# Human Resource

The pandemic, racial unrest and economic challenges are redefining HR's role—and making empathy more important than ever. PAGE 10

# Heart of the Organization

HR Tech Goes Virtual Page 13 The Future of D&I Page 17

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# September 2020

# Human Resource

# COVER STORY

# HR: The Heart of the Organization

BY KATHRYN MAYER

The COVID-19 pandemic and racial and social unrest are reshaping the role of human resource professionals at a drastic pace. While HR was long seen as an ally of the employer, an increasing number of organizations are now looking to HR as a true leader of the workforce. Page 10

# Health & Benefits Keeping Fitness in Focus 7

BY KATHRYN MAYER

The pandemic has shuttered on-site fitness centers at employers around the country, but that hasn't stopped some organizations from ensuring their employees are staying active.



HR Tech COVID Throws a Curveball at Compensation 12 BY TOM STARNER

Deploying the right technology can help employers successfully take on the compensation challenges that have been complicated by COVID-19.



# Talent ManagementWhere Does D&I GoFrom Here?BY JEN COLLETTA

The racial unrest that was sparked this summer will have an indelible mark on the future of corporate diversity and inclusion, experts say.

# HR Leadership HR's Elite 20

BY HRE STAFF

In collaboration with Equilar, we break down the trends in HR compensation and reveal the nation's 10 highest-paid HR executives.

# Columns

# Beyond Benefits

Lessons from the Pandemic 8

#### Emerging Intelligence HR Doesn't Have All the Answers—And That's

OK 16

## HR in the Flow of Work

Managing Communication in the Age of COVID-19 16

Talent ManagementTesting and the Return to Work18

HR Leadership Building Black Leadership in Corporate America 22

# Departments

Coach's Corner 4

HR Trends 5

People 30

By the Numbers 31

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**Considerations for Travel** Attorney Rebecca Stephens offers eight tips for creating a low-risk policy for business travel.



Are You Hiring? Despite soaring unemployment, the pandemic has created a number of unique new job titles.

# **Coach's Corner** HR's Biggest Risk is Not Taking Risks

#### Ben Brooks/Columnist

ooking back at 2020 thus far, we've unfortunately been experiencing an absolute HR horror story of rapid furloughs and layoffs, economic collapse, remote work baptism by fire, concern for employee wellbeing in the face of a deadly virus and justified unrest over racial inequality, as well as an ever-moving target of attempting to return to the workplace-none of which we'd listed in our annual performance goals as we began our journey through the new year. And yet, as we look ahead to the next few years and consider the function of HR (and the executives who lead it), we should be prepared to face the most challenges of any function and to be under the most pressure to transform, in the wake of these new conditions. In the days to come, HR's standard old playbook of certainty, perfection and control will simply no longer hold up under the scrutiny of heightened expectations from executives and employees alike.



So, in order for HR to thrive, it's going to be essential to take some real risks

Taking risks is extremely underrated (and often fiercely resisted!) by many of us in the world of human resources. "Risk" in HR is often associated with the volatility and uncertainty of people doing bad or stupid things-things that become our messes to clean up. Over the years, more and more executives have been creating incentives for organizations-and for HR, specifically-to take measures to control and further reduce risk. Our function has done an incredible job of creating processes, systems and controls that work to reduce human error, or downside.

What we've missed, however, is that risk also represents upside, innovation, creativity and growth. In fact, realizing even part of the future of work we all long for is not at all possible without us first deciding to take significantly more risks as a function. We need to reframe risk and embrace it on an adjusted basis, which will allow us to change the way we run organizations.

At this moment, boards of directors, investors and C-suite executives around the world are thinking a lot about the future-a process that includes assessing their functional leaders. They're asking, "Do we have the team we need for the future?" We've all seen functional leaders in IT, marketing or operations get replaced once they've been deemed unable to "drive change."

And some of the people out there whom we admire most are change agents who know that taking calculated risks—and then accepting that some decisions just don't work out as intended-is part of the job. These are leaders who, in their relentless pursuit of progress, have overcome the shame of perceived public failure or ridicule, instead choosing to view risks as experiments that help us accelerate our learning. In the coming years, everyone in HR would do well to set a development objective to embrace this mindset.

Our people strategies have experienced (and will continue to experience) rapid change, and we still have so many questions left to answer. How will remote work

actually work? And will the (likely very messy) resulting hybrid model serve to upend all of

our handbooks' and policies' assumptions? How can we set about reimagining a better use and design for our physical workplaces? Do our benefits, compensation plans and even our models of employment need to be more empathetic to compete?

How can we work to redesign the recruiting process, as we now go on to compete for talent with every other employer in the country, rather than just with those located in our county? What does it mean to lead, align and engage employees when our primary interactions take place through a screen? How can we create a personable and sticky employee experience for those who may very well start and end their employment with us without ever getting the chance to shake their manager's hand? And how will we respond to the powerful outrage from employees-and the country at large—over the inequity and injustice in our treatment of racial minorities, including by our organizations?

Right now, our once-sleepy function has more attention shone on it than ever before, and with it, significantly elevated expectations. As we step into the spotlight to face these new challenges, we must show, rather than tell, that we are the team that can, will and is marching into the future. And in order for us to be believed, we must be seen taking immediate and decisive action-whether that is calling an audible on programs, processes or vendors that no longer are serving us or holding our own HR teams to account and upgrading our positions with fresh thinking from diverse profiles. We may need to shed our service provider energy and begin directly challenging the executives and functions we support to either step up their game or get out of the way.

We have to shepherd and sponsor innovative technologies, non-traditional talent and new operating models, while also having the stomach to face the expected resistance to change (or even the possibility that these experiments might not work out). We may need to demand massive increases to our budgets, even as economic conditions challenge the finances of many organizations. These potentially risky, robust actions represent the rebranding and paradigm shift of HR away from simply advocating for change to being the people who envision and deliver it. If we are successful, then working in HR might well become one of the most interesting, sexy, lucrative and rewarding professions for the brightest emerging talent to pursue.

I know. We're tired, we're burnt out and just the thought of doing more than keep our heads above water seems overwhelming. But we must rise to the moment! So take some time off, ask for a larger budget, redeploy existing resources and set boundaries to keep your focus on preparedness for tomorrow and not just on surviving today. Our executives, managers and employees need us now more than ever, and working to reframe risk is the paradoxical unlock to redefining the meaningful mission of human resources.

Ben Brooks is the founder and CEO of the career development platform PILOT. Share your reactions to this column on LinkedIn or @benbrooksny.

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Senior Vice President/Publisher, HR Products

Benefits Editor and Chair of the Health &

Jason Averbook, Josh Bersin, Steve Boese, Peter Cappelli, William M. Kutik,

Benefits Leadership Conference

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Contributing Columnists

Kenneth F. Kahn

**Timothy D. Burke** 

Rebecca McKenna

Elizabeth Clarke

Executive Editor

**David Shadovitz** 

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Kathryn Mayer

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President

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**GRAPHIC SERVICES** Joseph Ciocca Production Director

Rebecca Eller Art Director

Rebekah Galy-Davis Vice President Global Events and Publisher Media Productio Specialist/Team Lead Jerry Criner

Media Production Specialist Dianna Zisman

Media Production Coordinator CIRCULATION

Dana Kubicko Director of Audience Development ADVERTISING HEADOUARTERS

Tim Jordan Associate Publisher Ste. 500, 747 Dresher Rd. Horsham, PA 19044 (215) 784-0910. ext. 6550 tjordan@lrp.com

Joe Kirschen Regional Sales Manager (215) 784-0910. ext. 6295 jkirschen@lrp.com

Sharon Staehle Director of Sales Enablement (215) 784-0910, ext. 6390 sstaehle@lrp.com

Michele Garville **Digital Media Operations Specialist** (215) 784-0910. ext. 6386 e@lrp.com mgarvi

For subscription information. please call (800) 386-4176, email human\_resource\_executive@omeda.com, or fax to (800) 661-5127.

Send payments to: LRP Media Group 360 Hiatt Drive Dept. 150F Palm Beach Gardens, FL 33418 All other written correspondence to: Customer Service Department Human Resource Executive Magazine P. O. Box 2132 Skokie, IL 60076



LRP CORPORATE EXECUTIVES Kenneth F. Kahn

President Todd Lutz

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The Latest Trends in Human Resources

**Top Story** 

# Hybrid Workforce Could Be Wave of Future

When the pandemic hit, many employers that had never even considered remote work were forced into allowing employees to work from home. While the majority (86%) of U.S. employers grew more confident about remote working, most employees are expected to return to the workplace in some capacity within 12 to 18 months, according to a new report by Xerox Holdings Corp.

*The Future of Work in a Pandemic Era* is based on a May 2020 survey of 600 IT decision-makers, including senior C-level professionals, whose organizations have at least 500 employees. The survey, conducted by independent research firm Vanson Bourne, found an overwhelming number of respondents (95%) felt that in-person, face-to-face communication is crucial for



personal development and talent assessment. Consequently, employers are expected to embrace a hybrid model of remote and in-office work moving forward. "While we have

all needed to make the most of working remotely, there is much lost in terms of productivity and team-

building," a Xerox spokesperson said. "Full-time remote work is clearly not an indefinite reality for businesses, and a majority of decision-makers intend to return to the office in the long term."

For many companies, the rapid transition to remote working exposed technology gaps. Just 28% of respondents said they were fully prepared for employees to work from home, with 29% citing technology as their biggest pain point. More than a third of respondents (35%) said remote IT support was most lacking, followed by inadequate workflow solutions (27%), lack of communication and collaboration tools (22%), and lack of cloudbased solutions (10%).

Seeking to support this new hybrid workforce, companies are reevaluating their technology budgets. More than half (56%) of respondents are investing more in remote technology resources, with 40% investing in a hybrid of remote and in-office resources. The pandemic has also driven organizations to accelerate their digital-transformation efforts in an effort to make immediate progress on long-discussed goals.

While remote working may not be as effective for teambuilding, many employers are focused on making their employees feel safe while working, even if they're at home. In a survey of 127 HR, legal and compliance, finance and real estate professionals conducted by research firm Gartner, the organization found that 82% of employers will allow their employees to work from home at least part time, and 47% say that they will allow their employees to work remotely full time. According to the survey, 43% of the respondents said that they will have more flex days for their employees, and 42% said they will implement flex hours.

"The same companies that struggled with the sudden shift to remote work are now able to move more deliberately and plan using the lessons of the past several months," Xerox said. "They have more confidence they can adjust relatively seamlessly to the ripple effects that may continue as a result of COVID-19."

— Julie Cook Ramirez

# H-1B Visa Freeze Creates Challenges for Employers

his summer, President Donald Trump issued an executive order effectively freezing the hiring of foreign workers via the popular H-1B visa program. The decision is bound to throw some sectors that depend on H-1B workers—tech and healthcare, primarily—for a talent loop.

According to the Migration Policy Institute, for example, about 219,000 temporary workers would be blocked by the executive order, ostensibly created to fill many of those openings with American workers during the economic downturn set in motion by the coronavirus pandemic.

Clete Samson, a partner with the law firm Kutak Rock, explains that the recent order temporarily (until Dec. 31, 2020, for now) restricts a U.S. company's ability to hire and recruit foreign national workers to the U.S. using a new H-1B, H-2B, L or J visa.

"The order will create an obstacle for U.S. companies in their ability to compete on a global scale in a variety of tech and other industries," Samson says. "It could require employers to consider moving certain positions or job functions to workers living and working remotely abroad."

Ran Harnevo, CEO of Homeis, a tech company that works with hundreds of thousands of immigrants in the U.S., says the COVID-19 pandemic in the U.S has proven how essential immigrants are to the fabric of the country and its workforce. Yet, Harnevo says, the Trump administration continues to create new regulations to push them out and increase their hardship. "Immigrant groups, from

asylum seekers to tech

workers, are under constant attack—and they are tired of President Trump's continuous fear mongering and scare tactics," he says. "He has shattered their American dream, and now they have nowhere to turn."

rends

Harnevo adds that foreign workers are the backbone of the nation's largest tech leaders, such as Facebook and Google, yet these giants were slow to respond to the executive order—though they have registered their disapproval via Twitter and other social media platforms. Even the U.S. Chamber of Commerce posted a statement pushing back on the order and has joined a lawsuit against it.

"The facts prove that, by barring entry to H-1B and other types of applicants, some of whom have lived in the U.S for many years, the U.S. will lose and other countries stand to gain," Harnevo says.

Doug Rand, co-founder of Boundless Immigration and former Obama policy director, says the actions by the White House have "nothing to do" with the state of the economy.

"The Trump administration has been ratcheting up work visa restrictions from the beginning, when unemployment was low," he says. "The pandemic is just a pretext to continue pursuing an extreme agenda of restriction that most Americans oppose."

Xiao Wang, CEO and Boundless Immigration cofounder, adds that "barring or kicking out the best and brightest around the world who have studied in our schools and wish to establish their lives in this country is a direct way to hurt our companies and economy."

Raymond Lahoud, a partner with and chair of Norris McLaughlin's Immigration Law practice, says his firm is advising clients to consider a couple of options to adapt to this change in workforce availability.

One is to double down on efforts to find U.S.-based workers or other H-1B visa holders already in the country who may have lost their jobs due to the pandemic. The other option is to "think creatively" about how to reclassify the employees who can't get the H-1B through another visa type, like the TN and E visas, for example.

Turning to the healthcare industry, Yova Borovska, a healthcare immigration attorney at Buchan Ingersoll & Rooney, says while the executive order provides for certain discretionary exceptions when the entry will be in the "national interest," it's uncertain what the process, timeline and standard to apply for such an exception would be.

Borovska has seen firsthand that non-U.S. citizens applying for H-1B visas as medical residents, fellows or physicians are still being denied access into the country even after making "compelling arguments" that they're planning to assist with COVID-19.

"As the volume of COVID-19 cases continue to rise across the U.S.—and should USCIS continue to deny H-1B visas for healthcare workers on the frontlines hospitals could be facing an upcoming staffing crisis," Borovska says.

While Borovska says there is no clear way yet to quantify the potential damage, healthcare employers can plan ahead for delays in their new-hire start dates and come up with ways to mitigate this internally by shifting workloads, as well as exploring alternatives to the suspended categories.

Vince Cordova, a partner at Mercer, says virtual assignments and remote work opportunities for transfers and new hires could be solutions for employers to help offset potential loss of talent without the H-1B and other related visa holders. Also, he adds, organizations should have a framework for workplace flexibility that enhances the employee-value proposition and incorporates an employee-development and career-growth perspective.

- Tom Starner

# Trends

# **Ensuring Safety** for High-Risk **Employees**

early one in four workers is at high risk for serious complications from COVID-19 if infected, according to new analysis from Kaiser Family Foundation, signaling that employers may want to embrace remote work options longer than expected and better prepare for bringing workers back to the workplace.

The analysis estimates that 37.7 million workers, or 24% of employed U.S. adults in 2018, are at high risk, including 10 million who are 65 years or older and an additional 27.7 million with pre-existing medical conditions. The analysis also estimates that 12 million more at-risk adults who do not work themselves live in households with workers. For this group, indirect exposure could be just as serious of a risk as going to work themselves, Kaiser says.

"These data suggest employers should take into account the higher risk some workers will face, allowing

# **How Using Data** Will Improve D&I

n light of COVID-19 and the simultaneous growing awareness

of racial disparities and injustice, experts believe now might be the perfect time for HR leaders to focus on bolstering their commitment to diversity and inclusion.

"At this moment

in time, when we are all united in supporting Black colleagues, it is critical to recognize the disproportionate impact of structural racism on African Americans while being inclusive of all colleagues on this D&I journey," says Tina Shah Paikeday, leader of executive search firm Russell Reynolds' global Diversity & Inclusion advisory services and a senior member of the Leadership & Succession team.

D&I. however. hasn't always been viewed as a "must-have," says Dane Holmes, the CEO and co-founder of Eskalera, a D&I analytics start-up. Holmes left Goldman Sachs earlier this year to partner with co-founder Tom Chavez in starting Eskalera, which uses data to help companies find and keep diverse workers.



importance of D&I, he notes. The pandemic, which has created both physical separation and significant stress, actually has made creating an inclusive culture that much more valuable," he says.

> But, for many companies, the disruption of the pandemic may have pushed D&I further down the list of HR's priorities. The key to not leaving aside your D&I policies when things get

tough, says Ian Cook, vice president at data analytics company Visier, is to make sure they are embedded into decision-making processes and supported with the availability of data to make it easy to do.

"This, combined with senior leadership setting an example and holding their people accountable, is the best way to ensure D&I policy is not forgotten," he says. Cook adds that D&I has a powerful, indirect impact on the fortunes of an organization-both in terms of the impact it can have on engagement and their willingness to support the business.

"Employee engagement is important at all times and becomes especially important during a recession or other crisis," he says. "While it is



them to work at home where possible, to be tested and to minimize their risks if they return to work," says KFF President and CEO Drew Altman.

The Kaiser Family Foundation analysis follows data from Gallup showing that nearly half of employees are concerned about being exposed to COVID-19 at work-both findings that point to significant challenges for employers looking to bring workers back to the workplace.

Major employers are looking for ways to cut down on risks-including further embracing remote work. A significant number of companiesfrom Twitter and Facebook to financial services firm Edward Jones-sav

Yet, the challenges of the past

few months have highlighted the

they will continue to embrace remote work to help employees during the pandemic. And data from research firm the Institute for Corporate Productivity (i4cp) found that more than half of 27 employers surveyed plan to expand or increase flexible work arrangements on a more permanent basis, even after the coronavirus pandemic is contained.

Other employers, especially ones who depend more on on-site employees, are looking at ways to avoid spreading the virus as they bring more workers to the office. Temperature checks, social distancing, more vigorous cleaning and requiring employees to wear masks are among the precautions employers are taking.

Still, not all employers are embracing such safeguards, meaning there's room for growth.

For instance, the majority of workers (69%) surveyed by Gallup say there are new or more frequent cleaning procedures at work, while 58% say their employer is always providing personal protective equipment, such as masks, gloves or face shields. Just over half of employees say employers are enforcing a 6-foot distance between employees and customers or other employees, and 41% say their employers are screening employees for cough or fever.

Meanwhile, providers are releasing technology that helps identify sick workers.

Alight Solutions, for instance, released an app that provides configurable screening and access to healthcare concierge services for all employees returning to their physical workspaces. Alight's app provides quick health assessments and care options for employees affected by a positive COVID-19 diagnosis or those who could potentially be infected. Each day, employees complete a short, symptom-focused questionnairebased on Centers for Disease Control and employer guidelines-and are given an immediate pass/fail notification via the app.

— Kathryn Mayer

# **Black Lives Matter to Employees**

In a Monster poll of nearly 300 American workers this summer, the company found that:

- 62% of respondents said their likelihood to work for a company would increase depending on the organization's response to the #BlackLivesMatter movement.
- Of those, 86% said that likelihood would be influenced by a positive company response to the racial-justice cause.

hard to measure, the benefit of an employee group that is committed to making the organization successful is extremely positive."

Cook adds that the decisions made during a crisis, and employee perceptions of them, are not just important for the short-time-they will count double as the economy starts to stabilize and recover. He cites an increasing body of evidence that shows that those organizations that worked through the last two recessions maintaining their values and their commitment to people have been the ones that continued to thrive

"Those organizations that have taken more clinical finance-driven decisions have often failed to recover in the way they expected due to employee and customer responses," Cook says.

To ensure that organizations do not lose sight of the importance of

equality in difficult times, many D&I execs are targeting monthly updates with their top leaders to keep them apprised of changing employee demographics and perceptions, savs T.R. Straub, co-leader of the Diversity & Inclusion Practice at Russell Reynolds. Additionally, Straub says, organizations have been engaging in frequent pulse surveys and also leveraging employee research groups to get a more authentic understanding of employee sentiment that can be used to address the root issues people are facing.

"Accountability is key," Straub says. "Ideally, from the CEO on down, you can rely on self-accountability. However, you should also tap others to keep you honest, ensuring you're not losing focus on the D&I issues that matter."



Many organizations are recognizing the need to help newly remote employees stay active.



BY KATHRYN MAYER

# Keeping Fitness in Focus

itness classes at Pinterest's luxe San Francisco headquarters are among the social media company's most popular perks for employees. Yoga, aerobics and other classes are on offer so that workers can burn calories or downward dog to their heart's delight. When the coronavirus pandemic hit and employees went remote, Pinterest didn't want employees to lose one of their favorite perks. "That's one part of our

favorite perks. "That's one part of our benefits offering employees really relied on and really enjoyed. We didn't want to take that away because we couldn't be in a physical office," says Alice Vichaita, head of global benefits at Pinterest.

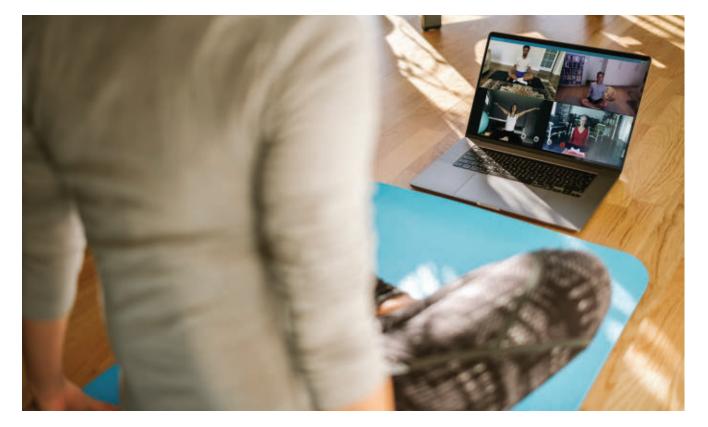
So, the company turned to virtual class sessions offered via Zoom or Google Hangouts. "We set up reminders in our various Slack channels so we can remind [workers] 15 minutes before class starts, see it and join," Vichaita explains. "We have a wellness calendar that people can opt into and see the programming coming up."

In addition to its normal slate of offerings—yoga, meditation and so on—the company in early May added a dance class for parents and their kids on Thursday afternoons on Google Hangouts. It's a move to help Pinterest's working parent population—a group that's especially struggling during the pandemic as they juggle taking care of work and their children simultaneously.

"I think employees really enjoy stuff they can do with their kids—and something that can occupy their kids and get a little break in the day," Vichaita says.

While the coronavirus pandemic has put a spotlight on other aspects of wellbeing, notably mental and financial health, Pinterest is among a handful of employers are making sure physical health stays in the spotlight, too.

"All the wellness dimensions physical, financial, emotional, social and environmental—are interconnected, but physical wellness is an ideal starting point," says Ann Wyatt, vice president of program management and engagement at HealthFitness, a wellness provider that worked with Best Buy and Molson Coors, among others.



Focusing on fitness is seen as a smart move during the pandemic, advocates note, giving employees an opportunity to be active and boosting their mental health along the way.

"Most of us realize that it feels good on so many different levels just to get moving—going for a walk, a run or taking a group exercise class. The transition to work from home was—and still is—hard," Wyatt says. "Providing an outlet for employees to continue with their physical wellness is crucial and over time will likely have a positive impact on the other wellness dimensions."

Regina Ihrke, senior director and wellbeing leader, North America, at Willis Towers Watson, agrees that wellness components have intensified due to the pandemic. "Leaders have been bold in redefining their organization's purpose and their commitment to the health and safety of their employees, families and customers, which has put a laser focus on wellbeing," she says. Research from the consulting firm finds that 60% of employers are offering new, easy-to-implement virtual solutions, such as online workouts, to support employees who work from home. Another 19% are planning or considering these solutions. Meanwhile, half promote healthy nutrition and weight management for at-home employees, and 25% are planning or considering adding such programs.

#### Making the Transition from In-Person to Virtual

Best Buy's 16,000-square-foot on-site fitness center that serves its 1,400-plus corporate employees—and regularly offers 10-15 weekly group exercise classes and six office break sessions—has been empty since mid-March, when the pandemic began. But the Richfield, Minn.-based retail company acted quickly to make offerings available to its employees who moved remote due to COVID-19.

Best Buy activated its "Wellness Zone" Facebook page to host daily live group exercise classes and archive the recordings for on-demand viewing. It also offers challenges and educational content on a daily basis, the company says. Personal trainers also connect with employees via Zoom and Microsoft Teams, offering customized workouts that can be accessed via private YouTube links.

"Many have continued participating in the same classes and personal and group training sessions as they would have on site at our fitness center," says Bri Johnson, HealthFitness program manager for Best Buy. "They especially enjoy having on-demand class recordings available via Facebook and Microsoft Teams, plus a few Zoom class options where they can interact with the instructor and, of course, their colleagues."

Now, about 1,100 employees participate in the programs, Johnson says.

In general, employers say moving fitness classes online and providing virtual wellness offerings is one way to

# Benefits

provide flexibility and help employees during an unprecedented time.

"We already are pretty flexible as a culture, but I think we learned to be even more flexible because everyone is going through different things," Pinterest's Vichaita says. "There isn't really a one-size-fits-all. We should lead with empathy and work with employees to see what works for their situation."

#### Turning to Apps, Platforms

Other companies that don't have on-site fitness classes to move remote are partnering with platforms that offer virtual wellness options. Wellbeats and Grokker, both of which offer virtual wellbeing components and partner with employers to provide them as a benefit for employees, say they have seen a big uptick in employers using their tools since the pandemic began in March.

Both platforms offered access to their tools for free at the start of the outbreak, which prompted a big boost in interest. With those promotions,

# Human Resource HEALTH & BENEFITS LEADERSHIP CONFERENCE

Grokker added nearly 1,000 companies, while Wellbeats overall added

163,000 employees to its platform. Biotech company Amgen,

for instance, previously offered Wellbeats exclusively for remote workers, but expanded the program in wake of the pandemic. It had more than 4,000 downloads of the Wellbeats app in one week after expanding the program to all employees. Health and human services provider Maximus saw 4,768 employee logins and 10,048 class minutes in the first week of its Wellbeats launch in late April. Grokker also cites a "significant increase in demand," including employers that expanded offerings to all employees and adding companies like Pfizer to its roster.

"They're discovering the benefits of offering anywhere, anytime fitness content alongside nutrition resources for people who are doing more cooking at home or mindfulness classes for people who are feeling overwhelmed by everything that's happening right now," says Jen Zygmunt, Wellbeats' chief revenue officer. In April, Wellbeats users recorded 5 million activity minutes, "double the 2.5 million minutes we see in a typical month," she says.

The classes have been a big hit with employees, the companies say. They often are viewed as a way to normalize routines, and they are especially important as indoor gyms and fitness facilities are some of the most dangerous places in terms of likelihood to spread the coronavirus, says Lorna Borenstein, CEO and founder of Grokker, which also counts Delta Airlines, eBay and Subway as clients.

"Ultimately, this is much bigger than missing a few workouts," Borenstein says. "People are suddenly isolated indoors with no connection to the outside world, leaving them feeling stressed, anxious and unable to focus. And while they are worried about their jobs and trying to balance work and life, they are simultaneously struggling to maintain a healthy diet, not getting enough sleep and worrying about finances.

"The only way to reliably and equitably reach employees where they are is through digital wellbeing solutions that treat the whole spectrum of wellbeing," she continues, noting that, chances are, this trend will continue post-pandemic. "People in benefits would always say how it's important to meet people where they are at," Borenstein says. "Well now that they are at home and working remotely, virtual fitness and wellbeing options are the only way to reach them. That is why they are here and here to stay."

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

# BEYOND BENEFITS



# **Lessons from the Pandemic**

By Kathryn Mayer/Columnist

Over the past few months, I've followed the changes employers have made to their benefits programs in response to COVID-19. I've seen employers drop benefits, or add them or

expand them. I've followed what they've done about remote work strategies. I've heard their challenges and concerns. I've talked to a number of experts and HR leaders about healthcare and financial wellness and more.

It's given me a lot to process and time to think about what the pandemic, as a whole, means in terms of employee benefits. While there are many things that can be said, here are a few lessons we've learned so far.

#### Wellness is Key

The health and wellness of employees is the No. 1 priority for employers right now. And if it's not, then those companies have some changes to make. While the pandemic is bringing to light a number of challenges for organizations, prioritizing employees' health, safety and wellness is most vital.

It's not surprising that health and wellness should be the top focus during a health crisis, but the current situation also serves as a reminder that health and wellbeing are fragile and should always be prioritized. Chances are, your employees are always going through some challenge, whether it's a personal, health or financial issue. Employee health and wellness should always be prioritized with a thoughtful, robust suite of offerings. Without that focus, an organization will not thrive.

# We Can No Longer Ignore Remote Work and Flexibility

Coronavirus pushed the massive implementation of remote work, to be sure, but the way it's working has proven that the model will continue post-pandemic. Scores of employers have not only embraced and continued remote work in the midst of the pandemic, but many plan to continue to offer it indefinitely, which means big shifts to the workplace.

"I think companies are going to see that some, maybe many, of the jobs they've always thought had to be done on site could be done just about anywhere and could be done just as well," Mark McGraw, i4cp's total rewards research analyst, recently told me. Meanwhile, data from Gartner found that 82% of company leaders plan to permit employees to work remotely at least part of the time even after the COVID-19 pandemic.

Importantly, offering remote work and flexibility options gives employees a benefit they've been asking for for a long time. At a time when things are hectic, giving employees flexibility—and trusting them to do their job in the process—is paramount. And it should continue.

# Employers Need to Adapt Benefits as Needed

The last few months have proven that HR and benefits leaders need to be responsive and agile in adapting their offerings for employees. Ping pong tables and company-paid lunches and happy hours have been popular, but are they needed during a pandemic? Clearly not. Even once-hot benefit trends, like student-loan repayment or breast-milk shipping, aren't top of mind right now. Now, it's about having the right benefits in place to address employees' pain points. Of course, comprehensive healthcare coverage, telemedicine, and paid sick and other leave are needed but the pandemic also is shining a light on the importance of mental health coverage, resiliency and stress-management programs, financial wellness, childcare and caregiving benefits, and more.

Smart employers have taken a hard look at their benefits since the start of the pandemic and rolled out, altered or leaned on existing benefits to help. Some have made wellness options virtual. Others have added more paid time off, handed out bonuses to help during financial difficulties and added childcare benefits for parents who are struggling. Reshifting priorities and adapting benefits programs to give employees what they need when they need it will benefit employees, but it also will benefit employers by keeping employees engaged, productive, healthy and, well, sane.

#### There is a Lot of Room for Growth

Perhaps most important to note is the fact that the crisis is shining a light on shortcomings in employer and voluntary coverage: from disparities in health benefits, paid sick leave and mental health coverage to an unwillingness on the part of some employers to embrace flexibility and remote work benefits.

At a time when every employee—yes, every one—is feeling the impact of coronavirus, we see the vast array of issues plaguing the workforce: medical challenges, financial stress, caregiving and childcare responsibilities. It's easy to spot the holes in coverage—from a lack of paid sick leave at retailers and a lack of offerings for part-time or gig workers to big benefit gaps in financial wellness support to mental health coverage. It's proof that, while employers have come a long way in coverage, there is still a lot that employers and industries can do as far as benefit offerings.

Bottom line? Life has changed, work is changing and benefits should, too.

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

# **HR Technology**

# PEOPLE SIDE OF DIGITAL

Jason Averbook/Columnist

What HR Needs to Get 'Right' in the COVID Era



We are living in, perhaps, the most fascinating, exciting and challenging

times we'll see in our lives.

I can imagine that, each morning when we wake up, many of us simultaneously feel thankful for our health, worried about the future and completely awed at the magnitude of worldwide panic and upheaval playing out before our eyes. Each day is another filled with sorrow, opportunities, challenges and decisions—each of which may seem like the most important we will make during our lives, both personally and professionally, as we navigate the new now of work.

Organizations recognize the challenges and opportunities presented in these unique times, but they still struggle to know what to do. When I'm asked for counsel, the word "right" keeps coming to bear. By definition, "right" means that which is good, correct, honorable and justified. These are a few ideas of what "right" might look like in your organization, today and going forward.

# The Right Communication and Experience

As I have stated in previous columns, my strongest recommendation to all organizations is to take all travel budgets and other spend tied to HR/workforce technology and allocate it to workforce communication and experience. Today's workplace requires more communication and a better workforce experience than ever before, based on the variation and distribution of work. Communication and experience were easier to manage, one might argue, when everyone went to an office or worked in the same mannernot easy, exactly, but maybe easier. Now that we have workers of different types and statuses working from different places with different leaders and with different national, state and local requirements, we desperately need a real-time communication and experience delivery vehicle. If this is not in place already, it should be an immediate priority.

We also need to ensure listening with clear action based on what we hear is tied directly to our communication and experience strategies and plans. Communication and experience are multidirectional and based on the agility and fragility of business and the workforce today; if this is not working, we have a major problem in our ability to move the workforce forward.

**The Right Talent Management** Agile and necessary business transitions forced by COVID-19 changed talent needs, essentially overnight; at the same time, demands for social justice and equality shined a new light on diverse and inclusive talent practices. Prior to these talent

shifts, we were already working with

processes, not journeys—processes that were decades old, added little to no value to managers and employees, and failed to produce true business outcomes. We must break talent management as we know it and deploy the right talent strategies for organizations in the now of work.

While doing that, we must reset talent management in the right way. Diversity and inclusion have to be infused in talent strategy and practices; holistically, by default, embedded in process and technology; and not siloed and separate.

#### The Right Operating Model

As the HR function shifts its focus to consider and support an organization's true competitive differentiation, our operating model must also shift. We must break the silos once again between HR and IT that have caused dysfunction, as well as those between each Center of Excellence that takes our eye off the total workforce experience picture. And we must reframe our operating model around the total workforce (employees and contractors), with a holistic view on talent and a centralized model around data and insight strategies. The operating model of the 2010s will not allow us to survive in the 2020s and beyond.

**The Right Active Roadmap** Following a roadmap is easy;

following an active roadmap is difficult.

What is the difference? We must be constantly assessing the needs of the business as priorities change on a weekly basis. We must be constantly aligning the needs of the business with the goals and objectives of the people function. And we must act quickly, efficiently and with agility to deploy those strategies to the organization. The right roadmap is one that is active, one that is fluid and one that is immediately responsive to the organization as it traverses the changing world we live in today.

Technology \*

Executive

Doing things is easy. Doing the right things is hard. It requires strategy, deployment excellence and continuous improvement. The sooner we stop focusing on doing more with less and instead focus on doing the right things in a more agile way, the better equipped we will be to position ourselves for both short- and long-term success—and, ultimately, to achieve the outcomes the business is looking for.

This is not time to do more; it is time to do right.

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 and will speak at the virtual, free HR Technology Conference next month. Send questions or comments to hreletters@lrp.com.

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September 2020

9

A triple threat of crises – COVID-19, diversity and economic challenges – is pushing HR professionals to become more employeecentric than ever.

BY KATHRYN MAYER

hen COVID-19 surfaced in January, Jo Deal, chief HR officer of software company LogMeIn, began meeting daily with the company's CEO and general counsel. Their original questions were logistical and

scenario-based: Do we let people travel? What happens for employees coming back from a conference?

Things quickly progressed, of course, as the number of cases began to rise and the World Health Organization declared COVID-19 a pandemic in March. When that happened, Deal started meeting with the CEO and general counsel three to four times daily about the looming crisis.

"Things were moving so quickly at that point," she says. "We're still meeting daily now, however many months later."

Though early conversations revolved around the logistical—who would work from home and how to best move workers remote, for instance—questions quickly

evolved into more personal matters: How do we help employees? How are they feeling? What can we do?

"We talked a lot about flexibility and empathy and working with our leaders on giving them training to try to meet people where they are," Deal says. "And, really, every day, just survive."

Cover Story

Months into the pandemic, human resource leaders have been a clear, resounding voice for their companies. They are important partners for executives, leading the way on moving workers remote and rethinking benefits. Couple the pandemic with social unrest in light of George Floyd's death and the Black Lives Matter movement, and the importance of HR leaders is at a fever pitch.

"HR is playing the role it has always played—but it's playing it in an exponential way," says Jill Smart, president of the National Academy of Human Resources and former CHRO at consulting giant Accenture. "And because they're doing it so well, I think that the HR profession is going to come out of this [stronger] because they're going to have a key role." The pandemic has given HR executives elevated key roles in their organizations and a prominent voice amid turmoil, but they've also become an important source on how to treat employees, carry on the culture and lead the way in a time when employees are collectively experiencing more upheaval to their personal and professional lives than ever before.

The role of HR leaders at organizations has historically been organization-centric: maintaining compliance, mitigating risk, enforcing policies. Employees traditionally aren't comfortable with HR leaders. According to data from careers site Zety, for instance, 69% of employees don't believe that HR takes the side of the employee, and most aren't comfortable talking with HR about anything personal.

CHROs whom *HRE* spoke to insist that savvy HR leaders have long walked the line between being the ally to employees and the organization. But they also acknowledge that a triple threat of crises—the pandemic, social unrest and subsequent economic turmoil—is



"The crisis of COVID, quickly followed by the crisis around the social justice movement and responding appropriately to that, it's really been a crucible for the HR function where just talk or unimportant fluff—that's all burned away." — JULE TAYLOR

pushing them to become more employee-centric than ever. They're focusing on connection, empathy and employees' mental health. And it's sink-or-swim time for HR leaders who had not prioritized employees' wellbeing in the past.

The last few months have "really been a crucible for the HR function, where just talk or unimportant fluff—that's all burned away," says Julie Taylor, CHRO at Broadridge Financial Solutions, a New York-based financial services firm with about 10,000 employees. "And that's focused our minds on what's important."

#### **Building Empathy Through Benefits**

As the current environment causes tension, stress and anxiety in employees like never before, a growing number of employers—and HR executives—are realizing the importance of helping employees, being empathetic, connecting and being more proactive.

"The realization of this lasting until the end of the year or more, it's creating a lot of things—isolation, loneliness, stresses. And I think helping people through this [is important]," says Steve Pemberton, chief human resources officer at Workhuman, a software firm coheadquartered in Framingham, Mass., and Dublin.

It's so important, he says, that HR leaders should make employee wellbeing their first priority, starting by acknowledging that these are uncertain and anxious times.

"They're looking for leadership as well—inspiration and connection," Pemberton adds. "I think you have to provide all those things in a different shape, way or form."

To help with mental anguish in particular, HR leaders have added different benefits and leaned on existing resources. They've touted employee assistance programs and added apps and other platforms to help employees manage stress, sleep better or meditate. They're providing education and workshops on how to get through a crisis no one was expecting.

Maybe more important, though, has been a sharp focus on empathy and flexibility. Sure, HR leaders are helping employees with guidance or group or one-onone meetings, but a big part of their role is encouraging and training managers and other company leaders to be



Jo Deal

empathetic and flexible as well. Maybe meetings are recorded so employees can watch them later when it works better for their timing; schedules don't have to be 9-5; if a dogs barks or a baby cries during a meeting, it's seen as commonplace, not distracting or irresponsible.

"We need to provide more flexibility than what our employees are accustomed

to," says Kathie Patterson, CHRO of Ally Financial, a Detroit-based bank that employs 8,700 workers. "A lot of employees say, There's no way I can sit at a desk for eight hours with my kids running around.' So, it's really about helping our leaders understand how to listen and figure out how to provide greater flexibility in the workday."

Leaders have to become agile and responsive to employee needs and understand what workers are

going through. It's easy to relate to because HR leaders are feeling similar pain points.

"I have two elementary-aged children and, oh my gosh, it's been really hard to supervise and be a teacher and get your job done," LogMeIn's Deal says. Parents also have been a big part of the equation for HR leaders. Companies have paid close attention to their parent populations, as those employees are left struggling as they juggle taking care of their kids at home and getting work done.

Constant and open communication plays a big role, too—bigger than it has in the past.

Broadridge's Taylor says she's prioritizing communication and telling employees "everything they know or don't know." Employees simply want to know what's going on, she says.

In addition to "weekly, if not daily" communication to employees about coronavirus, Broadridge put together an in-house website about COVID with leadership messages and sources curated by the

company's in-house medical team.

"You cannot communicate too much," she says.

For its part, Workhuman promised no layoffs or furloughs at a time when

economic uncertainty and a rocketing unemployment rate are further stressing employees. "The most

important thing we can do is take the concern of employment off your plate," Pemberton says.

Rethinking benefits strategy has also been paramount for HR leaders.

Ally Financial's Patterson says that as soon as she noticed employees becoming anxious about the situation, the company took a hard look at its benefits offerings.

Ally expanded childcare support for employees (the company increased the days covered from 15 to 30 days); added two weeks of paid caregiver leave for employees caring for a family member with COVID-19; and offered a one-time \$1,200 tax-free financial assistance payment for employees, among other offerings.

"It was so very clear to our leadership team that the biggest support we could provide to our employees was to make sure we are providing the right support," Patterson says.

"Our employees are struggling," she continues. "As a company, we say we like to demonstrate a high degree of care. This is the moment you've got to walk the talk."

#### **Role-Modeling D&I**

Walking the talk also has been the rallying cry for HR leaders as they try to navigate social justice issues, which have reached heightened levels after the death of Floyd and subsequent nationwide protests. While public statements from companies supporting Black Lives Matter have been the norm, many HR executives say they need to be the leaders in helping their companies go further. They are listening to employees about their concerns and publicly committing to increase diversity among employees and senior leadership. LogMeIn's Deal says she has held several employee listening sessions for people to share their feelings and concerns over racial injustice and ideas on how to further commit as a company. She says diversity and inclusion is still a learning process and something the company will continually work to achieve, but she's trying to educate herself and her employees.

Pemberton, who held chief diversity officer positions for companies including Walgreens and Monster before taking over as CHRO of Workhuman in 2017, says reflection on diversity means "everything for HR."

"The workplace may be the last best place for us to tackle these issues," he notes. "You think about your week—where in the course of a week in this voluntarily segregated world are you likely to encounter people of different faiths, ethnicities, languages, generations—all oriented toward a common goal? It's the workplace. There's this awareness now that the places where we work can also be the places where we begin to heal."

Smart says HR leaders simply need to become role models on D&I. At organizations where leaders "don't get it," she notes, HR should urge conversations, dialogue and take the issue straight to the CEO.

"And if you go to the CEO and they won't do anything, and you go to the board and they won't do anything," she says, "you might not be in the right place."

#### **Connection and Lasting Effects**

Edward Jones CHRO Kristin Johnson says the financial services company had things pretty well situated when the pandemic hit, all things considered. It had the technology and strategies in place to allow employees to work from home and to communicate with its clients with ease. But it was challenged to make employees feel connected in the new reality an issue Johnson confronted took head on.

"The biggest challenge we've seen is people wanting to be connected, and people feeling more isolated," Johnson says. "Typically, it's people that maybe haven't been working at home as much, myself included. I love going into the office and love seeing people."

Johnson began "coffee chats"—which she hosts twice a week with a partner from the organization for all of its 49,000 employees. Guests talk about a variety of subjects—best practices on emotional health, for example, or a business topic for their branch teams. "It's been great to see the response of people really valuing that we stay connected when they're not physically able to be together."

The coffee chat gets quite literal, too—it often includes a spotlight on employees' favorite coffee mugs. "People will send pics of their coffee mugs and tell the stories behind it," Johnson says. "It's been a really fun way to bring a large community closer together in a fun, informal way."

Workhuman similarly hosts happy hours, yoga sessions, birthday and work anniversary celebrations all virtually.

"It's everything we would ordinarily do to provide comfort and relief," Pemberton says. "It's not only what we would do normally, but we've accelerated [those efforts] and doubled down on them."

To be sure, the challenges of 2020 have elevated the role of HR, as leaders have stepped up to support employees and manage change. Because of that, Smart says, HR professionals will continue to have a larger influence even after the pandemic has passed.

"This catapulted them because it's crisis after crisis after crisis, and they're in the epicenter of that," Smart says. "They have a chance to have a positive effect on their people and on their organization."

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

**Steve Pemberton** 

# **HR Technology**

# COVID Throws a Compensation

Effectively deploying a fair, equality-driven compensation plan has been an ongoing challenge for HR executives. Factor in the COVID-19 pandemic, and things get even more mind-bending.

#### **BY TOM STARNER**

or starters, it's clear that accurate total reward data and a strong strategy are especially critical in the current unsettled economic climate. With some employers restructuring their workforces in response to the coronavirus' impact, many are left with a less than clear grasp of employee costs. Bottom line, according to experts, it remains surprising how few global companies actually have an accurate view of their true people costs. And that's where deploying the right technology can help HR leaders and employers successfully take on the compensation challenge, they say.

#### **Using Data for Alignment**

Ruth Thomas, principal and senior consultant at Curo Compensation (CURO), which offers global clients technology to manage total compensation, says the most critical hurdle during the pandemic—and beyond—is making the most of compensation dollars to unlock performance. That, in turn, can ensure employers align compensation with key talent and business metrics to reward those who contribute the most toward business success. Thomas cites Deloitte's *2019 Human Capital Trends Report*, which revealed that only 11% of respondents said their reward systems were highly aligned with their organizational goals. At the same time, she explains, pay fairness and transparency had emerged as critical in defining the effectiveness of rewards relative to the employee-value proposition—an even more acute need in a crisis.

"We know there is a direct correlation between perceptions of pay fairness and employee engagement," Thomas says. "Unless you share information with employees, it is likely their pay perceptions will not align with reality." The result? Negative perceptions that could mean employees become disengaged and may even choose to seek jobs elsewhere.

Thomas says that the COVID-19 crisis has seriously impacted rewards, as employers negatively hit by the lockdown's economic consequences have to balance cost management while also trying to maintain some form of pay continuity and physical security for employees.

"As we begin to focus on the recovery phase, it's clear the period

of lockdown has had a significant impact on how we will manage reward," she says. "The direct economic consequence is that we will be back to managing reward in a recessionary environment.

"Reduced pay budgets make managing pay differentiation and retaining key talent hard," she adds.

To take on the compensation challenge, Unilever, the multinational giant, developed and rolled out an HR data-consolidation platform, uFlexReward. According to Peter Newhouse, Unilever's global head of reward, the system collates all costs related to employees (salary, pension, bonus, shares, etc.) into a single realtime platform.

"With that, Unilever benefits from a consolidated, accurate, realtime picture of our employees' total rewards," Newhouse says, adding that the uFlexReward solution has been so successful internally that Unilever spun it off as a company in its own right.

Working with Ken Charman, CEO of uFlexReward, to develop the solution, the company has been able to personalize reward, facilitate regulatory reporting and use analysis



to identify and correct anomalies within the organization around areas

like pay equality and diversity, Newhouse says. Also, like many global firms,

Unilever has

been testing

scenarios to

several



Peter Newhouse

respond to the ongoing economic impact of the COVID-19 pandemic, with the unique advantage of having instant, real-time access to all reward data for every employee in every country through uFlexReward.

"Without the uFlexReward system, Unilever would have to be like every other employer, relying heavily on using fixed pay as the comparator, and having to use pro-rata other forms of reward, which account for 30% of the total reward spend," Charman explains. "This really distorts the picture, especially against those on lower pay because benefits are a much higher share of total reward for senior grades."

#### **Considering the Context**

Ben Carter, vice president of total rewards at Workday, says one of the



most serious pandemicrelated compensation challenges the company faces right now is deciding how to manage a more

Ben Carter

distributed and remote workforce. With 100% remote work and no plans for now to have the entire workforce return to full-time office-based employment, many Workday employees are looking at moving from expensive or tax-heavy locations to less costly ones.

"While we've traditionally paid by geographic zones to account for cost of living, we now have to rethink our pay strategy and how to compensate people who physically move from one zone to another," he says.

Another puzzle to solve is how to manage the shift in pay strategies for the way work gets done. That means moving from more traditional pay plans (fixed, variable, full-time workers) to an "a la carte" solution-options like pay on demand, project-based pay, flex pay, etc.

We are also looking at the flexible work arrangements that we need to allow, such as 4 x 10 [a four-day week

with 10 hours a day], job share, flex time for coverage," Carter says.

He explains that the pandemic has made it necessary for employers like Workday to change compensation quickly and at scale: options like hardship pay, one-time bonuses, severance packages and salary reductions.

'Many employers have had to revisit strategies such as performance-based compensation programs," he says, noting that can create the potential for a "domino effect"-wherein compensation reduction can impact eligibility for benefit programs.

"With that, employers need to be able to not only understand the immediate impact, but any dependencies that will be triggered with compensation changes," he says.

In the same vein, Carter notes HR should consider how their organizations are managing performance in this environment, especially for people who have to take on child- or elder-care responsibilities.

"Organizations are working to figure out how to take the stress of these unprecedented circumstances into consideration when determining performance-related compensation adjustments," Carter says.

"Unless you share information with employees, it is likely their pay perceptions will not align with reality." -RUTH THOMAS

CURO's Thomas says, to help meet the challenges of pay equity and fairness-especially in these stressful times-her company is now offering a product called Cohort Analysis. The solution enables organizations to perform a pay analysis on cohorts of employees who are performing similar work, taking into account factors like tenure and performance.

With this insight, she says, clients can better understand and remedy potential pay-equity disparities, particularly useful for smaller organizations where employee numbers might not be large enough to run statistical modeling.

"Addressing pay equity and fairness has never been more important," Thomas says of today's uncertain economic climate.

Sudarshan Sampath. director of research at Payscale, says that, while compensation is not immune to the impact of COVID-19, unlike in a more typical recession, many

employers see the economic downturn as temporary-since consumer spending will likely recover as circumstances improve.

"So, they might turn to temporary wage reduction to protect their employees from layoffs, which could also boost employee sentiment," he says. Sampath adds that a recession's compensation strategy may involve refocusing on what job titles are considered critical to revenue or production, or a change-up in what jobs are now in high demand or have become less competitive due to widespread layoffs.

"A compensation strategy should be dynamic enough so that, even in the face of complications due to economic circumstances," Sampath says, "the organization's talent and resources are secure."

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

# **HR Tech is Going Virtual**

In a first, the HR Technology Conference & Exposition® will this year be held entirely in a virtual setting.

The annual event, hosted by Human Resource *Executive*®, is now slated to take place online Oct. 27-30-and at no cost to attendees. It originally was scheduled for earlier in the month in Las Vegas, but the coronavirus pandemic has changed those plans.

'In a world where things are changing daily, what we did yesterday doesn't necessarily fit today," says Rebecca McKenna, vice president of global events and publisher at HRE's parent company, LRP Media Group. "By going entirely virtual, we're safely building new avenues for our attendees while continuing to deliver world-class access to the technologies and resources that will help HR navigate the now and what lies ahead."

The agenda for the conference is being updated. It will include HR tech talks, roundtables and product demonstrations.

The four-day event will feature live-streamed sessions plus daily keynotes from industry thought leaders including analysts Josh Bersin and Jason Averbook, as well as an expo hall and networking opportunities within a single digital platform. Attendees will be able to participate in one-on-one meetings, join group chats, visit different expo booths and move across the event space.

HR technology was already experiencing massive growth over the years, and the coronavirus pandemic is causing an even bigger increase in importance,

industry experts note. Massive shifts to virtual workplaces have reinforced the need for digital transformation of the HR function, Averbook noted last month on an HR Tech webinar.

"If you haven't revised your people strategy around digitization in 2020, that's a problem," Averbook said.

The HR Technology Conference was founded in 1997 and has gained a reputation as one of the world's leading events on HR technology, covering all the latest trends. It annually attracts industry experts, thought leaders, software vendors, senior HR executives, HR generalists, HR systems leaders, IT innovators and more. The HR Tech Conference also hosts the world's largest expo of HR technology products and services-a number of vendors often announce their latest products for the first time at the conference.

–Kathryn Mayer

To register for the virtual HRTechnology Conference for free, visit HRTechConference.com.

# **HR Technology**



# Managing the New 'Blended' Workforce



## BY EMILY HE

Back in March, when work-fromhome policies

became the new normal, I began planning all I would do during my free time. Without having to battle the terrible commuter traffic in the Bay Area, I figured I would have at least two extra hours each day to exercise or pursue a new hobby.

Now, three months into this new world of work, I find myself working more than ever, quickly filling up those two "spare hours"—but also being more connected than ever. While we have quickly embraced technology that virtually connects dispersed teams, we've also found ourselves spending more time with families and redefining work-life integration.

HR professionals used to debate whether organizations could maintain employee productivity in a remote workforce and whether it would actually "work." I'd say that question has been answered with a resounding "yes!" and I predict that many companies will continue to allow remote work long after the pandemic has passed. But that won't be the case for all.

As companies begin to reopen, HR will have to manage a new blended workforce, comprised of remote employees working from home and on-site employees returning to newly reopened offices (and perhaps some back and forth between both).

This new blended workforce will introduce new challenges for HR, having to meet new employee demands and expectations. While there is no one-size-fits-all approach, HR leaders will need to develop strategies tailored to all employees, deliver a positive employee experience both virtually and in person, and enable employee productivity for both a connected and dispersed workforce. Here are a few suggestions on where to begin.

# Communicate Clearly, Frequently and Empathetically

Many HR professionals are already prioritizing communication to guide their workforce through the new ways of remote work. And as some employees begin to re-enter the physical workplace, communication will be far more important. Depending on location, different teams may go back and forth between opening and closing—making it even more critical to communicate clearly and often. Remember, employees have no prior experience about what to do or how to behave during a pandemic—and are looking to HR for guidance.

The way you communicate is as important as what you communicate.

Show empathy for the challenges your employees are facing, be understanding and practice humanity. Make sure communication is tailored to employees' specific needs (i.e. reflective of local guidelines and whether they're on site, remote or both). This may require a multi-pronged approach, but a personalized strategy will deliver a positive employee experience for the entire workforce, despite location or access to an on-site office.

### Reimagine Work/Life Integration

While the workforce at large has gotten used to the convenience of working from home, it does deliver a different type of employee experience. In remote work settings, employees have the advantage of more family time and a new world of work/life integration. Whereas those who are returning to the office have the advantage of a more professional working environment, a deeper connection to workplace culture and access to proper ergonomics.

Each environment delivers a distinct experience for employees, each with its own pros and cons. But with a blended workforce, it's important to find balance between both so that the entire workforce feels supported and set up for success. HR leaders should consider different strategies to help blur the lines of location-based perks. For example, for workers who will remain remote, some organizations are offering stipends or support to help employees make home offices workable. HR professionals can also consider offering training on ergonomics for home offices or best practices to handle at-home stressors.

Alternatively, for those returning to physical offices, HR leaders should prioritize and promote similar work/ life integration that the remote workforce is privy to. Flexibility and understanding can go a long way for workers who are adjusting to new workplace

demands and returning to work in these unprecedented

times

Lastly, for both on-site and remote employees, HR leaders should encourage regular

check-ins. A blended workforce will have to battle collaboration and team connectivity challenges. While some may be able to catch up in person at the office, others may be relying on Slack or similar tools. Regardless of the tool or method, teams should collaborate regularly and often. This will not only enable a more connected workforce, but it will help boost productivity and culture.

#### Promote Wellness and Mental Health in the Face of Fear and Anxiety

As we continue to adapt to this new way of work, it's important to remember that all of us are living through an incredibly stressful and volatile time and, quite understandably, employees can't help bringing their fears to work. HR leaders and managers must be ready to address employee health and safety concerns, prioritize employee wellbeing and remember that the stressors for onsite workers may be different from those in remote settings. While on-site workers may be concerned about physical safety precautions, remote workers may have concerns over region-specific case spikes or at-home anxiety. Both sets of fears are valid, real and should be addressed.

Be sure to prioritize communication around wellness programs that enable employees to care for their emotional wellbeing as well as their physical health. Many HR professionals have even arranged for guest speakers to share wellness and relaxation techniques, which can be calming and reassuring to the workforce.

Despite best efforts to make the transition smooth, your workforce may still feel overwhelmed or burned out, which can be detrimental for employees, teams and the organization, decreasing productivity, engagement and motivation. If workers are showing signs of this, consider offering time off to recharge. It all goes back to what I said earlier—show empathy, understanding and humanity.

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Prepare Employees to Return to the New Workplace

When it's time for some employees to return to the workplace, HR leaders need to work out the

"re-boarding" processes. Keep in mind, you will likely have a split and blended workforce, with some employees still working remote. So, be prepared to balance talent management for both a



remote workforce and a socially distant in-office team.

Many organizations are making such physical changes to office layouts to maintain social distancing and meet health and safety requirements as staggering arrival times, separating desks and improving office-cleaning procedures. While physical safety measures are critical, we must also have the right technology in place to meet new workforce demands.

With COVID-19, HR leaders now need to track much more data than routine demographic and work information. For instance, organizations should have systems in place that allow them to track and report COVID-19 cases and other health incidents so they can react quickly and minimize exposure to the larger workforce.

Additionally, HR leaders must stay up to date on the growing list of local health and safety regulations. As we've all seen, the environment changes almost daily, so HR professionals need to ensure they have technology in place to provide employees with quick, on-demand access to new information and updates. For example, with updates to stay-at-home orders or office reopenings, HR will need a system to communicate new policies quickly. Digital assistants or chatbots are a great way to keep employees informed and deliver instant answers to commonly asked questions. HR teams can even populate digital assistants with information around COVID-19 updates or location-specific guidelines to help meet employee needs and save time for HR to focus on more strategic priorities.

While it may seem daunting to do double-duty managing a blended remote and on-site workforce, it's our time to step up—employees worldwide are looking to HR for guidance. And while the "R" in HR traditionally stands for resources, I believe right now it can also stand for resiliency. We HR leaders are more resilient now than we've ever been, and it's up to us to define what's next for the workforce of the future.

Emily He, an HRE Top 100 HR Tech Influencer for 2020, is senior vice president of Human Capital Management, Cloud Business Group, at Oracle.

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# **KEYNOTES FROM INDUSTRY THOUGHT LEADERS**



# **JOSH BERSIN**

Global Industry Analyst & Dean, Josh Bersin Academy Dealing With Disruption: How the New Normal Is Shaking Up the HR Technology Market



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# **HR Technology**

# EMERGING INTELLIGENCE

How fast do things change in your organization? Is the speed

consistent, or does it vary? Is the change incremental, or do you lurch? Is your answer today the same as it was in January?

My guess is that you have a sense of the answer but can't put a number on it. In some companies, change is the result of a well-planned and intentional process. In others, the planning never really seems to take root. In still others, change spikes around unplanned phenomenon. The culture thrives on opportunity and always makes lemonade from lemons.

If we've learned anything in the past six months, it's that we are not always in control of the rate of change. Things that used to take years happened in days. Control loosened. Goals became more important than methods. Risk analysis took a back seat to getting it done.

And "poof!" We shifted from centralized to distributed work

#### wherever we could. No gradual transitions. No tiptoeing around political landmines. No stakeholder consensus building. Just "poof!"

Every single job in the economy changed. Every single worker encountered a new reality overnight.

It's tempting to think we can keep moving at the pace that got us here. The roles and responsibilities have been rearranged. Layoffs are still happening. Pay cuts have begun.

It's as if we hurriedly packed and moved one night, just before the disaster hit. In my town, everyone has a story about collecting their most important things just before the wildfires came through. Our businesses look like a collection of the things we thought were important before the pandemic hit.

We are waiting for an all-clear signal that most likely won't come any time soon. But it's essential to remember that this is a temporary campsite, not our permanent future. It's equally important to understand that we are not going back.

Josh Bersin/Columnist

Managing Communication in the Age of COVID-19

Please don't accept the idea that we are living in the new normal. It's much more like we are living in an old Winnebago while on an unanticipated road trip. We have a place to sleep, a place to cook and a way to get around. But this is not our new home.

Resist the temptation to believe that we understand the problem. We are still on the road and haven't yet found out where we are going to settle. Of course, economics matter. But this disruption does not affect all businesses and people equally.

We live in an artificial economy, buoyed by \$3 trillion in free money and a Federal Reserve engaged in extreme efforts to keep the economy moving. We simply won't understand what's happening and which problems we should solve until we are beyond those manipulations. That may be a while.

Until then, we live in a temporary reality. It's a fantastic time to experiment and a terrible time to make long-term plans. Businesses love to proceduralize things, but procedures have a tendency to become very permanent. The exhausting thing about this time is that every decision, conclusion, process innovation and proposed innovation need to be simultaneously executed in a hurry and closely examined for long-term consequences. Settling into a groove makes you vulnerable to the next disruption.

And, there are going to be more significant disruptions: the next waves of the virus, the election, the postelection timeframe and the changes in government support.

For the time being, we must continue to solve the next biggest problem we encounter, being mindful that the solution sets only a limited precedent. It's time to deeply consider what has changed, what should change and what is the right thing for people and our organizations. This, however, is not our home.

John Sumser, principal analyst at HRExaminer, researches the impact of data, analytics, AI and ethics on the workplace. He will speak at virtual HR Tech next month. Send questions or comments to hreletters@lrp.com.

# HR IN THE FLOW OF WORK



Among all of the imperatives we face in the COVID pandemic,

communication is the most important. Historically, employee

communications was handled by an HR manager, often someone who had no professional background in communications and who usually had other responsibilities. Now, the employee communications function is a mission-critical, CEO-connected effort; communications must be fast, effective and accurate. Before the pandemic, I started a project to study employee communications. That work revealed three overarching findings.

*First,* there are very few integrated communications platforms for HR. Certainly, almost every HRMS, learning platform and collaboration system has many features for mass communications. But, when you want to personalize communications by role or geography, send different types of information and track who has read and understood the content, it's not easy.

In many companies, such as Southwest, the employee communications function has been merged with corporate communications, so there are branding and messaging issues. And when communications are urgent and involve health and safety issues, they have to be reviewed by legal teams and safety committees—to ensure all I's are dotted.

Second, employee communications is tightly tied to employee experience. In a recent conversation with the head of case management and employee support for IT business services at Johnson & Johnson, I learned that the company uses a wide variety of communications tools, including Medallia's case, knowledge and experience platform to monitor employee issues, provide automated responses and track trends in the types of questions people are asking. Resulting information can identify a trending issue or problem in the workforce within minutes. New announcements by Workday, SAP Successfactors and ServiceNow are designed to address similar needs.

Of course, most companies are now routinely using tools such as Microsoft Teams, Slack and Workplace by Facebook to "get the word out" when a new policy or program is launched. But how do you track who's read the material and actually understands it? One answer is to develop an end-to-end corporate HR portal.

Sounds easy, right? It's not. Consulting and design firms are often involved in these projects, and you have to think about chatbots, case management and the myriad employee needs in the process. It's an experience design issue.

**Third,** companies need an integrated, end-to-end communications platform. Guidespark has built an entire business around employee communications. Companies such as Schwab, St Joseph's Health and Ford use Guidespark's platform for almost all major communications programs. It's like a CRM for employee communications—and that's how to think about the topic.

*Finally,* we have to remember that employee communications should be designed to support change. Therefore, communications must incorporate elements of marketing and learning, in addition to following communication best practices. When the company rolls out a new product, service offering or policy, we want every employee to know what it is, how it works and how it changes their role.

Employee communications is a way to bring people together. Many systems now engage people in ongoing conversations, let people give feedback and include voting ("thumbs up") on various options to help employees feel involved. One of the best examples of this is Amdocs' new community, which has attracted more than 30,000 employees within and outside the company, and shows what an integrated communication experience can look like.

I urge you to brainstorm ways you can up your game, improve the effectiveness of your communications and explore ways technology can help.

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. He will speak at the virtual, free HR Technology Conference next month. Send questions or comments to hreletters@lrp.com.

By John Sumser/Columnist

HR Doesn't Have All the Answers—And That's OK

# **Talent Management**

# Where Does D&I Go From Here?

HR visionaries share how companies can build this "moment" into a "movement."

### BY JEN COLLETTA

acial inequality in the workplace is far from a new issue—look simply to the reality that the Fortune 500 is home to only three Black CEOs and that you have to expand to the Fortune 1000 to find the sole Black woman in a CEO position. As of last year, 37% of the companies in the S&P 500 lacked any Black board members.

But the tide may be starting to change. This summer, sparked by the police killing of George Floyd, millions of Americans took to the streets to demand action on racial injustice in America. It was a message that brought down historically complicated statues and prompted new police protocol in some cities—it has also resonated in board rooms, C-suite offices and HR departments.

Mirian Graddick-Weir, the nowretired CHRO of Merck, and her



husband watched the footage of Floyd's killing in stunned silence. The visceral nature of the incident exposed the reality of systemic

Mirian Graddick-Weir

racism, including to corporate America, she says.

"There's no room for denial now," she says. "There's no room for silence. It was so in-your-face, so horrific—and it left so many people saying, 'Oh my gosh, I had no idea that this could happen and that things really are pretty bad.' "

In recent months, a confluence of stakeholders—employees, customers, boards of directors, investors—have become more emboldened to hold business leaders' feet to the fire on issues around race, says Joseph West, Duane Morris partner and chief diversity and inclusion officer. And the "accountability buffer" that used to exist between grassroots employees and leaders is gone, as the workforce is far more activist-oriented, and supported in those efforts by the power of social media.

Today, we're in an era where a "moment can metastasize into a movement," says West, pointing to recent efforts like #MeToo and the fight for LGBTQ equality. "If a moment metastasizes and [a company gets] caught flatfooted and not being able to respond in a nimble fashion, you'll be in trouble."

All of these factors are fueling the rising importance—and changing nature—of corporate diversity and inclusion efforts.

In the past, D&I was largely looked at as an "expertise approach," a function headed by one person who focused on compliance, reporting and training, later evolving into a hiring strategy, says Michael Hyter, the newly named chief diversity officer at global organizational consulting firm Korn Ferry. Now, he says, the function's strategic value to the entire talent lifecycle—from recruiting to onboarding to succession planning and benefits parity—is coming into clearer focus, making D&I "more of an enabler of business strategy successes versus just a nice thing to do."

#### A Data-Driven Strategy

In a study this summer by the Institute for Corporate Productivity, nearly 90% of large employers surveyed said their organizations had taken some type of action in the wake of Floyd's death. Specifically, 72% planned to better address internal biases.

That can't truly happen, however, without a strategy that includes both data and accountability—both of which have long been lacking in D&I, says Skip Spriggs, the former president and CEO of the Executive Leadership Council, and HR head at organizations that included TIAA, Boston Scientific and Cigna Corp.

If a company had a shortfall in sales, for instance, it would run the numbers, create goals and hold the management team accountable for meeting those goals—a process that rarely happens when it comes to diversity. Even those organizations that do put some hard numbers to the diversity of their workforce often don't aggregate the data—a trend that has resulted in too many companies painting a false picture of D&I progress.

For instance, Spriggs points to the #MeToo movement. As part of their response, many companies aimed to hire and promote more women, which, in turn, allowed them to claim rising D&I numbers.

"But then you have the Black population listening to the executive team saying they're doing so much better on D&I, but the numbers are moving higher because of the hiring of white women," he says. "Brown and Black people aren't moving at all, and we know it."

In the changing environment, however, Graddick-Weir anticipates companies capturing D&I data more readily—and analyzing it differently.

"The difference now is, people are going to want to look at the data in a much more granulated way," separating out hiring data, for instance, across a range of minority demographics, she says. Data on talent is also prone to movement one or two exits or transfers, and the numbers can look vastly different, she notes, which is why ongoing analytics is important.

With increased attention on the issue of diversity, boards of directors and investors are going to more closely scrutinize these numbers, so data analytics is going to become an even more critical skill set for HR leaders, Graddick-Weir says.

# **Talent Management**

Learning how to dive deeper into the numbers is also the natural next step.

"What are the root causes behind what's happening in the organization?" she asks. "Often, people are thrilled with having more diverse slates of candidates, but should you really be getting credit if, in fact, the white male is the person you ultimately pick? So it's not just the numbers; it's also getting at what's underneath them."

#### **Listening and Learning**

While numbers tell the story of what is happening within the organization, employees and leaders themselves may also be key players in driving D&I evolution—by telling their own stories.

After Floyd's death, many business leaders opted to participate in "listening tours," town halls and other storytelling-driven initiatives.

"This became an opportunity for leaders to take a step back, and it was

TALENT MANAGEMENT

the first time I've seen where CEOs, CHROs and others in the C-suite are really taking the time to listen and to learn," Graddick-Weir says.

At home-mortgage company Freddie Mac, CHRO and Chief Diversity Officer Jacqueline Welch says the company CEO, as well as other



business leaders including herself, shared internal and external messages denouncing the killings of Black

Jacqueline Welch people, and

the company is now "transitioning the conversation to one of action." The organization's employee resource groups have provided mental-health resources and safe spaces for open conversations around the issues. "Storytelling is a fundamental part of the human experience," Welch says. However, if "storytelling were all it took, our work here would be done. Storytelling is necessary but insufficient. For measurable, sustainable change, it is important we mine the stories for actionable insights aimed at eradicating systemic racism."

Shedding light on the true reality of systemic racism was at the heart of an op-ed West recently published on the Duane Morris website. He wrote the piece in the middle of the night, days after Floyd's killing, as a cathartic way to explore his own grief. Growing up in Louisiana, he says, he first experienced the sting of racism at the age of 7. While out shopping with his mother, West wandered away and started playing with another little boy. Moments later, that boy-who was white-was yanked away by his mother, who scolded her son for playing with West, whom she called the n-word.

By Peter Cappelli/Columnist



# Testing and the Return to Work

Surveys of employers indicate that an important part of their plans for bringing employees back into their workplaces is to test employees to see if they are infected with the COVID-19

illness. That certainly sounds like a good idea. It would go a long way toward making returning employees feel safe if they knew that their co-workers were not sick. Boy, that is harder to do than it sounds, though.

I discovered this because one of my family members in our little "pod" came down with all the symptoms of COVID-19—five of the most common ones, and no symptoms that were not consistent with the condition. So they got the viral test, which shows whether you have a current infection (the antibody test indicates whether you had the infection and developed antibodies to fight it, which might make you immune to further infection). The test came back negative. What should we conclude?

This is where things get sticky because, under the right circumstances, even good tests can be wrong more often than right. It has nothing to do with the test per se; it has to do with the context.

If you had Bayesian statistics in school and actually remember how it works, you can skip this section. Otherwise, here is an example to illustrate the problem. Let's say we have a software test to see whether photos are of a man or a woman. We know the test is right 90% of the time, which means that it is wrong 10% of the time. We might rightly assume that, in 5% of the cases, it will say that someone who is a man is a woman and, in another 5%, it will say that someone who is a woman is a man. The other 90% of the time it will be right.

The reason that is true is because we assume that half the population from which the photos came will be women and half men. But what if we know that is not true? Suppose we have a sample of photos from an Army base, where we believe 90 of the people there are men. In that case, if the test says it is a man, it is only wrong 1% of the time, but if it tells you it is a woman, it will be wrong half the time. One way to think about this is that there are so many more men in the sample that the errors are bound to be on them. When you hear analysts talk about "the base rate" or "updating their priors" in making predictions, they are talking about understanding what we expect in those samples.

Back to the COVID-19 test ... the reason this gets complicated is that, depending where you are and who the patient is, the base rate on the sample may be wildly different. In a rural population, it might be the case that only 2%-3% of the population has the virus, so the test is going to tell you that a lot more people have it than actually do. In other contexts where infection rates are high and where someone has all the symptoms, the tests will tell a lot of people that they do not have it when, in fact, they do.

The other problem is, because we can be infectious without having symptoms, we will need to be doing these tests a lot and on virtually everyone to make sure people are safe, at least every five days now to be reasonably sure. It is possible that these tests at some point will become cheap, easy to do and fast enough to get the results back in time to be meaningful. But even then, someone has to be screening the patients to calculate that base-rate probability of being infected in order to interpret the test. It's going to be a lot of work. In our case? The doctors said, "Assume you have it."

Peter Cappelli is the George W. Taylor Professor of Management and director of the Center for Human Resources at The Wharton School of the University of Pennsylvania in Philadelphia. Send questions or comments to hreletters@lrp.com. Not long after, his parents sat him down for "The Talk," the harsh introduction many Black parents have to give their kids about



racism, discrimination and police violence. It's a conversation West has now had many times with his own children, a cyclical and painful process he outlined in his recent writing.

Feedback from colleagues showed him how eye-opening, and necessary, storytelling can be in addressing systemic racism in the workplace, West says.

"A lot of people think what we're seeing now is the reaction to what happened to George Floyd—that was certainly the spark, but so much of the reaction from people of color is the collective accumulation of years, if not decades, of frustration, anger, the feeling of being diminished," West says. "I was in pain, but I published this piece because I knew others were too and perhaps some people could gain some greater understanding from realizing that."

That same motivation prompted Allison Green, chief diversity officer at Lincoln Financial Group, to open up on a webinar this summer organized by Ellevate Network, which promotes gender equity in the workplace. Green shared how, while working at a previous employer, she attended a networking event where a white colleague presumed she was part of the waitstaff.

"When people begin to understand these experiences," she said on the webinar, "it does make a difference. And true understanding can get us to a place where we're able to take action—not just personally, but in our roles at work, in our social settings and in our society."

Having these conversations at the highest levels of leadership—often populated by white men—can be especially important for driving D&I success, Graddick-Weir says.

For instance, when women started sharing their stories of harassment in the workplace through the #MeToo movement, it personalized the issue for many men, who were able to envision the real impact of such treatment on their daughters, wives and other women in their lives. However, many white male execs don't have that same connection to issues of race, Graddick-Weir notes.

"To sit in the C-suite and hear one of your executives, who happens to be Black, talk about running in his affluent neighborhood and being stopped by the cops for no apparent reason ... those stories become very, very powerful symbols for white men, in particular, who ordinarily couldn't relate because they don't have to deal with race issues on a day-to-day basis," she says.

#### **Empathy and Allyship**

Building allies has been a primary goal of Freddie Mac's employee resource group model. All ERGs have an executive sponsor—a member of senior leadership—who belongs to a demographic group outside of that specific affinity. For instance, an ally leads the PRIDE ERG for LGBTQ employees, and a white woman helms the ERG for Black employees.

"This approach helps cultivate inclusion as a leadership principle," Welch says, "both for the executive sponsor and the ERG members." It also has led to the groups organically co-sponsoring events that acknowledge the intersectionality of the workforce.

"These partnerships expand ways in which ERG members engage with not only their affinity, but with others," she says. "Overall, our goal is to create an environment where allies can understand and empathize with those unlike themselves and, over time, find ways to use their privilege to elevate others."

Allyship has been at the heart of the recent push for racial justice, says Spriggs.

"This type of civil unrest isn't new—but what is new is that it's no longer just Black people protesting," he says, a shift that modern tech has helped enable.

"When I talk to my 20-something kids and their white friends, they talk about where they're going to protest on the weekends," he says. "And it's because of what they've seen on these devices in their hands; the cell phone has made it impossible to hide injustice."

The pandemic may have also played a role in building allyship for racial justice.

"The pandemic has illustrated to everyone what it feels like to actually fear for your life when you walk out of the house," West says. "You can die from going to the grocery store. Most people never knew what that felt like—but I would wager every Black person in America already knew what that felt like."

That has allowed empathy for the daily experience of Black Americans to flourish, he says.

And now that the pressure has mounted for workplaces to embrace that same level of empathy, it's up to HR to take the ball forward, Graddick-Weir says. The topic of social injustice, and D&I's role in rooting it out of the organization, needs to be treated like any other critical business issue—as a standing agenda item from the C-suite.

Both boards and investors will be demanding not only surface-level attention to the issue, she says, but deep dives into how D&I is being built into the fabric of the business.

"CHROs have a really important role to play in partnership with the CEO and C-suite to make sure these issues are on the table and the conversation is a continuous part of the way people run business," she says, noting that failure to do so could ultimately mean the difference between making this a moment or a movement for the workplace. "And that, in my opinion, would be a real tragedy."

It's not enough, Welch adds, to commit to centering D&I in the business strategy—that pledge needs to be supported by real, tangible work. "My single piece of advice for each of us is to put our words into action," Welch says. "Our employees, customers and communities are watching how we all respond."

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

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ast year was another banner year for HR executive compensation.

According to research by Equilar, in fiscal year 2019, the 50 highestpaid HR executives at Russell 3000 companies received an average annual compensation package of nearly \$4.3 million, up from \$3.6 million the year before. That 17.8% increase marks the third year in a row that HR executive compensation grew; it increased by 11.6% in 2018 and 7.8% the year before.

The 2019 HR's Elite list was culled from a database of former and current HR executives at Russell 3000 companies who were among the five most highly compensated officers at their organizations. In determining the rankings, Equilar calculated total compensation as the sum of base salary, discretionary and performance-based cash bonuses, and the grant-date value of stock and option awards. (Benefits and perquisites were excluded from the calculation.)



Apple Inc. Deirdre O'Brien Senior V.P., Retail and People HR Executive Total Pay: \$19,142,027 CEO Total Pay: \$10,671,000 Dollars Paid Per Employee: \$191 Annual Income (\$MM): \$55,256 Total Employees: 100,000



#### **General Electric Company** L. Kevin Cox \*

Senior V.P. and Chief Human Resources Officer HR Executive Total Pay: \$13,434,252 CEO Total Pay: \$23,565,000 Dollars Paid Per Employee: \$66 Annual Income (\$MM): \$(-105) Total Employees: 205,000



## eBay Inc. Kristin Yetto

Senior V.P. and Chief People Officer HR Executive Total Pay: \$8,556,325 CEO Total Pay: \$17,608,244 Dollars Paid Per Employee: \$643 Annual Income (\$MM): \$1,792 Total Employees: 13,300



#### Intuit Inc. Laura Fennell Executive V.P., Chief People and Places Officer HR Executive Total Pay: \$8,532,283 CEO Total Pay: \$17,496,677 Dollars Paid Per Employee: \$908 Annual Income (\$MM): \$1,557 Total Employees: 9,400



#### The Walt Disney Company Mary Parker Senior Exec. V.P. and Chief Human Resources Officer HR Executive Total Pay: \$7,121,879 CEO Total Pay: \$44,406,186 Dollars Paid Per Employee: \$32 Annual Income (\$MM): \$10,441 Total Employees: 223,000

Last year, Apple Inc.'s Deirdre O'Brien was the highest-paid HR executive, bringing home more than \$19 million. Of note, the number of women in the top 10 doubled between 2018 and 2019—from four to eight. Of the executives who appeared on the 2018 and 2019 top 50 lists, Nancy Philips of Neilsen Holdings plc reported the biggest earnings boost—jumping from the 40th spot to the 16th; Scott Milsten of e.l.f. Beauty Inc. dropped 15 places to 46th.

Equilar also tracked compensation trends that offered insight into industry shifts. For instance, there was a slight decrease in the number of top 50 executives who received a bonus payout, from 88% to 84%. The value of that bonus also dropped nearly 9%, from about \$640,000 to approximately \$580,000. The growth of HR executive compensation also outpaced that of CEO compensation; CEOs at the companies with the 50 highest-paid HR leaders saw an average compensation increase of 4.8%.

Read more insights about the research and see the full list of the top 50 highestpaid executives at HRExecutive.com.



## Equinix Inc. (REIT) Brandi Morandi

Chief Legal and HR Officer and Corporate Secretary HR Executive Total Pay: \$6,381,147 CEO Total Pay: \$16,477,902 Dollars Paid Per Employee: \$762 Annual Income (\$MM): \$507 Total Employees: 100,000



#### Best Buy Co. Inc. Kathleen Scarlett

Chief HR Officer and President, U.S. Retail Stores HR Executive Total Pay: \$5,893,243 CEO Total Pay: \$11,402,796 Dollars Paid Per Employee: \$47 Annual Income (\$MM): \$1,541 Total Employees: 125,000



#### Honeywell International Inc. Mark James \*\* Senior V.P., HR, Security and Communications HR Executive Total Pay: \$5,780,092 CEO Total Pay: \$18,912,915 Dollars Paid Per Employee: \$51 Annual Income (\$MM): \$6,143 Total Employees: 113,000



Keurig Dr Pepper Inc. Mary Beth DeNooyer Chief Human Resources Officer HR Executive Total Pay: \$5,775,633 CEO Total Pay: \$9,047,515 Dollars Paid Per Employee: \$226 Annual Income (\$MM): \$1,254 Total Employees: 25,500



#### ServiceNow Inc. Patricia Wadors Chief Talent Officer HR Executive Total Pay: \$5,492,500 CEO Total Pay: \$40,128,003 Dollars Paid Per Employee: \$530 Annual Income (\$MM): \$626 Total Employees: 10,371



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# **Building Black Leadership in Corporate America**

The eyes of the world are on race relations here in the United States, and globally. From the board room to the family room, it's spurring very necessary conversations. I have many thoughts on this topic. This month,

though, it is more important that you hear from Black executive voices on the role HR leaders can and must play. HR leaders are uniquely positioned to help ensure Black employees have access to

leadership roles and progress in their careers. Several Black executives, all respected colleagues who bring wisdom and passion to the discussion of race in corporate America, engaged with me on this topic. I asked this question: **How can we ensure our leadership ranks are more diverse?** 

Kaye Foster, board director, former HR leader for Johnson & Johnson, Pfizer and other global companies, as well as trustee for Spelman College, offered wise words for the C-suite: "It's easy right now to fall prey to the 'do more stuff' mentality, to feel you must do more and say more immediately around race, equity and equality at your organization. But this is a movement, not just a moment. Pause. This time is not about your content—'what you do as a company.' The moment is about your character—'who you are as a company.' There is wisdom in the pause. And then, only when the subject has been given measured consideration, determine what action is appropriate to proceed."

I wish I could share all of our conversations verbatim, but that would take many more columns and still wouldn't do the topic justice. Instead, I'm going to focus on three key themes that came through again and again.

#### Start with Listening

It seems so basic. But it is powerful. While data should drive decision-making, it doesn't replace active listening. David Jones, CHRO at Stanford Health Care, stated his reality, and that of many Black executives, so well: "In most every organization I've been in, I'm the only senior Black executive on the leadership team. I'm the only Black man in the room. This has just been a reality in my career since I was 26 years old. And it's still the case today." Jones went on to say that when his white colleagues are initiating one-on-one conversations with him, asking for reading material about issues regarding race, while showing a real hunger to be part of the solution, it goes a long way. For Jones, acknowledging his experience and the desire to learn matters.

In each conversation I had for this column, I took away that, as we listen, we must also be very deliberate and mindful of our language. Rhonda Morris, CHRO of Chevron, talked about hearing the word "qualified" in front of other descriptors for Black candidates up for leadership positions. "It's assumed a candidate is qualified if they are white and male. Let's assume all candidates—regardless of color, gender or anything else—are qualified if they're up for a leadership position."

Johnathan Medina, a senior manager on my team, mentioned he is often complimented on how articulate he is. While he recognizes the complimenters are trying to be positive, he raised a good point: "No one is surprised when white males are articulate."

I've always known words are powerful, but especially so right here, right now. Words are particularly subjective.

#### Use Data Insights for Diversity

Data tells an ultimate truth that takes the subjectivity out of our business reality. CHROs, CEOs and other senior executives need data metrics on Black employees' career trajectories, but also data insights on sticking points.

Foster says she asks CEOs a simple question: "Do you have a fundamental belief that, in the absence of a diverse workforce, you are sub-optimizing opportunities for your company?" She says companies with CEOs who truly believe diversity is part of a solid business strategy look a lot different than their peers. She sees that CEOs who truly believe that diversity is integral to business strategy have a different approach, as well as documented enhanced performance, relative to their peers. Diversity becomes more than the right thing to do. It's recognized as a business advantage.

Medina is all for rigor—what he calls "tech-enabled truth telling." He explains: "Historically, CHROs haven't applied the same rigor to diversity and inclusion that their company does with other business imperatives. They have metrics but they're rarely actionable—things like the number of Black employees in certain roles at various levels. Those metrics might show you a surface picture, but they're lacking indicators of what's actually happening."

He explains that technology can help you spot the bias in the Black employee experience. "If you want to understand the bias points—the moments standing in the way of inclusion—you need data. You need actionable insights." By linking your HR systems together—employee records, performance management, team sites, chat groups, compensation and more—you can gain a more accurate picture. "You can compare a group, like Black employees, to the general employee population and suddenly you see not only trends, but also the reasons for those trends."

#### Create Systems that Reinvent the Playing Field

Foster believes board members should be "unapologetic" about pushing for true accountability on diversity measures. Morris agreed and added: "Everybody is going to be uncomfortable. This is just an uncomfortable time right now. But you don't succumb to organizational paralysis when you have a fire at a facility. You act. This situation—like any business challenge—requires action."

Involving frontline managers is key. Foster put it well: "Our frontline leaders, the 'mass in the middle,' haven't been properly engaged. They control promotions, performance and professional progress within the organization for the majority of Black employees."

Jones believes CHROs can be the crux of the change, with CEO backing. "As CHRO, I'm the architect of the management and leadership systems that most impact fairness, justice, equity. I am in charge of the selection process, reward systems, development, promotions, internships. HR designs those. We can make the right social engineering happen. We can build it in."

I wholeheartedly agree with David's statement and the views of the other Black business leaders I engaged with on this article. We need to listen, use data and create systems that push true accountability for building Black leadership in corporate America. It's long overdue.

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.

# Why Communication, Flexibility Will Be Key in the 'New' Workplace

As the pandemic continues to impact many aspects of the workplace, businesses have turned to their people and culture officers to alleviate employee concerns— and culture has come front and center.

Brad Goldoor, co-founder and chief people officer at Phenom, a global HR tech company, says many of the culture shifts he's seeing involve flexibility.

"This is the most important time to be agile," he says. "I tell people, 'Be agile, flex your plan, analyze it, and learn from it, so you can iterate it based on what is going on at the office.'"

Future waves and the reality that many schools will not return to in-person classes anytime soon are going to further emphasize the need for flexibility, Goldoor says.

"I think that's going to impact the need for employers to really change and start optimizing their internal workers," he says.

Shane Metcalf, chief culture officer and co-founder of 15 five, notes that the ongoing remote-work shift could have an upside.

"I think there's a large opportunity for the reinvention of cultures, in which we evaluate human beings versus the role they play as an employee," he says, noting the business world will be more Darwinistic than ever—those with the most adaptable remote cultures will survive. "The need to do remote culture extremely well in a way that helps employees feel seen and valued without being in an office will be crucial." He points to the need for a "cultural reinvention of the 'new' workplace" including deliberate and structured communication processes to make up for the traditional interactions remote workers miss out on.

This includes coming together for more team stand-ups, having virtual happy hours or game meetings as teams, all-hands meetings, water cooler Slack channels and groups to come together, Metcalf says.

15 five has implemented several new approaches to keep in touch with employees during the pandemic.

"I personally have been checking in with employees in separate one-off meetings, or even social distancing hikes, to see how our employees are really doing and feeling during these times," Metcalf says. "We've also altered our communications cadence with our employees in our weekly company meetings, being transparent about the issues the company is facing and how we're working together to get on track."

At the heart of those strategies is empathy, Metcalf says.

"As a leader in HR," Metcalf says, "it's so important to hear what the employee's concerns are and find ways to work through it to come up with solutions to help employees feel heard, valued and supported as they should be."





people and performance evangelist,

. Workday

What are the biggest challenges facing HR leaders today, as far as talent management is concerned?

A Having spent my entire 30-plus-year career in talent management, I have never witnessed the co-existence of greater challenge or greater opportunity. The global pandemic and the fight for equality have converged with dramatic changes in the business climate, as technological advances, the widening skills gap, shifting workforce expectations and demand for next-level agility and performance have dramatically accelerated the urgency, importance and innovation of the talent agenda. Before these crises hit, I heard our

customers and industry thought leaders suggesting that the next big **IDEA** in talent was to "level up" on:

- **Inclusion.** Creating workplace principles and practices that nurture a sense of belonging and psychological safety where all people can do their best work.
- **Digitalization.** Applying advances in machine learning to automate and augment talent practices so that we can elevate essential human capabilities.
- **Enabling experiences.** Engineering experiences that unlock and unleash employees' capabilities (skills and energy) and connections to deliver remarkable results.
- **Agility.** Adapting quickly to changing conditions at the individual, team and organization levels to compete and survive.

While this was a daunting agenda that I expected to unfold over time, it in fact unfolded overnight in a way that is challenging all HCM leaders.

#### Where do you expect to see HR and talent management leaders focusing their attention in the coming months as they attempt to address those challenges?

Over the past few months, I have had the privilege of hosting discussions with both HR and thought leaders. I believe that organizations are at very different places and have different needs based on their talent management maturity going into the next year. One CHRO from South Africa put it to me this way: "While we are all in the same storm, we are in very different boats."

I believe we'll see a mix of efforts across the following areas:

FOUNDATIONAL NEEDS—must have minimal basics to operate

- **Digitalization.** Technology infrastructure to support the needs of remote and changing work requirements.
- Wellness and connection. Infrastructure to ensure the mental and physical wellbeing of the workforce.
- **Inclusion and belonging.** Responding to both COVID-19 and diversity and inclusion issues by ensuring employees have a sense of belonging and psychological safety.



**FUNCTIONAL NEEDS**—core operating capabilities to engage and enable workforce

- **Sustaining productivity.** The leadership, principles and practice to align the workforce and remain productive amidst uncertainty.
- **Employee experience.** The principles and practices to effectively enable and engage the workforce.
- **Reskilling and upskilling.** A clear sense of the supply and demand of skills required to run the business.

**FOCUSED OPPORTUNITIES**—business imperatives to be addressed for organizational competitive advantage

- **Restart innovation.** As remote work begins to create network atrophy or decay, organizations need to identify new ways to maintain or reignite their "innovation networks."
- **Examine workplace strategy.** It's becoming clear that the future of the workplace has to evolve and organizations need to quickly reimagine their strategy.
- **Improve organization agility.** While still unfolding, agility is an organization's new competitive differentiator. Creating more agile, flexible and responsive organizations is very challenging but high value.

# What areas of talent management are especially ripe for • innovation?

While I see an opportunity to continue to innovate across all aspects of talent management, I feel the following four areas are positioned for sizable innovation shifts in the near term:

- **Talent planning.** Innovating around skills supply/demand and continuous planning.
- **Talent mobility.** New innovation in internal talent marketplaces; opportunities for gigs and stretch projects rather than permanent moves.
- **Analytics.** Augmented analytics, incorporating newer sources of data, including "active and passive," where "active" is survey data and explicit inputs, and "passive" examines trends and behavior.
- Learning. Targeted reskilling, upskilling; employee-driven; experiential.





Larry Nisenson, senior vice president, chief commercial officer, Genworth U.S. Life Insurance division



#### What are the biggest challenges facing • HR leaders today, as far as benefits are concerned?

A Based on our conversations with HR leaders, there are several key challenges they face: retention of their top employees, which also ties into succession planning; staying abreast of current benefit offerings and anticipating their employees needs; and, thirdly, bringing true value to their employee-benefits platform. Given the current employment cycle and the competition for top talent, there is an enormous focus on value-added programs that go beyond the traditional and expected services. Many of these newer services focus on improving work/life balance, addressing employees' family issues and creating a more holistic employee "total-rewards" offering.

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

A HR and benefit leaders are focusing on 2021 open enrollment and what offerings are available to deliver strong value to their associates. As mentioned above, the competitive talent marketplace has put an enormous spotlight on how companies are distinguishing themselves and addressing both current and prospective employees' needs. Our conversations with HR leaders have centered on what innovative programs address family care, financial wellness and employee engagement, with the goal of more effective recruitment and retention programs.

#### What areas of employee benefits are especially ripe for innovation?

A Empowering new technologies to drive great employee satisfaction seems to be a great opportunity. Whether it comes in the form of smartphone applications, simpler website designs, or using artificial intelligence and data science to predict employee trends and needs, employers and their employees are looking for ease of use and efficiency when choosing and using their benefits. This innovation also takes the form of enhanced connectivity through texting, chatbots and other new enhancements. When used correctly, they can create a stronger and more efficient benefits experience for the employee. That said, technology still struggles to replicate true human connectivity, which needs to be balanced against technological enhancements in order to truly drive employee satisfaction.

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<sup>&</sup>lt;sup>1</sup> Genworth Beyond Dollars Study 2018.

<sup>&</sup>lt;sup>2</sup> Family Caregiver Alliance<sup>®</sup>. National Center on Caregiving (https://www.caregiver.org/caregiver-statistics-work-and-caregiving). Accessed on February 6, 2020. <sup>3</sup> Based on CareScout internal data as of January 2020.

<sup>00001 00/05/00</sup> 

# Case Studies in hr effectiveness

# Workday Brings Streamlined, Automated Payroll to Land O'Lakes

#### Overview

A global company doing business in 50 countries, Land O'Lakes Inc. is a farmer-owned cooperative with 9,000 employees worldwide and \$14 billion in annual sales. Before the 2020 pandemic's work-from-home mandates, Land O'Lakes had deployed Workday Payroll Management, among other cloudbased Workday applications, enabling its payroll team to process payroll 100% remotely.

#### Challenges

Land O'Lakes' previous on-premise payroll platform made payroll processing extremely difficult. All new-hire and termination paperwork was manually entered. Compliance was a pain point, too.

For example, the payroll team used to do paper entry of all W-4 and direct-deposit data, plus any bonus and garnishment information. Manual processing of compliance audits was time-consuming and error-prone.

#### Why Workday

Land O'Lakes found cloud-based Workday HCM and its Payroll Management module to be the ideal successor to its outdated onpremise payroll system. It eliminated most manual operations, either by automating them, especially audits, or shifting them to an employee self-service portal.

The new Workday payroll platform provides consistent regulatory updates to help ensure the company's compliance worldwide. Workday Community, an organization of other Workday users, strongly appealed to Land O'Lakes because it offers a potent network of experience and expertise, as well as substantial training and support. As an active participant, Land O'Lakes can learn from others how to get the most from its new payroll platform.



#### Results

Streamlines Payroll Processing Workday Payroll enabled Land O'Lakes' payroll team to automate much of the payroll process, eliminating manual calculations and freeing the team's time. "Year-end once was a nightmare. With Workday, we've turned it into a complete nonevent," Payroll and Compliance Manager John Gardner says.

In fact, his team boosted payroll accuracy to more than 99.9%, while decreasing offcycle payments by 50% or more. The Workday platform also improved payroll data visibility with dashboards populated in real time, enhancing collaboration with other business units. The company also dramatically reduced its use of paper with Workday, saving the environment, time and errors.

#### Automates Compliance Audits

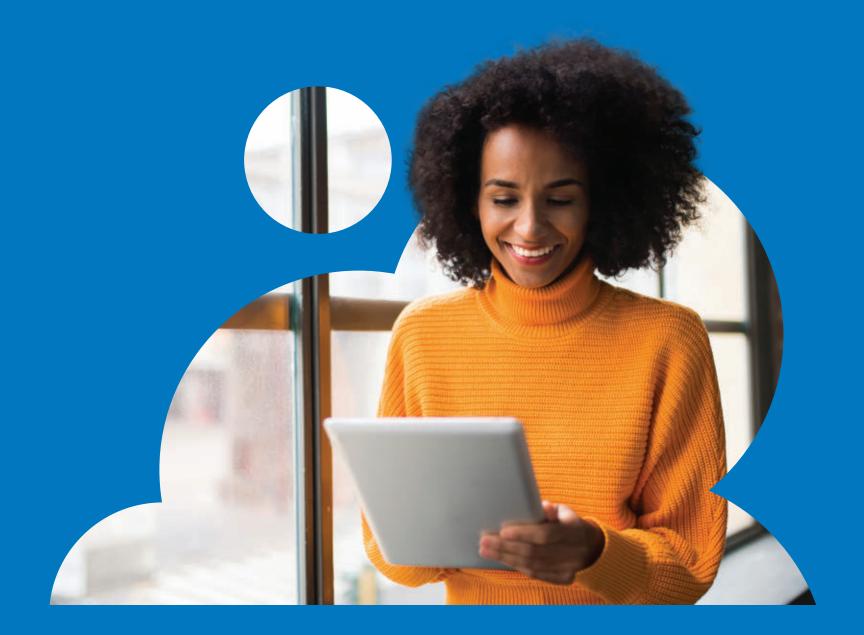
The dedicated Workday team is continuously monitoring and researching legislative updates, which are pushed out to all customers at once, since everyone is on the same version of Workday. For example, in one year of operation, Workday delivered 510 U.S. compliance and regulatory updates—averaging nearly two each working day.

These frequent updates help Land O'Lakes stay ahead of global compliance. The company can avoid mistakes in payroll auditing and accounting that could otherwise lead to non-compliance with regulations such as the Fair Labor Standards Act (FLSA), which governs minimum wage, overtime and other payroll issues.

#### Supports Secure Remote Access

From the start of pandemic-driven workfrom-home mandates, the Land O'Lakes payroll team could run payroll remotely and without a hitch using its cloud-based Workday applications. Workday gives team members highly secure, anytime- anywhere access to all the payroll data needed to ensure paychecks and auto-deposits happen on time. According to Gardner, this capability was impossible with the company's previous on-premise system.

For more about Workday's payroll solutions, visit forms.workday.com/en-us/other/payroll-efficiencies/form.html.



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# Case Studies

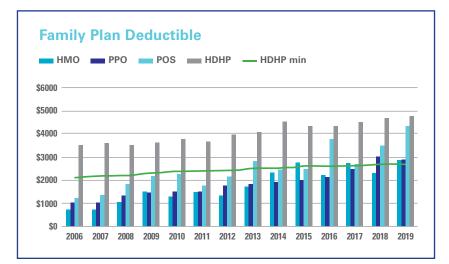
# What Happens When Businesses Offer HSA-Qualified Health Plans Exclusively?

ealthcare costs keep climbing—with no end in sight. The average premium for family health coverage has risen more than 50% in the past decade, topping \$20,500 in 2019.<sup>1</sup> While a tight labor market means organizations need to choose valuable benefits for their people, cost pressures remain a significant concern. Nearly one in four employers says budget—not quality of care—is the primary driver of their benefits decisions.<sup>2</sup>

It's no surprise that more organizations are offering HSA-qualified health plans.

<sup>.</sup> HSA-qualified plan premiums are markedly less expensive than other plans. In 2019, HSA plan premiums averaged 13% lower than traditional PPO options.<sup>3</sup> HSA-qualified plans also enjoy lower annual rate increases. The average annual increase for an HSA-qualified plan is just 2%, compared to the 6% increase seen with other health plans.<sup>4</sup>

Organizations find that cost savings are so significant they're electing to go full replacement and offer HSA-qualified health plans exclusively. The catalyst is that traditional plans are starting to lose their appeal because deductibles are evening out. In fact, PPOs, POS and HMO plans have started to exceed the federally defined threshold for HSA-qualified health plans. There's a leveling happening across the industry, which makes it much easier for organizations to choose full replacement.



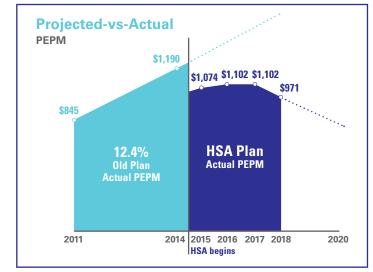
## The HSA Effect on Two Pennsylvania School Districts

To test the effect of going full replacement HSA, HealthEquity tracked two Pennsylvania school districts after the transition to exclusively HSA-qualified health plans. In 2015, the two districts fully transitioned to an HSA plan with a \$1,500 deductible for individuals and a \$3,000 deductible for family plans. The result was a significant increase in savings. By 2018, the districts enjoyed a combined \$6 million in annual savings—or \$1,022 per employee per month (PEPM) for that year. The two districts also saw significant claims savings as well, totaling an estimated \$14.4 million over four years, compared to their previous plans.

Employees reported a high level of health plan satisfaction and significant HSA tax-free account balances (\$1.7 million in total). There was also no evidence that the HSA plan increased risk for higher healthcare costs due to avoidance of necessary medical care.

In fact, the results were so positive that both districts included renewals for HSA-qualified health plans in their new collective bargaining agreements.

Executing a full replacement HSA allowed employees to take control of their healthcare and the districts to take control of soaring healthcare costs. Now, employees are on a path to long-term financial security—and the districts are too.



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<sup>&</sup>lt;sup>1</sup> Kaiser Family Foundation: 2019: kff.org/report-section/ehbs-2019-summary-of-findings/

<sup>&</sup>lt;sup>2</sup> AIDMED Alliance 2020: aimedalliance.org/wp-content/uploads/2019/12/COSTLY-CONSIDERATIONS.pdf

<sup>&</sup>lt;sup>3</sup> https://www.kff.org/report-section/ehbs-2019-summary-of-findings/

<sup>&</sup>lt;sup>4</sup> https://www.kff.org/report-section/ehbs-2019-summary-of-findings/

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# People

*Raytheon Technologies* announced that **Dantaya Williams** has been appointed as chief HR officer of the aerospace and defense company. She got her HR start as a labor relations



representative at Carrier Corp. more than 20 years ago. She went on to hold various HR leadership positions at the company, which later became

part of United Technologies Corp., which ultimately was acquired by Raytheon.

At UTC, she created the Talent, Inclusion and Engagement Organization that helped the organization expand its international operations. She is also credited with being part of a team that worked to elevate women into 30% of the executive leadership roles within several divisions of the company.

Williams earned a bachelor's degree in psychology and a master's in labor relations and human resources from Michigan State University.

Susanne Reilly has joined Zoetis,

a global animal health company, as chief talent, diversity and inclusion officer.

Most recently, Reilly served as vice president



## Compiled by Alex Kahn and Skyler Zur

of global talent management at PTC Therapeutics. Previously, she led strategic enterprise talent management efforts at Lonza, Stryker, PDI and Avaya. Reilly holds a doctorate in

industrial/organizational psychology from Stevens Institute of Technology.

*Colgate-Palmolive* named **Sally Massey** its new chief HR officer. Massey has worked at the consumerproducts company for more than 20



years, most recently as vice president of global HR. She earned a bachelor's degree in French language and literature from Bowdoin College

and a master of management degree in hospitality from Cornell University.

**Teuila Hanson** joined *LinkedIn* as its new chief people officer, leading the global talent organization. In this role, she will be responsible for hiring, developing and growing top talent, including overseeing areas such as benefits and diversity.

Before moving to LinkedIn, Hanson was the executive vice president and chief strategy and people officer at the Federal Reserve Bank of San Francisco. Prior to that role, she held multiple leadership positions focusing on development at the Federal Reserve Bank and AECOM. Hanson earned a bachelor's degree in American multicultural studies from Sonoma State University before earning a law degree from Golden Gate University School of Law.

**Jocelyn Bluth** was recently named the chief people officer at *BHI*, bringing with her more than

25 years in the HR industry, with a particular focus on the banking and financial-services sectors. Before BHI,



Bluth was CHRO for Golub Capital, where she oversaw employee engagement and growth. She previously held executive HR positions at JP Morgan Chase, Legg Mason Asset Management and Credit Suisse First Boston.

Bluth earned a bachelor's degree in organizational management from University of Michigan and a master's of business administration in business management from New York University.

**Lynda Markoe** has been hired as *Bed Bath & Beyond*'s new executive vice president, chief people and culture officer.

Markoe brings experience from over 30 years of HR in the retail sector, most recently at JCrew as global head of HR. She also held HR leadership roles at The Gap, Inc. *Greenpath Financial Wellness* announced the appointment of new Chief People Officer **Susan Murphy**.

Prior to joining Greenpath Financial Wellness, she was vice president of HR, organizational development and governance at United Way for Southeastern Michigan, where she spent 17 years.

Murphy earned a master's degree in administration from Central Michigan University and certificates through the Society for Human Resource Management and International Coach Federation.

*Duke Energy* recently promoted **Ron Reising** to senior vice president and chief human resources officer.

Reising has been with the company for 18 years, most recently serving as the senior vice president

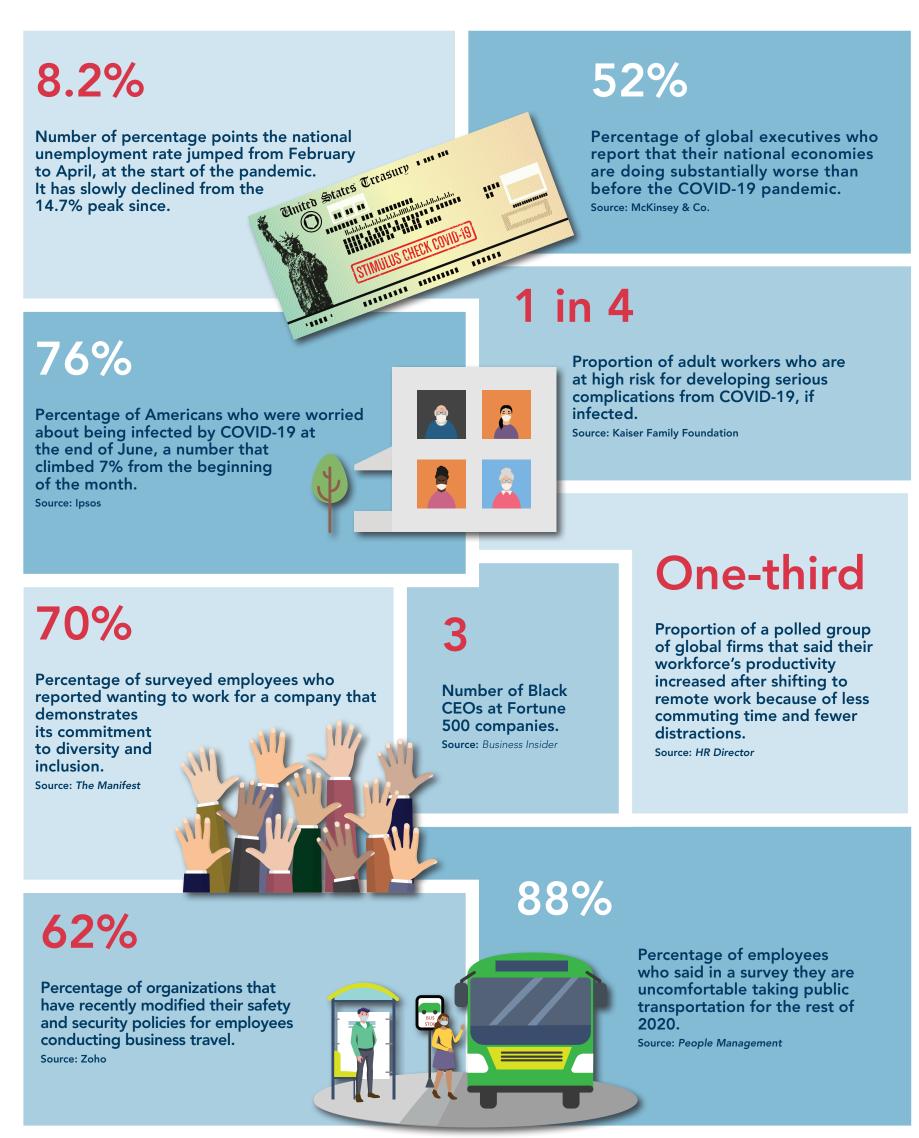


of operations support. Before joining Duke, he was vice president and chief procurement officer for Cinergy and held numerous leadership positions at Ameritech before that.

Reising earned a bachelor's degree in economics from Lawrence University as well as a master's degree in management from the Kellogg School of Management at Northwestern University.

# By The Numbers

# Figures from the workplace and beyond COMPILED BY HRE STAFF



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