talent and rewards, a newly created role. She will lead talent acquisition, talent management, learning and development, and compensation.

She previously was CHRO at Johnson Brothers Liquor Co. She has also worked in HR at Philips Electronics, Aimia and General Mills.

Watterson earned a bachelor’s degree in French from Washington and Lee University and a master’s degree in industrial and labor relations from Cornell University.

Sara Patterson has been hired as chief people officer at real estate brokerage Compass. Most recently, Patterson was vice president of HR and talent management at Walmart eCommerce, a role she assumed after the retail giant integrated Bonobos, where she was CPO. She has also held HR leadership roles at Tribune Media Company, Conde Nast, Gilt City and Coach.

Patterson holds a bachelor’s degree in psychology from the University of Chicago, as well as a master’s degree in speech communication from George Washington University.

She has held HR leadership roles at Emcure Pharmaceuticals. He has also held leadership positions with Potentia Growth Services, Genpact Ltd. and WNS Global Services.

Parashar was president of HR at Emcure Pharmaceuticals. He has also held leadership positions with Potentia Growth Services, Genpact Ltd. and WNS Global Services.

He earned a degree in management from the Xavier Institute of Social Service in India.
$35 billion
The amount American parents forego annually by dropping out of the workforce or reducing their working hours to care for their children. That’s in contrast to the $42 billion parents spend every year on early childcare and education.
Source: Economic Policy Institute

60%
Percentage of employers that say drug and medical spending is unsustainable for their business.
Source: The National Alliance of Healthcare Purchaser Coalitions

22
The number of years the U.S. Equal Employment Opportunity Commission had a policy statement disapproving of mandatory employment arbitration agreements for claims of workplace bias. The statement was retracted in a 2-to-1 decision in December 2019.
Source: Reuters

50.4%
Percentage of the American workforce that is comprised of women, marking the first time since 2010 that women outnumber men in the labor market.
Source: Fortune

73%
Percentage of U.S. CEOs and CHROs planning to use more AI in the next three years to improve talent management.
Source: Harris Interactive/Eightfold

59%
Percentage of companies that plan to invest in professional development as a retention strategy this year.
Source: PayScale

70%
Percentage of employers that say they need to improve the link between performance management and other talent decisions, such as development, promotions and succession planning.
Source: Mercer

61%
Percentage of adults reporting they are lonely, signaling a growing mental-health issue.
Source: Cigna

35%
Percentage of companies that have increased spending on financial-wellbeing programs in the past two years.
Source: WorldatWork

4.7 million
The number of employees who say they now work from home at least half the time.
Source: Global Workplace Analytics

73%
Percentage of employers that say they need to improve the link between performance management and other talent decisions, such as development, promotions and succession planning.
Source: Mercer
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