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The pandemic has transformed how both employers and their workforces think about employee experience.
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HR IN THE FLOW OF WORK   **Josh Bersin**/Columnist

Doing Right by Deskless Workers

Over the past few months, hybrid work has dominated work-related conversations. However, most employees working in retail, transportation, healthcare, hospitality and manufacturing don't have such an option. While hybrid work is important, deskless workers have also experienced massive changes in the work world. HR has a critical role in designing the new reality for these employees, who make up about 80% of the global workforce.

Winning the war for talent will depend on the deskless worker experience you offer. So, as you consider the employee experience for these critical employees, it's important to remember three factors:

• Your deskless work strategy is just as important as your hybrid work strategy. Hybrid and deskless work experiences need to be designed in parallel. Design teams should include representatives from senior leadership operations, IT, HR and facilities. Everything from culture to technology should be part of the design initiative.

• The deskless worker experience is integral to your employment value proposition. As the economy continues to grow, job candidates will want to know what it's like to work at your company. However, don't focus solely on the experience for new hires. It's way too easy to forget about engaging and retaining current employees.

• Listen to and communicate with your workers. Setting a vision for the new work world and having regular, meaningful communications are critically important. Demonstrate that you're listening and taking action in response to input. A shocking 84% of deskless workers feel they don't get adequate communications from their employers.

Also, keep in mind these seven critical components of deskless work:

1. Connections and Creativity: Many deskless workers are most driven by the need to connect with others face to face. Safety protocols absolutely need to be established, but there is no substitute for the direct relationships. To provide the best customer service, deskless workers, first and foremost, need more time to think and innovate. But that's exactly what they don't have, especially in companies dealing with staff shortages. A mere 6% of manufacturing companies and 7% of consumer companies design jobs to allow people time to rest, reinvent and innovate, compared to 21% of technology firms and 29% of professional services companies.

2. Coaching and Development: Deskless workers are often your key connection to customers. Therefore, they need coaching to create the best customer experiences. Yet, managers of deskless workers are often disconnected from the work itself and have limited insights into the interactions and behaviors of their team members because they themselves are usually deskbound and overwhelmed. For instance, nurse managers commonly have 100 or more direct reports. Just 11% of hospitality companies invest in developing leaders at all levels, compared to 75% of pharmaceutical companies. Since coaching people in vastly different work settings can be challenging, managers need ample support systems and tools to do this effectively.

3. Commute Support and Belonging: Remote and hybrid workers typically have more flexibility over work hours and commuting than deskless workers. HR needs to determine how to minimize such differences, make commuting as safe as possible and create a culture of equity and belonging for all.

4. Care and Coverage: Many deskless workers live paycheck to paycheck, and only 13% of the 2.7 billion deskless workers worldwide have paid sick time. Additionally, because they often have limited flexibility in job scheduling or work location, child and dependent care are hugely important. While many companies can't increase compensation or benefits, helping people stretch their money through offerings such as on-demand pay goes a long way to support financial wellbeing. Further, supporting employee emotional health and wellbeing needs to be on the HR team's radar.

5. Career Pathways and Development: Many companies use talent marketplaces to enable a more dynamic, employee-driven approach to fill open jobs, provide mentoring and coaching, and complete ad hoc projects. But deskless workers are often excluded. Additionally, the skills development offered is typically geared to knowledge workers. To change this, big companies such as Walmart and Disney support deskless workers—grocery baggers, check-out scanners or theme park employees—to build career pathways through education, new job experiences, mentoring and work assignments.

6. Culture and Community: The most important dimensions of employee experience include a culture where people trust the company and leadership and are inspired by a mission beyond financial success. Yet, deskless workers are often disconnected from a company's mission and values because many communication channels are designed for deskbound employees. A people-first approach means prioritizing investments in people even when the business is not doing well; companies that do this see higher financial performance and customer satisfaction.

7. Communication and Collaboration: Think of the collaboration platforms, support systems and knowledge management solutions used by knowledge workers; deskless workers often have no access to these tools. Today, the market offers many solutions with mobile-first, customizable approaches that allow all employees to engage. Communication platforms like SocialChorus (recently merged with Dynamic Signal) can help keep people connected to key enterprise news, up to date on training needs and engaged with others across the company— all from a simple, personalized app or even in their work systems.

Without deskless workers, our economy would come to a standstill. We would have no food, healthcare, transportation, childcare or products to buy. Let's build a new deskless reality that's not a second-class version of deskbound work but, instead, second to none. We owe it to the people who power our lives.

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

Are You Overloading Your Employees, HR Staff with Tech?

New research finds a big jump in the number of tech solutions HR teams are deploying.

BY PHIL ALBINUS

HR technology developers have introduced a vast array of new solutions and apps to provide employees with information, engagement and access to services, especially important as the COVID-19 pandemic continues to transform the world of work. However, this HR technology revolution has increased the number of HR modules at work inside of today's organizations. According to a survey from Sapient Insights Group, the average organization now deploys 16.24 HR solutions.

According to Sapient's *2020-2021 HR Systems Survey White Paper*, the average number in 2020 was 10.23 and 8.85 the year before.

This dramatic growth in the number of HR systems in the workplace is most recently being driven by employers' need to support a virtual workforce and adopt employee tracking solutions required for contact tracing or health and wellness, according to Stacey Harris, chief research officer of Sapient Insights Group.

An increasing number of HR applications inside an organization can lead to more complexity for HR leaders. More HR solutions also means a requirement for enhanced HR tech expertise, more software to maintain, more vendor contracts to manage, and more adoption and user support work, says Harris.

"This shift to digitizing HR also then changes the skills and expertise needed in our HR leaders," says Harris. "Today's HR leaders need to understand the business and be experts in HR matters, but also need to wear a tech hat and partner well with procurement, legal, finance and IT." They must also understand the technology lifecycle and be familiar with project management methodologies, all while effectively managing third-party vendor partnerships, she adds.

While the growing number of solutions is creating new expectations for HR professionals, it can also lead to app overload among workers.

"We do see some employee frustration and exhaustion setting in, especially frustration with environments where there are multiple systems needing to be used on a daily basis," says Sheryl Herle, principal analyst at Sapient Insights. "There's a lot of tolerance for logging into a particular system once or twice a year to complete a benefits process or cyclical performance process, for example, but there is frustration when employees need to use more than three to five applications on a day-to-day basis."

That said, single-sign-on technologies are making it easier for employees to move from product to product to accomplish different tasks, says Teri Zipper, COO and managing partner at Sapient Insights.

The expansion of HR systems is expected to increase as companies continue to digitize all aspects of business operations. In some cases, according to Harris, there are a high number of distinct applications being integrated into the HR technology ecosystem in order to fill niche functionality gaps or meet local-level compliance and regulatory needs.

But the main driver for the greater number of HR applications in use is "simply [that] HR is expanding the digitization of all HR processes," says Harris. "What used to be done through forms and document sharing is now a process performed in a system."

Save the date for the 2022 HR Tech Virtual Conference

Hot on the heels of the 2021 HR Tech Conference earlier this fall in Las Vegas, *HRE* announced the HR Tech Conference & Exposition Virtual, set to take place online March 1-4, 2022.

The virtual event will feature more than 55 hours of online sessions that examine the latest HR technology trends and best practices and explore case studies and actionable applications of how HR technology can support today's new work reality. The event will also feature two keynote speeches each day; stay tuned for announcements on this year's keynoters.

"Defining & Driving a Culture of Purpose" is the theme of the 2022 HR Tech Virtual, according to Jeanne Achille, founder & CEO of The Devon Group and the conference chair.

"Under this theme, we'll look at the employee experience, employee engagement and leadership. With the pandemic having disrupted traditional work models, HR technology has become more important than ever in supporting culture, community and performance," says Achille.

Event attendees can visit virtual booths from more than 100 vendors to watch demos, review product materials and set up video appointments to engage with product experts. Plus, visitors can browse and choose from exhibitor swag and enter raffles for prizes.

Registration is free but required in advance. Mark your calendars!

—Phil Albinus

Amid rising worker agency and empowerment, doubling down on the social enterprise is critical

Focusing on organizational purpose and workforce experience is HR's pressing mandate for 2022.

By Michael Stephan
US Human Capital national managing partner
Deloitte Consulting LLP

While the ongoing pandemic has (rightly) topped the list of business challenges that organizations are dealing with, we shouldn't forget that dynamic, disruptive forces shaping the future of work, the workforce and the workplace that have been converging long before 2020. Technology, social, geopolitical and economic forces have been steadily pushing organizations to pause, reflect, adjust and reimagine their futures. And since 2018, when we introduced the concept of the social enterprise, more and more organizations have embraced the concept of becoming—and remaining— distinctly human at their core.

Today, this notion of purpose and creating a "people-first" organization is even more critical. Amid the Great Resignation and growing emphasis on ESG, organizations will have to realign on their vision for the social enterprise and reinforce their purpose to attract and retain talent and realize workforce potential as they look ahead to 2022.

Recognizing—and supporting— worker agency and empowerment

The pandemic permanently altered the worker-employer relationship. Workers are currently—and will continue to be—in a power position to shift traditional workplace norms.

A March 2021 Microsoft study found that 54% of Gen Z workers and 41% of the entire global workforce could be handing in their resignation. This is a pivotal moment for organizations in shaping the future of the worker-employer relationship, with worker flexibility and choice at the center. An easing of organizational hierarchies allowed workers more freedom to be creative, solve problems, and learn and adopt new skills. When you enable people to act as a force for transformation, you unleash limitless potential, workforce satisfaction, productivity and motivation, all leading to new and better business outcomes.

Prioritizing Environmental, Social and Governance (ESG) and the social enterprise

The pandemic also further emphasized ESG as an organizational and workforce priority. Some 44% of millennials and 49% of Gen Z in Deloitte's Global 2021 Millennial and Gen Z Survey said they have made choices about the type of work they are prepared to do and the organizations for which they are willing to work based on their personal ethics. How their organization supports their wellbeing in all forms—including physical, mental, social and economic health— has been pivotal in workers' decisions to stay or move on. Organizations should anticipate being compelled by their workforce and/or regulators to further link their human capital data and ESG. Demonstrating meaningful progress will be critical to remain competitive.

Where, then, do you start in the year ahead?

After spending 18 months working with large and small organizations across industries to navigate this complex landscape, we've identified several areas where HR can support both worker empowerment and organizational priorities:

- **Use data to inform the approach, and bring workers into the discussion:** Empower the workforce to actively participate in discussions about the future workplace and use the data to inform your decisions, weighing business needs with worker needs and preferences. We've taken this approach ourselves at Deloitte Consulting, inviting our entire workforce, inclusive of all levels, locations and years of service, to participate in synchronous and asynchronous debate huddles about our future of work, return to office or on-site client location decisions. Those debates yielded thousands of pieces of sentiment data, which surfaced new ideas about how we could transform ways of working moving forward. These efforts resulted in return-to-work strategies that will influence the rhythms of where, when and how we work and that reflect values and needs of our diverse workforce.
- **Anchor to values and stay agile to respond to changing sentiments and conditions:** Many organizations have had to reverse course after locking themselves in to firm plans or bold leadership statements. The most successful organizations anchor on their values, purpose and mission. Keeping plans agile while staying responsive to the workforce and broader external influences prevents contradictions, strategic reversals and potential controversy. It helps keep the organization true to its values and enables leaders to learn and adapt to the dynamic nature of surrounding forces.
- **Prioritize purpose and the organization's commitment to acting as a social enterprise:** For HR in 2022, this means confirming (or perhaps establishing) the organization's social stance (the "S" in ESG), considering that this encompasses both outward, public-facing components and inward, workforce-specific components. Along with any required public reporting of ESG, apply a workforce lens to ESG commitments and progress as a prime attraction and retention lever.
- **Redefine team expectations and norms to empower teammates:** Ways of working need to shift in a hybrid work world, with teams at the center. Start by creating a model that focuses on outcomes and trusting and empowering your teams. Create higher degrees of flexibility with increased transparency and dialogue around team norms, preferences and expectations. Once this is achieved, all other elements—policies, technology, etc.—assume their rightful position as enablers.
- **An ongoing journey to *make work better for humans and humans better at work*TM:** We coined this phrase before the pandemic, and it resonates now more than ever, as the pandemic spurred a quantum leap into the future and permanently altered ways of working. It also further fueled the broader, ongoing discussion about the role of work in our lives and the role of organizations in society. These are essentially human questions that both organizations and the workforce have an equal stake in. In 2022, HR should focus on merging organizational and individual perspectives to both enable your workforce to be effective, efficient and empowered in their everyday work and support your organization's ambition for the next phase of the social enterprise.

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The pandemic is redefining EX, driving employers to reconsider how they can meet evolved employee expectations.

BY WILL BUNCH

Even before the phrase "employee experience"—let alone its abbreviation, EX—became a standard part of the HR lexicon, computer giant IBM forged a reputation as a leader in understanding what its workforce needed to become happier and more productive. Starting with a 2002 companywide exercise called a Values Jam that allowed rank-and-file employees to craft a new mission statement for the tech behemoth, IBM sharpened a reputation for two-way communication, including wide-open chats in which rookie programmers could email the CEO directly.

But the firm's penchant for ground-up chatter proved especially valuable when the employee experience was upended by the 2020 arrival of the coronavirus pandemic, which meant that the vast majority of IBM's 345,000 worldwide employees were now working from home and coping with a brave new world, much like their kids in online classrooms next door.

Weeks into the COVID-19 office shutdowns, an online conversation about these new stresses of juggling family responsibilities while working from home expanded until it included top executives and was worked into a groundbreaking document called the *IBM Work from Home Pledge*. The document made it clear that it was OK to bolt from an online meeting to deal with a household

crisis or to turn the camera off for some meetings—or that it was bad form to make fun of a co-worker's wall hangings.

"With more people taking more home"—even before the pandemic—"we'd always focused on the idea of work/life integration as a key pillar," says Damon Deaner, IBM's director of employee experience and design. "But since the pandemic, we've shifted our focus away from one kind of [workplace] journey and more into wellness and wellbeing, both physical and mental."

The unique pledge made IBM a trailblazer in the corporate COVID response. But the document, and the collaborative process that created it, also showed Big Blue to be on the cutting edge of a broader rethinking of what employee experience really means moving into an eventual post-pandemic workplace. The keys include not just the new emphasis on the health—both physical and mental—of workers but also a greater sensitivity toward understanding what they need to be happy.

Creating the 'irresistible organization'

Veteran HR industry analyst Josh Bersin says he found that the shocks of a global pandemic caused many top executives to see improving the employee experience as central to their new business plans—yet

Damon Deaner

a lot of HR leaders still don't fully grasp what the phrase really means.

"A large percentage still think employee experience is buying a new payroll system," says Bersin, "or a whole bunch of other pieces of technology." It's not surprising, considering the array of vendors suddenly pushing solutions for new workforce problems in a post-coronavirus world.

Instead, Bersin—founder and dean of the Josh Bersin Academy—wants HR executives to understand that employee experience, or EX, isn't about offering new platforms but rather about reinventing company culture to put more decision-making in the hands of rank-and-file employees, with the goals of creating trust and centering workers' wellbeing. Bersin has branded firms that embrace this definition of EX as the "irresistible organization": They're able to attract and retain the best talent in a new era when the future of work seems up for grabs.

The analyst's push to refine the very meaning of employee experience is laid out in the Josh Bersin Academy's new 115-page report entitled, simply, *Employee Experience: The Definitive Guide*. It highlights not only Bersin's insights on EX but also best practices from 23 major companies, including Microsoft—which commissioned the study—as well as IBM, Unilever, Adobe, Deutsche Telekom, Kraft Heinz and others. The research confirmed Bersin's belief that the COVID-19 crisis proved the need for companies to focus on EX.

"In a time of crisis, if your employees are not well taken care of, you don't have a company at all," Bersin says. "Employees are the ones who actually take you out of the crisis. It isn't just employee experience to make people feel good or to improve retention or maybe make people's lives a little easier and get more work done. This is a business continuity strategy, in times of change."

But Bersin stressed that the rapid changes driven by the COVID-19 pandemic—with so many employees working from home, surviving furloughs in a locked-down economy or rethinking career and life choices—weren't the only factors driving many employees' quest for a more meaningful experience around work. For instance, the rise of the Black Lives Matter protests after the police killing of George Floyd in Minneapolis showed how many young workers now demand a corporate mission and social responsibility. The sense of purpose that workers get from a responsive company will pay dividends, Bersin argues, and not just in employee happiness.

"No matter what the economic cycle—if there's growth and no people to hire, or it's shrinking and there's a recession or a pandemic—the companies that outperform are the ones that employees feel committed to support," Bersin says. "Employees are, in many ways, the most vested stakeholders companies have. Customers can change products or an investment, but when employees tie their careers to companies, they will help you grow and adapt."

Focusing on the individual

These new ideas around employee experience are a departure from previous approaches. Many HR leaders began embracing the concept as a logical progression from customer experience around the mid-2010s. At first, tech companies such as Airbnb—which branded its entire people-management operation as "Employee Experience"—largely perceived EX as centered on remaking the offices where workers spent so much of their time, with a focus on open space and fostering spontaneous interactions, including recreation (remember foosball tables?) or weekly ethnic lunches.

The pandemic not only scrambled the logistics—Zoom meetings created more issues around privacy than spontaneity—of the work experience but also shone a spotlight on more existential concerns. Both top human resource executives and experts agree the new workplace puts employee experience at the center of business strategy, with firms not only listening more closely to their employees but making changes based on what they hear, all toward promoting a culture of wellbeing.

Andy Walker, the managing director for talent & rewards at Willis Towers Watson, says his consultancy's surveys have found that, in the first 18 months or so of the pandemic, employer perceptions of the importance of employee experience skyrocketed from 52% to 92%. "The pandemic has essentially created an employee-experience stress test," Walker says, explaining that the drastic measures many firms took to keep their doors open during the initial harsh lockdowns of 2020 demanded a stronger focus on the human needs of workers along for that fraught journey.

Indeed, the drastic, sudden interruption of daily routines created a situation in which millions of workers

Elizabeth Kiehner

suddenly rethought everything—from their career choices to where they should live. The pivot point of the pandemic caused some Baby Boomers to retire earlier than planned, while other workers went back to school or changed professions. Suddenly, the companies that offered these restless workers the most compelling reasons to stay onboard would gain a business advantage—not just from that continuity but from employee enthusiasm.

"Rather than look at the workforce as a body of employees, the focus now—when I think of employee experience—should be looking to the level of the individual," says Elizabeth Kiehner, vice president for enterprise transformation at Capgemini Invent, who has written about the post-coronavirus workplace for Forbes and other outlets. "For a smaller HR department," she notes, "that can be daunting."

For Kiehner, the solution is taking a more active approach to engaging employees—through better use of data on workers' issues and concerns, as well as executive training to help company leaders better help individuals.

Alexandra C. Wood, an associate partner at McKinsey and Co.—which produced a 2020 report titled *COVID-19 and the employee experience: How leaders can seize the moment*—agrees that open communication among executives and their workers is critical. But she also stressed "making sure that leaders turn employees' concerns into action and share progress. So often, we see organizations launch surveys or ask for feedback but fail to communicate results and action plans—this only makes matters worse."

Putting trust at the center

At Microsoft, the rapid changes wrought by the pandemic spurred the software giant to not only survey employees more frequently around company culture issues but to reinvent its entire system of its pulse surveys. Now, there's a daily check of different batches of workers so leaders can respond more quickly to new issues that arise.

Dawn Klinghoffer, Microsoft's vice president of HR business insights, says that, in addition to gaining broad

workforce insights, the tech leader is also training its managers on how to better communicate with employees on an individual level, since every worker faces different stresses coming out of the pandemic. "There is no 'one size fits all,' " Klinghoffer explains. "Every employee has unique needs [during the COVID-19 crisis]."

Like most large employers that have seen a substantial share of the workforce logging in from home, Microsoft has paid particularly close attention to issues around hybrid work, such as the move to schedule online meetings with built-in, five-minute gaps. Says Klinghoffer: "The research really supported the fact that people need breaks, so we're building those breaks into your meeting day."

In looking more broadly at EX best practices, the Bersin report emphasizes that companies should stay

Dawn Klinghoffer

focused on their mission and offer a positive culture for employees, regardless of business conditions. It stresses that employees are looking more closely at fairness and equity when it comes to issues around pay and benefits. Finding the right technology that helps drive the new corporate culture is critical, it found—fueling awareness that a flourishing employee experience will lead to better business outcomes.

But nothing is more critical toward creating Bersin's ideal of the "irresistible organization," the report found, than fostering and maintaining a company-wide sense of trust. "When people don't trust your company," it notes, "you have to offer a lot of money and perks for them to even consider joining you—and, even if they do, you may not be able to hold on to them."

One way employers can strengthen that trust, Bersin says, is to focus more closely on the mental health and psychological wellbeing of the workforce. He noted that while just 3% of employees were using employee-assistance programs for mental health issues before the pandemic, that has spiked to about 15%-17% during—probably an undercount. "We need human-centered leadership so that mental health is not a stigma," Bersin said. "It's a theme of leadership."

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> "In a time of crisis, if your employees are not well taken care of, you don't have a company at all. Employees are the ones who actually take you out of the crisis."
>
> — JOSH BERSIN

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COVID-19's Real Impact on Flight Risk

One of employers' biggest hesitancies for mandating vaccination is a fear of losing employees in a hot job market. Here's what's happening so far.

BY KATHRYN MAYER

United Airlines made a big statement—and significant waves—when in August it announced it would require all of its 67,000 U.S.-based employees to be vaccinated against COVID-19. And although feedback was swift, with concerns about one of the strictest employer vaccination policies to date, the airline's vaccine policy, so far, has largely been a success. More than 96% of United's U.S. workforce complied with the vaccine requirement in time for its Sept. 27 deadline, the company says. Fewer than 600 United employees who did not get vaccinated face termination.

While some employers have stepped up significantly on COVID-19 vaccine mandates in recent weeks, many others have stayed the course by encouraging vaccination or incentivizing workers to get them. One of the main reasons employers largely haven't required workers to get vaccinated against COVID-19, even if they wanted to, is fear over losing employees. In surveys, unvaccinated people have said they would quit if their employer forced them to get vaccinated. That's an even bigger employer concern during the Great Resignation—when scores of employees are quitting or considering quitting their jobs.

But research has shown that turnover hasn't been anywhere near as bad as some predicted it could be.

"There's going to be some people that quit," says Brian Kropp, chief of research in the Gartner HR

practice, but few organizations that have mandated vaccines are seeing significant turnover.

Recent data from consulting firm Mercer finds that turnover hasn't been rampant among employers that have mandated vaccination against COVID-19: In an Oct. 4 survey of 1,000 employers, of the 34% of respondents who already have some type of vaccine mandate in place, the vast majority (71%) said there was no impact on turnover. Of those who said they have lost some workers over vaccination mandates, 25% saw a slight increase in turnover (1%-5% above normal) and just 4% saw a significant increase (more than 5% above normal).

"The percentages are playing out to be very small," says Mary Kay O'Neill, senior health and benefits consultant at Mercer.

Turnover more likely to affect certain industries

The employers that were more likely to see turnover recently are ones that already experience higher-than-average rates of turnover, like retailers or restaurants. Because those employers are already struggling with higher turnover rates and are more desperate to find workers, even a small percentage lost due to vaccine requirements could be a lot and not worth risking.

"In this environment of worker shortages, even 3% turnover can be concerning," O'Neill says.

It may be easier for workers in certain industries to jump ship and find a new job with similar pay and

benefits. Hourly workers at retailers for instance, or nurses may be more likely to find other opportunities. Those employers may be more leery of mandate vaccinations.

On the other hand, organizations that prioritize seniority or pay employees a competitive salary, for instance, are likely to see less turnover. That's because the opportunities that unvaccinated employees who quit are leaving are often better than others they will find.

United Airlines is a prime example, Kropp says. "By being a heavily unionized industry, if a flight attendant had been at United for 20 years and wants to get a job at American Airlines, first of all, they might not be hiring. But the other reality is that if he quit working at United and wants to go work at American Airlines, he would then go to the bottom of the seniority list and get the worst flights. Whereas, if he gets the vaccine and stays at United, he keeps his seniority."

The same for the pilots—if they left for another airline, they would likely go "to the bottom of the list," Kropp says, and have less desirable flights.

"Employers have been worried about massive turnover if they put a mandate in place," Kropp says. "Sure, that potentially could be true for some employees, if their next best opportunity is really easy to get. But if you've got a workforce where your next best opportunity is actually not really that great, it completely changes the decision-making on behalf of the employees."

Risk of losing workers for not mandating vaccinations

COVID-19 vaccinations—as with mask policies—have been polarizing and politicized, which is why mandates have become controversial, despite other vaccinations being required as a condition of employment.

And while some employers will lose unvaccinated workers by mandating vaccines, employers also could lose vaccinated workers if they don't require vaccination. An August poll from Qualtrics, for instance, found almost a quarter of employees (23%) would strongly consider leaving their place of work if their employer mandated vaccines, but it also found that even more—nearly 40% of workers—would consider quitting if their employer didn't mandate vaccines for in-person work—data that indicates employers have a business case for mandating vaccines. For the results, Qualtrics polled 1,000 Americans in full- and part-time jobs in industries including tech, government, media, retail, education, finance and healthcare during the first week of August.

"Anti-vaxxer groups get a lot of press, get a lot of headlines," O'Neill says. "But in our surveys, 66% of people are worried about going back to work because everybody wasn't vaccinated. There are a lot of people who are very concerned about safety and have kids or family members who have underlying disease. They want to be able to do their work when they're at work and not worry about [unvaccinated co-workers]. That group is just sort of a silent group and a missing statistic in a way that employers may not think about."

Employees, for the most part, may have to get used to the idea that their employer might require vaccination—and fast. Over the last few weeks, several companies have changed their employee vaccine policies, with many already requiring vaccination for some workers and a significant amount of others saying they are developing a policy. That will only grow exponentially as President Biden's requirement for employers with 100 or more employees to mandate that their employees get the vaccine or undergo weekly COVID testing goes into effect.

And when employer vaccines largely become the norm, unvaccinated employees who refuse COVID vaccines will have fewer places to go.

"There's a sea change with vaccine mandates," O'Neill says. "A lot of companies are trying to make it unpleasant, or at least expensive, to be nonvaccinated. It will be harder to be unvaccinated."

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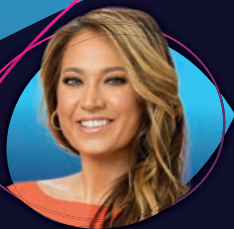
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GINGER ZEE
ABC News Chief Meteorologist, *New York Times* Best-Selling Author, Mental Health Advocate

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Talent Management

From Disruption to Reinvention

Here's what you can learn from the World's Most Admired Companies.

BY ELISE FREEDMAN AND MARK ROYAL

For businesses around the globe, nothing has been "business as usual" for more than a year-and-a-half. Everything has shifted, then shifted again. As soon as we seem to gain a foothold, the next disruption hits—whether it's the pandemic, protests over social justice or political upheavals.

As a result of all this change, the balance of power in organizations has shifted too—away from executives and toward the people as a whole. Today, businesses are being forced to refocus from an inward "me" perspective to an outward "we" viewpoint.

Where some organizations have faltered over the last 18-plus months, others have transformed and continued to flourish. What makes these organizations different?

Let's take a closer look.

Who are the World's Most Admired Companies?

Each year, Korn Ferry partners with *Fortune* magazine to identify the World's Most Admired Companies (WMACs) and the business practices that make them both highly regarded and highly successful.

In the past, our research has focused on a wide range of topics, including talent attraction and retention, leadership development, corporate culture, diversity and inclusion, and organizational agility. With companies facing rapid change, this year we examined the steps that organizations are taking to transform their workforces for future performance and growth.

Our findings reveal that WMACs (organizations that score in the top half of their industries in the *Fortune* WMAC rankings) differ from their peers (companies also participating in the rankings but scoring lower) in five key areas.

1. Strategic workforce planning: WMACs have greater clarity on their future needs.

Strategic workforce planning is the practice of mapping an organization's people strategy with its business strategy so they work in sync. This approach delivers two critical advantages. It helps leaders understand whether they have or can obtain the workforce needed to execute their business strategies. It also assists HR leaders in reorganizing, shaping and deploying the workforce to deliver on their companies' business objectives. When done well, strategic workforce planning helps to ensure that organizations have the right workforce, today and tomorrow, at the right cost.

In this year's study, we saw that WMACs engage in strategic workforce planning more regularly than their peers. Just over three-quarters (77%) of WMAC executives indicate that their organizations conduct strategic workforce planning once or more per year compared to 69% of peer company executives.

Those efforts translate to a more forward-looking workforce view. Nearly two-thirds (64%) of WMAC executives say that their organizations have a good understanding of their workforce needs two or more years into the future versus just over half (54%) of peer company executives.

Tips for leaders

With the nature and structure of work in flux, it's time to stop thinking of work in terms of jobs and start thinking about it in terms of capabilities. Through regular strategic workforce planning, you can forecast future needs and identify the skills and mindsets you need to execute your strategy. Then you can focus on acquiring talent with those skills and mindsets, whether through recruitment or by reskilling and upskilling your current employees.

2. Attracting talent: WMACs focus on employee development, strong employee value propositions and a sense of a purpose when hiring.

Even before the pandemic, the talent pool had been shrinking. COVID-19 then accelerated the talent crunch to crisis levels, leaving most organizations struggling to find qualified candidates.

What's even worse is that the lack of capable candidates has been accompanied by the Great Resignation. Attrition rates are expected to continue swelling in the coming year, according to 55% of professionals in a survey we conducted in September. To remain competitive in the market—or to even survive—organizations need to adopt more creative ways to recruit talent.

What will it take to draw in the needed talent? Asked to identify the most important criteria for employees in choosing an organization in the future,

executives in WMAC and peer companies agree that creating a "sense of purpose and meaning in work" and "employer reputation or employer value proposition" rank high on the list. WMAC executives, however, place more emphasis on "supporting continuous growth and development" and "offering flexible and personalized career paths."

Tips for leaders

Moving into the new year, organizations will have to think of new ways to attract and retain talent. These methods include:

• Compensation, benefits and flexibility: Organizations may need to offer sign-on bonuses and increase their starting salaries to compete for talent in the market. Enticing senior employees to stay may require new benefits, including long-term incentives such as employee stock options, sabbaticals and wellness benefits such as on-site childcare and education reimbursements. In addition, more employees are looking for remote or hybrid work arrangements or at least more flexibility in their schedules.

• Learning and development: WMACs' focus on employee development is well-placed. Analyses across Korn Ferry's global employee opinion database consistently show that employees' confidence in their ability to achieve their career objectives in an organization is a top driver of engagement and retention. Organizations will need to take a personal approach to employee development, giving employees more freedom and flexibility to learn new skills.

• Diversity, equity and inclusion: The more inclusive your hiring practices, the wider your talent pool. When the pool expands, it's easier for you to hire top candidates more quickly, even for niche and hard-to-source roles. To widen your pool, look for talent in nontraditional areas and consider dropping traditional qualification requirements, such as certain degrees, that may disproportionately—and unnecessarily—exclude underrepresented talent.

• Purpose: Although it used to be assumed that only younger employees wanted their employers to put purpose first, now many leaders are rethinking their own career paths to ensure that they're working toward goals that they're passionate about. Organizations need to take steps to engage their employees—at every level—by helping them connect to the greater good behind their work.

In short, organizations should review every lever available for building and strengthening their relationships with individual talent.

3. Upskilling and hiring: Meeting emerging workforce demands will be critical, and WMACs are up to the challenge.

Now that organizations can't rely on a steady supply of external talent, they must look inward. Upskilling and reskilling employees can fill talent gaps and prevent attrition by engaging talent with new opportunities to learn, develop and grow.

For WMAC executives, aligning talent with emerging demands is a critical focus area. Nearly two-thirds (63%) rate either "reskilling and upskilling current workers" or "hiring talent to staff new capabilities" as their biggest workforce challenges. By contrast, fewer than 25% view their top workforce priority as either "exiting talent no longer needed" or "understanding where labor costs can be reduced or optimized."

WMACs also have a distinctive level of confidence in responding to these workforce challenges. Better than half (54%) of WMAC executives give their organizations high marks for developing people for new or different work versus 39% of peer company executives. And 76% percent of WMAC executives view their organizations as effective in hiring the right people, compared with 68% of executives in peer companies.

Perhaps reflecting their confidence, WMAC executives plan to commit resources to respond to these challenges. Seventy-eight percent say that their organizations' greatest talent investments over the next five years will be in either "upskilling talent" or "acquiring talent."

Tips for leaders

Start building more internal mobility by investing in specialized training, coaching and development programs. Improving your employees' hard skills, such as programming and data analysis, as well as their soft skills, such as organizational awareness and learning agility, will help your workforce be ready to take on the jobs of tomorrow—and seeing how they can progress up the career ladder will build greater loyalty to your organization in the process.

Top 50 Most Admired Companies for HR

For the first time, Target has earned the crown as the Most Admired Company for HR. The retailer knocked Disney from the top spot, while Apple held steady at No. 2 for the second year in a row. Target, not listed in 2020, was No. 4 in 2019, with a previous highest ranking of No. 36 in 2013. Read more about how the list changed in the first full year of the pandemic at HRExecutive.com.

2021 Rank	Company	Industry	2021 Rating	2020 Rating	Rank 2020	Rank Change
1	Target	General Merchandisers	8.723	--	--	--
2	Apple	Computers	8.670	8.383	2	0
3	Nike	Apparel	8.668	8.030	8	+5
4	Alphabet	Internet Services and Retailing	8.665	8.100	7	+3
5	Amazon.com	Internet Services and Retailing	8.645	8.203	5	0
6	BlackRock	Securities/Asset Management	8.325	7.818	12	+6
7	Nvidia	Semiconductors	8.283	7.268	48	+41
8	Walt Disney	Entertainment	8.258	8.488	1	-7
9	Johnson & Johnson	Pharmaceuticals	8.215	7.548	27	+18
10	Netflix	Entertainment	8.193	8.230	3	-7
11	Merck	Pharmaceuticals	8.165	7.588	25	+14
12	UnitedHealth Group	Health Care: Insurance and Managed Care	8.080	8.195	6	-6
13	Microsoft	Computer Software	8.048	7.993	9	-4
14	Starbucks	Food Services	8.043	7.893	11	-3
15	Lockheed Martin	Aerospace and Defense	8.033	7.698	18	+3
16	PayPal Holdings	Consumer Credit Card and Related Services	8.000	7.365	40	+24
17	U.S. Bancorp	Superregional Banks	7.975	7.713	16	-1
18	Visa	Consumer Credit Card and Related Services	7.975	7.638	21	+4
19	PepsiCo	Consumer Food Products	7.923	7.643	20	+1
20	Costco Wholesale	General Merchandisers	7.913	--	--	--
21	PNC Financial Services Group	Superregional Banks	7.908	7.515	28	+7
22	Accenture	Information Technology Services	7.888	7.513	29	+7
23	Taiwan Semiconductor	Semiconductors	7.888	7.165	56	+34
24	Adobe	Computer Software	7.845	7.445	34	+10
25	Publix Super Markets	Food and Drug Stores	7.828	--	--	--
26	NextEra Energy	Electric and Gas Utilities	7.760	7.783	13	-13
27	Mastercard	Consumer Credit Card and Related Services	7.725	7.315	44	+17
28	Samsung Electronics	Electronics	7.725	7.513	29	+2
29	W.W. Grainger	Wholesalers: Diversified	7.693	7.510	32	+3
29	Arrow Electronics	Wholesalers: Electronics and Office Equipment	7.683	7.340	43	+13
29	Northrop Grumman	Aerospace and Defense	7.670	7.250	50	+19
32	Charles Schwab	Securities/Asset Management	7.645	7.633	22	-10
33	Procter & Gamble	Soaps and Cosmetics	7.633	7.418	37	+4
34	Marriott International	Hotels, Casinos, Resorts	7.595	6.963	86	+52
35	Tencent Holdings	Internet Services and Retailing	7.588	6.765	116	+81
36	HCA Healthcare	Health Care: Medical Facilities	7.583	7.028	76	+40
37	Tyson Foods	Food Production	7.580	7.763	14	-23
38	salesforce.com	Computer Software	7.570	7.608	24	-14
39	Chipotle Mexican Grill	Food Services	7.560	6.738	119	+80
40	Verizon Communications	Telecommunications	7.535	6.898	96	+56
40	Wayfair	Internet Services and Retailing	7.523	7.368	39	-2
42	VF	Apparel	7.515	7.358	42	0
43	American Express	Consumer Credit Card and Related Services	7.490	6.758	117	+74
44	Walmart	General Merchandisers	7.478	--	--	--
45	Berkshire Hathaway	Insurance: Property and Casualty	7.455	7.623	23	-22
45	Novartis	Pharmaceuticals	7.450	6.928	91	+45
47	Bristol-Myers Squibb	Pharmaceuticals	7.438	6.860	104	+57
48	Advanced Micro Devices (AMD)	Semiconductors	7.435	7.248	51	+3
49	Nestlé	Consumer Food Products	7.423	7.555	26	-23
50	3M	Chemicals	7.415	7.385	38	-12

Los Angeles-based management-consulting firm Korn Ferry launches the process when it teams with Fortune to determine the World's Most Admired Companies, U.S. companies ranked by revenue—and non-U.S. companies in Fortune's Global 500 database with revenues of $10 billion or more. They then select the highest-revenue companies in each industry, surveying a total of 670 companies from 30 countries. To create the 52 industry lists, Korn Ferry asks executives, directors and analysts to rate companies in their own industries on nine criteria, from investment value to social responsibility. To arrive at *HRE*'s Most Admired for HR rankings, Korn Ferry recalibrates the Fortune attribute scores, isolating four criteria that relate to HR—management quality, product/service quality, innovation and people management. This is the 17th year of the Most Admired for HR list.

4. Learning agility: A key attribute in hiring leaders and employees

We're working and living through an age of uncertainty and unpredictability. As the pace of change accelerates, and as disruptions continue to arise, organizations and people must adapt. Leaders and employees who are better able to remain flexible and adapt their behavior to changing situations have a high level of learning agility.

Time and again, Korn Ferry's research has shown that a growth mindset, fueled by continuous learning, is an essential attribute for leading in a changing world. Leaders must be willing to learn constantly, consider concepts that they may not understand and embrace approaches that may not be traditional or familiar.

What do WMACs look for when hiring leaders and employees? WMACs understand that the future of work isn't about filling positions. It's about developing talent that can respond flexibly to new opportunities and challenges. For leaders and employees, WMACs prioritize "learning agility and curiosity" over "career history

and experiences." And the focus on what both groups can learn and apply ahead of what they have done only grows larger as WMACs look out to the future.

Tips for leaders

To stay competitive in today's market, you need leaders and employees who are nimble, open to change and new ideas, willing to take risks, flexible and comfortable with ambiguity. All of these attributes are key to thriving in new, disruptive situations.

You should start determining your organization's baseline agility by assessing your workforce. You can use the results to determine where you need to better align your talent with your strategy by putting the most agile talent into mission-critical roles and developing potential talent to fill gaps. You should also coach leaders to encourage their teams to develop their learning agility through both training and work projects.

HR Leadership

5 New Fellows Join National Academy of HR

The HR visionaries share their outlooks on HR's biggest trends and challenges.

| Kerry Chandler | Rhonda Morris | Michael O'Hare | Ellyn Shook | Perry Stuckey |

BY ELIZABETH CLARKE

Five human resources leaders have been installed as the newest fellows of the National Academy of Human Resources, earning recognition from the nation's most prestigious HR organization for their work not only during the pandemic but throughout their careers.

The new fellows are:

Kerry Chandler, Chief Human Resources Officer, Endeavor, LLC

Rhonda Morris, Chief Human Resources Officer, Chevron

Michael O'Hare, Chief Human Resources Officer, The Estee Lauder Companies, Inc.

Ellyn Shook, Chief Leadership and Chief Human Resources Officer, Accenture, plc.

Perry Stuckey, Senior Vice President and Chief Human Resources Officer, Eastman Chemical Co.

The fellows were installed Nov. 4 during NAHR's annual meeting, which was held online. NAHR was founded in 1992 to recognize individuals and institutions of distinction in the field for their achievements while collaborating to advance the profession. Fellows are elected by a vote of the membership.

Each leader recently spent some time answering questions from *Human Resource Executive*® about the lessons learned through the pandemic, what's coming next and other topics. Here are a few excerpts. Please visit HRExecutive.com to read their full responses.

HRE: The role of HR changed dramatically last year and continues to evolve with the pandemic and other shifts in the world. What are the most important skill sets that HR leaders of tomorrow will need to fulfill those roles?

Rhonda Morris: If the events of last year have revealed anything, it's that leaders and organizations can make tough decisions quickly and pivot when needed. The workforce now has a different baseline of expectations from employers. HR leaders will need to be empathetic, flexible, have exceptional influencing and listening skills coupled with an ability to quickly adapt with robust decision quality. These attributes will keep employees engaged and motivated. At Chevron, we're increasingly focused on the energy transition and recruiting people to help solve energy's greatest challenges. Our future workforce may come from different sources than where we have traditionally found them.

HRE: How much has shifted in the past 18-plus months regarding the role of technology? Is that still developing? Are you collaborating with new partners on technology? What have you learned?

Michael O'Hare: If [this time has] taught us anything, it is the need to pivot to more cloud-based technologies that are nimble and easy to use. We are seeing an evolution away from big box systems that provide an end-to-end solution that will solve for all needs. Instead, we have seen a rise of emerging technologies coming from emerging markets, such as mobile-enabled interview apps, internal job marketplace solutions and just-in-time learning offerings. As a result, companies need to look to an increased number of partners that will provide quicker, better and more agile applications that can plug into the core HRIS.

It is critical that we think of our employees the same way we think of our consumers: end users who are looking for simple, easy-to-use, mobile-enabled solutions that they can access anywhere, at any time. The world we are operating in is very dynamic and, as HR, our role is to ensure that our people systems are an integrated part of our overall company technology strategy, to ensure they are evolving at a minimum at the same pace as our business growth.

HRE: What has surprised you the most about how workplaces have adapted to the sweeping changes that have taken place since March 2020—from remote and hybrid work to urgency around DEI progress to pressures around employee health and safety?

Ellyn Shook: Two things–speed and collaboration, which aren't mutually exclusive! The speed at which organizations have innovated and scaled solutions is extraordinary—to lift their people and accelerate digital transformations that turned laggards into leaders. And while collaboration was good pre-COVID, it's now at a whole new level—breaking down barriers within and across organizations in remarkable ways to accelerate sustainable change.

HRE: What are your biggest concerns as an HR leader today, both in your organization and industry, and in the profession at large? Why are these items at the top of your list heading into the end of 2021 and looking ahead to 2022?

Kerry Chandler: The pandemic was a catalyst for so many of us to reflect on what matters most in this life and how best to marry our purpose with our day-to-day work. I spend a lot of time thinking about how companies can ensure their cultures reflect (and best support) their people—that sense of "I am valued for who I am AND what I do"—as that alignment is so critical to a company's ability to secure and keep best-in-class talent. For HR executives, figuring out how to help link the two is magical and an enormous opportunity.

Perry Stuckey: First, there is a labor shortage that's causing a significant war for talent. We need to do more as leaders to expand and equip the labor market of the future. The second concern is the shift occurring in worker expectations and demand for greater flexibility, which is a result of the pandemic. This shift requires companies to be more progressive in their approach related to how and where work gets done. This is creating a different expectation and an increasing demand for companies to strike the right balance, which benefits employees, customers, shareholders and communities globally. Long-term business success is directly linked to long-term people success, and this requires having a value proposition that employees believe in and that encourages them to choose your company every day as the one at which they want to build a long-term career. The companies that make the appropriate adjustments in a tight labor market and provide flexibility for their employees, with the intentional focus on ensuring employees are net better off while driving innovation and delivering on their growth strategy, will be more successful.

More HR Technology Isn't Necessarily Better

At the recent HR Technology Conference, keynote speaker Marcus Buckingham debuted findings from a new ADP Research Institute report about measuring performance and the impact of HR through the lens of employee experience. The deeply researched report showed which experiences drive employee satisfaction with their HR function, offered a short set of questions employers can ask to learn how employees evaluate HR and, importantly, explored how the employee assessment of HR influences the organization's talent brand.

Think of the perception of the talent brand through a simple Net Promoter Score metric: "How likely are you, as an employee, to recommend the organization as a place to work to friends and family?" The ADPRI research showed that employees who see HR in a positive light—the report calls it "Value Promoting"—are much more likely to recommend the organization as a place to work than employees who see HR as simply "Performing" the basic duties of HR, or worse, those who view HR as actually "Value Detracting" from their experience at work.

These findings are really interesting, for sure, but for me—someone who primarily thinks about how HR technologies can improve work and workplaces and create better employee experiences—the portions of the ADPRI research that refer to the effects of HR technology on the employee experience of HR are the most compelling. Before diving into the implications for HR technology and HR tech professionals, let's review what the ADPRI research shared about what characteristics related to better employee experiences with HR organizations.

First, having a single point of contact in HR was highly related to seeing HR as Value Promoting. And by single point of contact in HR, we are referring to an actual person in HR, not a centralized HR call center or service center where each employee inquiry is almost certainly going to be answered by a different person (or even an automated response system). The second key finding was that, with a greater frequency of employee interactions with HR, the likelihood of an improved assessment of the HR function also increases. According to the ADPRI research, employees who had seven or more interactions with HR in the previous 12 months were 7.4 times more likely to consider HR as Value Promoting than employees who had no interactions with HR. Let's take a look at what each of these findings suggests for the HR technology function.

First, the characteristic of having a single point of contact in HR for each employee is certainly difficult to achieve for all but the smallest organizations. Plus, this goes against the recent trend of relying increasingly on centralized HR call centers and/or functional vertical centers of excellence based on HR category for each employee issue. These newer approaches are usually more cost-effective than providing a single point of contact in HR for all employees, yet the ADPRI data suggest that employees feel as though something important is missing from these siloed HR experiences.

From the HR technology perspective, we are seeing pretty significant increases in technologies designed to drive employee interactions with their HR function to a process that is optimized, streamlined and kind of cold in some ways. While the new HR technology solutions can increase efficiency, accuracy and speed of employee inquiries to HR—and their associated transactions can be effective and powerful— they do tend to de-humanize the actual delivery of HR services at some level. As the ADPRI data suggest, this is the opposite of what HR should be working towards. The challenge for HR leaders will be balancing the need for cost-effective, technology-powered HR service delivery with the employees' desire to feel seen, heard and understood by an actual person.

Second, the data suggest that the more interactions an employee has with HR, the more likely they are to see HR as Value Promoting. Similar to what we have seen with using technology as a means of providing HR service delivery at the expense of offering a single point of contact in HR, we continue to deploy HR technology to drive employee ownership and responsibility for more and more HR interactions and transactions. This is certainly not a new phenomenon; the early development and deployment of employee self-service capabilities started years ago.

But these early efforts largely focused on less emotionally charged elements of the employee experience, like changing an address or updating banking information. Sure, these are important, but not meaningful in a larger sense. But over time, more and more components of the employee experience with HR have been driven to automated systems and self-service applications (now almost all supported on smartphones). In a large, technologically advanced organization, it would not be surprising if an employee could have almost all their interactions with HR be brokered through an HR technology solution, resulting in their having very little personal contact with HR professionals. While that seems exciting at some level to an HR technology professional, it runs directly counter to the ADPRI findings, which show quite clearly that increasing the personal points of contact among employees and HR professionals drives increased perceptions of HR effectiveness and enhanced employee experience. HR pros do their jobs well, this data suggest, and replacing that impact with technology may not be the wisest choice for the organization in a bigger-picture sense.

Ultimately, the HR organization has to find the appropriate level of HR service delivery and employee support that is largely, if not completely, driven by technology and not by people, as well as develop those key HR services and touchpoints that are left to the HR people themselves. HR has to be careful to not just see more and more opportunities to leverage the new and emerging HR technology solutions as the default position moving forward. Just because we can drive more of HR service delivery and support to technology does not mean necessarily that we should. What we really need to do is use HR to support employees at a personal level and be mindful of how employees really respond to our HR service delivery and programs. The ADPRI data provide a good reminder of this—and especially that employees want HR to be a "people" business, not just a technology and solutions function.

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

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5. Performance management: WMACs more effectively capture team contributions and employees' true performance.

Performance management is broken for many organizations. The way that organizations create value has changed, but performance management systems haven't.

There are a series of disconnects in the traditional performance model:
• Performance management should drive future behavior, not reward past performance.
• Traditional systems reward individual achievement at the expense of collaboration and teamwork.
• Annual goal setting and reviews may not adequately reflect the impact of employee contributions on business outcomes in dynamic environments.
• Focusing more on evaluation and less on coaching sends employees mixed messages and doesn't deliver results.

We know from recent research on organizational agility that WMACs manage performance more effectively in team-based contexts. Better than two-thirds (67%) of WMAC executives indicate that their performance management and reward programs are effective in assessing and rewarding team (versus individual) performance, as compared with 58% of peer company executives.

Likewise, WMACs are more successful in getting to the heart of an employee's performance. Fifty-nine percent of WMAC executives say that their organizations are effective in evaluating employees' real performance versus 51% of peer company executives.

Tips for leaders

Don't try to fix a broken system; transform it. Unfortunately, there's no one-size-fits-all model to follow. The best approach is to ensure that your performance management aligns with your culture, strategy and value creation model.

Whatever model you choose, its focus should be forward-looking, accelerating future performance rather than revisiting the past. Offer frequent—not just annual—performance coaching that evaluates how employees have made an impact as individuals, contributed to others' success and leveraged others' work. This approach aligns employee effort and business outcomes and increases employee engagement and enablement while improving performance.

Conclusion: The flipside of disruption is reinvention.

The theme of 2020 and 2021 was disruption. Organizations changed because they had to, not because they wanted to. But in 2022, that impromptu reinvention will become intentional.
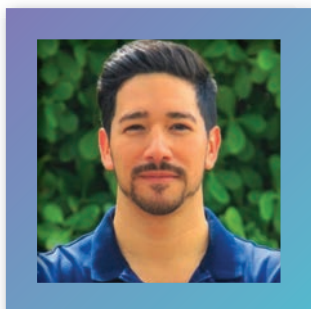
Organizations that want to thrive—rather than merely survive—in the coming years will need to respond to changes not just in the market but also in their internal power dynamics. They must recognize that it's time to ensure that work works for everyone.

If companies can harness the agility and flexibility shown by their workforces, they have an opportunity to reinvent themselves for a new age—an age of shortages, climate change, digital acceleration, emerging technology and transient consumer demands. And, in the process, they also have the opportunity to become as successful as the World's Most Admired Companies.

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What are the business challenges coming our way in 2022?

Concerns around the 'Great Resignation,' developing leaders and maximizing the potential of new tech are among the biggest obstacles facing HR and business leaders.

Ulises I. Orozco, Co-Founder
PTO Genius

It's been roughly 20 months since the pandemic forever changed the work of work. We had to make difficult decisions, have tough conversations and radically change how we operated our businesses to sustain the "going concern." Now we find ourselves a little removed from the ambiguity and uncertainty and, with 2022 around the corner, are looking to plan toward a new normal: a hybrid, dynamic and distributed "normal" with both new and old, yet intensified, business challenges to account for.

The most pressing business challenges for 2022 are key employee retention and engagement, leadership development and integrating emerging technologies into the workplace.

Key employee retention and engagement

They're calling it the "Great Resignation." According to the U.S. Bureau of Labor Statistics, 4.3 million Americans quit their jobs in August 2021. Resignations began rising in April 2021 and have remained unusually high for several months, with a record-breaking 10.9 million open positions across America at the end of July.

Particularly troubling is the type of employee who is quitting. According to an in-depth analysis conducted by *Harvard Business Review* of 4,000 companies and 9 million employees, resignation rates are highest among mid-career employees. Employees between 30 and 45 years old have had the most significant increase in resignation rates, with an average increase of more than 20% between 2020 and 2021. This employee cohort represents a large portion of the young leadership and concentration of trained skills at many organizations. It isn't easy to replace these employees, so retention and engagement, of these and other key employees, has become paramount to the success of the organization in 2022 and beyond.

I encourage you to start by taking a hard look at your existing employee perks and benefits. When's the last time you took a deep dive and truly analyzed the details and nuances of your program? Who is it serving? Is it still applicable given the new needs of your changing workforce? If the answer to these questions is "no," I highly advise you to consider revamping your employee perks and benefits. Start with listing all of your HR goals for 2022 and update or eliminate old requirements, limitations and clauses that don't align with your goals for 2022. Then, once you have updated your program, look for modern benefits and vendors whose benefits align with your objectives. For example, if you're looking to boost retention and engagement, consider products like PTO Genius to enhance and modernize your paid time off.

Leadership development

According to an independent study by Deloitte, 35% of employees report not getting enough opportunities to advance at their current companies—the second most prominent reason for near-term resignations, only outpaced by dissatisfaction with pay/financial rewards (43%). These are just a few of the many reasons contributing to the recent spike in employee resignations that have many companies looking outward to quell the alignment.

But I would argue the bigger challenge in 2022 will be fostering an environment that systematically and strategically elevates and reskills employees from within to slot into vacant positions of influence and leadership.

Companies are breaking the bank to steal away talent and competing solely on compensation and signing bonuses is a zero-sum game. Instead, you have to give employees continuous purpose and a roadmap towards growth and professional evolution. If you haven't already, consider establishing and further investing in an internal mobility program that helps build critical hard and soft skills and competencies that align with business objectives to drive the most impact. It works well in the world of sports, where teams invest heavily in their younger talent through "farm" systems that stress fundamentals and continuous improvement, "calling up" the standouts at critical times to fill gaps in the organization.

Integrating emerging technologies into the workplace

HR tech is hotter than ever. New entrants into the vertical, with traditional technology experiences and backed by millions of dollars in venture financing, are creating exciting solutions to existing workforce challenges. The next two years will yield a lot of innovation in the workplace. Areas from recruiting to performance management and everything in between will benefit from artificial intelligence, augmented reality, prescriptive analytics and virtual reality.

The business challenge in 2022 will be appropriately identifying and integrating the most impactful advancements in work tech. Create a process for discovering, vetting, integrating and measuring the impact of new technologies. Then, ensure that you roll out the technology progressively, measuring performance every step of the way before rolling it out the whole employee population.

These technologies can be incredibly impactful to your organization, but not if you don't have a plan to get the most out of them.

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