Working Smarter

The Top HR Tech Products of the Year highlight how technology is being tapped to help HR meet today’s challenges.

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As we celebrate the 50th anniversary of Title IX, we also acknowledge the work that still needs to be done — even today, women retire with 30% less income for retirement.

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September 2022

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Himanshu Palsule, who took the helm of the HCM provider earlier this year, offers predictions for the industry.

What 4 Recent HR Tech Deals Say About the Future of Skills

BY PHIL ALBINUS

Here are some highlights:

ServiceNow acquires Hitch

Announced on June 3, this acquisition is a strategic move to extend ServiceNow’s market reach. Initially, ServiceNow focused on case and knowledge management, service delivery automation and important applications for IT and HR self-service. Over the last two years, the company expanded into hybrid work management, workplace scheduling, employee portals and mobile apps. And all this is built on a scalable workflow platform (the Now platform) that lets any user develop applications that can use, leverage and integrate data from other corporate systems.

While Hitch is a relatively small company, it brings to ServiceNow a new set of skills-based tools (for employee learning, growth, mobility and transitions), allowing ServiceNow to move deeper into new markets and grow. And the skills-based HR market, talent marketplace, employee development, career management) is huge. With its vast experience in connecting and integrating legacy systems, ServiceNow is envisioning a solution incorporating multiple skills-related systems, each using skills data for its own unique needs. And this, believe it or not, is where the market is headed.

Cornerstone acquires SumTotal

Next was the announcement that Skillsoft agreed to sell SumTotal to Cornerstone. SumTotal Systems is the combination of many older LMS technologies, including Click2Learn, Docent and GeoLearning. The company was constantly reinventing itself as corporate training evolved. However, the traditional compliance-based LMS solution, which SumTotal pioneered, is now viewed as back-office software.

However, SumTotal has some very large customers, which will bring significant revenue to Cornerstone. For SumTotal customers, this acquisition is probably good news, since they now have a technology-focused company as a vendor partner.

Degreed acquires Learn In

Degreed was one of the first companies to introduce a learning experience platform about 10 years ago, which gave corporate training departments the ability to upload LMS content and connect to other content sources. It was a very good idea. Over the next years, Degreed grew rapidly while encountering increasingly stiff competition.

On June 23, Degreed announced the acquisition of Learn In, founded to help companies establish internal talent academies for building workforces with deep skills and broad capabilities. Learn In’s core features supplement those of Degreed’s LXP and include prepaid learning stipend cards, a world-class skills marketplace and custom program builder, a tuition benefits manager and dedicated coaching.

Degreed’s vision is to build what we used to call a “program management platform” that assembles content, manages cohorts and handles the e-commerce and tuition reimbursement for third-party programs. This is something training managers from every major company would want.

Gloat lands $90 million investment

This news is interesting on two fronts. First, this is a LOT of money; it’s part of a Series D round of funding that brings the total raised to $5192 million. Secondly, this investment was made by Generation Investment Management, a firm chaired by former Vice President Al Gore and focused on sustainable investments.

Gloat started in 2015 with the mission of using AI to facilitate internal talent mobility. Through innovative use of AI, Gloat has helped companies break down organizational silos, analyze employee skills at scale and provide data-driven insights for talent-related decisions. These are extremely valuable benefits; our research continues to show that workforce agility is now a fundamental key to business success.

Generation selected Gloat as the first investment in its new Sustainable Solutions Fund IV because of a shared goal: to shape a future of work that finally prioritizes the future of the worker. This infusion of cash will help Gloat continue to grow and deepen its footprint in this important market segment, which includes still significant competition from companies such as Eightfold, Fuel50, Workday and Oracle.

Josh Bersin is an analyst, author, educator and thought leader focusing on the global talent market and the challenges and trends impacting global talent market and the challenges and trends impacting business workforces around the world. Send questions or comments to hreletters@lrp.com.
Piscilla Koranteng joined global hiring platform Indeed this summer as its chief people officer. An HR and DEI veteran with nearly 25 years of experience at Kellogg’s, DXC Technology, T. Rowe Price, Booz Allen Hamilton and JPMorgan Chase, Koranteng has her hands full: Indeed is on a hiring spree while growing competitively and fighting to retain employees.

The London School of Economics graduate recently spoke with HRE about her mandate at Indeed, what HR tech she relies on and why employee listening cannot happen only once or twice a year.

**HRE: What are your responsibilities?**

Koranteng: I will oversee the company’s people functions, including human resources, talent management and real estate, as a member of Indeed’s senior leadership team.

**HRE: What tech will you and your team be using?**

Koranteng: [Since] the pandemic and even prior, like many organizations, we have been using Slack and Zoom for our meetings and to keep teams connected to one another. We have several groups on Slack where we ensure employees have the freedom to voice their concerns [and] opinions and share updates. We also host regular, all-employee meetings and Q&A sessions. As leaders, we believe it is our responsibility to ensure our employees have all the technology and tools they need to stay productive, effective and efficient, and connected to one another and to us as a leadership team.

**HRE: What is your mandate? What do you hope to achieve in five years?**

Koranteng: My first priority will be to continue building out Indeed’s best-in-class people function that will not only help Indeed deliver on its mission of helping all people get jobs—but also one that can serve as a model of HR industry innovation.

We’ve got a high-growth year ahead of us—Indeed is hiring 4,000 people in the next fiscal year. I believe hiring will continue to be competitive, and the tech industry is no exception. So, we will be laser-focused on recruiting and retaining top talent.

**HRE: Will you be analyzing employee data? If so, how? What are you looking for?**

Koranteng: I believe great employers should work to win the hearts and minds of their talent every day—not just once or twice a year. Understanding your workforce metrics in terms of hiring rates, promotions, turnover and available labor pools (based on your industry), as well as the pulse of the employees, is critical.

I keep an eye on metrics around experience, candidate attraction, people advancement and development in order to make sure we’re creating the right work environment for everyone at Indeed. At the end of the day, those metrics help us put our people first and operate with empathy across the organization.

**HRE: How will you deal with the Great Resignation? Is it a concern?**

Koranteng: All employers are fighting three key battles when it comes to hiring right now: the battle to attract talent, the battle to retain talent and the battle to fairly and competitively pay talent.

Ultimately, there are a few key practices that will help us continue Indeed’s track record as a great place to work. We hire the best and the brightest, and we make it clear that we are committed to developing them and empowering them to be their best selves.

**Listening to employees:** Understanding the needs of your employees comes with frequent listening and willingness to answer tough questions. At Indeed, CEO Chris Hyams takes time to create various forums, like fireside chats, Q&As, etc. He even has a unique series he calls “here to help.”

It’s through these open communication forums that employees can help us understand the needs of their employees—like whether there needs to be stronger solutions for mental health, childcare, physical health support and foster a great experience.

**Empowering managers to manage:** In order to create the best environment for employees, everyday management and engagement is key to getting ahead of those regrettable losses. By the time someone tenders a resignation, it is frankly too late.

**Staying competitive:** I constantly review pay to ensure equitable practices. Pay equity reviews cannot happen once a year; it must be a constant, “always-on” practice. Beyond pay, it’s the total employment value proposition. I always seek to answer the questions: Why would employees stay with us, what makes us unique and what do we have to offer them?

**HRE: What is on your HR tech wishlist?**

Koranteng: The tech that helps me best understand and act on our KPIs is the tech I like most. Based on my experience and the shifting nature of organizational and people’s needs, I like to have a pulse on the macro and micro trends across our workforce. That means understanding our makeup overall, turnover, pace of hiring and cost per employee. It also means understanding how our workers are progressing and developing at Indeed, how many we are retaining, how diverse is our hiring, and how do our candidate and manager experiences compare?
When Holly May joined Walgreens Boots Alliance as global CHRO last fall, the nation was just glimpsing what life might be like post-COVID. She was taking a high-level seat at the intersection of HR and healthcare at a critical time for not only the business but also the nation. However, something else about WBA also intrigued May: the company’s revolutionary and inspiring disability hiring programs.

May, whose previous HR roles included stops at Voya Financial, Visa and Starbucks before she became CHRO at Abercrombie & Fitch in 2021, believes the Great Resignation and today’s hiring and retention challenges amid economic uncertainty provide an opportunity for leaders to reimagine their workforces and talent pools.

Long before COVID, neurodiversity had been integral to WBA’s hiring strategy and disability hiring is “a big part of that,” May says. It began in 2007 when former supply chain and logistics leader Randy Lewis, with support from the organization and the board, launched a disability hiring program at a distribution center in Anderson, S.C. Lewis later wrote a book called No Greatness Without Goodness about the efforts, which have only grown since.

May, who has a young son on the autism spectrum, recently sat down with HRE to discuss neurodiverse hiring, the changing role of the CHRO, compensation’s role in retention and more.

**HRE:** Tell me a little bit about the WBA emphasis on neurodiverse inclusion, your passion for that segment of the labor force and how it fits into the company’s strategy.

**May:** It’s one of the primary things that drew me to WBA. … Randy Lewis was a groundbreaker with that. It was at a time when no one else was really doing it. … Randy Lewis was a groundbreaker with that. It was at a time when no one else was really doing it. His son is autistic, and I don’t think you can get so much passion and drive behind an initiative as if you’re a parent, having those fears about your child and their future. And now 10% of our distribution workforce recognizes themselves as disabled.

I recently went to a new initiative that we put in place at the Turning Pointe Center for Autism here in Chicago, where we have built a fully operational Walgreens store within the center. It’s a program where participants can come in and train to work in a Walgreens store. Store managers come in to support it, and then those participants can go out in our stores and finish the training on-site and can become Walgreens’ team members. We’ve already put more than 50 people through the program who are networking in our stores.

So, it’s something that really, really drives me, I’m really passionate about and I’m committed to growing it. This isn’t just to do it for the sake of doing it. We’ve been doing this for quite a while and we’ve got the data that shows much longer retention and stronger performance. Our mantra about this is, “We’re offering opportunity.” When these employees get into the roles, they’re treated no differently. They’re held to the same standards, obviously with support, but the performance requirements are the same. This is just about offering that opportunity through an equitable program that gets them where they need to go. So, this makes business sense.

**HRE:** Can you discuss compensation as it relates to retention, which is such an important issue right now?

**May:** You spark a smile with me when you talk about this because my background is primarily as a total rewards person, by training. But what interests me the most is how everything fits together. Comp on its own is not powerful. It’s alignment with performance management: Are you incentivizing the right behaviors as well as results? It’s how you design it: Are you going to take more of the project-focused incentive arrangement, which you see a lot in tech companies right now? Are you going to take the more win-together, lose-together approach and look at just the financial metrics?

It’s a conversation we’re constantly having with our board. It’s one that they’ve been really interested in understanding and wanting to know the most innovative ways to do it. And we’ve been looking beyond our own industry to really think about what’s going to make the greatest impact. And I’m a firm believer, even as a comp person, that it doesn’t work on its own. It’s not a silver bullet. You have to have a strong culture around it. You need to be incentivizing the right things and the right behaviors.

**HRE:** Looking ahead, in terms of innovation and the changing role of the CHRO, what are you watching for?

**May:** I stay closely connected to my external network, and one of the positives coming out of the last two years is how closely bonded we became as an HR community across companies. We all had to just get in there and be talking to each other. I was on calls once or twice a week when [the pandemic] started, with everybody sharing because we were going to win together or lose together. And everybody was out for helping each other. Honestly, it was a horrible time, but that was one of the really lovely things that came out of it.

All you hear [ lately] is how the role of the CHRO is just night and day to what it was. It’s the labor market; it’s the demands; it’s the mental health crisis that this country is now facing as a result of the last two years. It’s all of these things that are really reinforcing what that role needs to be. And you’ve already seen changes: It’s [former CHRO] Leena Nair moving into the CEO role at Chanel and [former Chief People Officer] Natasha Adams [becoming CEO] at Tesco in Ireland. The CHROs are now moving into CEO spots.

What do I credit that to? I think culture rules. It’s an accelerator, it’s a creator of transformation and results. Leadership matters now. I think we’re seeing the results of that. I think, in the future, CHROs are going to be viewed as business leaders, that business acumen is going to be the No. 1 prerequisite because you’re not just looking at things through this pure HR lens, you’re looking at things [in terms of] real strategic decision-making for the business as a whole and bringing those people-related elements into those decisions. So, I just think the profile for the role has changed and will look different.

**HRE:** I noticed there was a single public announcement about you and the chief transformation and integration officer, which made me curious about the relationship and the timing of you and Anita Allemand coming in at the same time. Can you tell me about that and how you’re working together?

**May:** The organization is at a very interesting point on its journey. We’re transforming in pretty much every way you could possibly imagine. We’ve got a new focus on becoming a U.S. healthcare company. We’re undergoing a [recently concluded] strategic review of Boots, our international business, and we’ve made a couple of key acquisitions as we think about growing our Walgreens health segment within our business. Shields [Health Solutions, a health system-owned specialty pharmacy] is one of them.

I don’t think the announcement [about May and Allemand] was intentionally trying to build a bridge between the two worlds, but we do work very closely together. Anita also is a member of our executive team and she’s really looking at, as all of these things are happening around us as a business and as we’re changing completely, how do we take all of these seemingly disparate elements and find the synergies? So, the way that we’re working together is thinking about not only ways of working and ways of operating and governance, but also are these the right roles, like are we structuring this in the right way? In the midst of massive transformation and change, how do we connect the dots the right way? And for my part, how are we continuing to provide career growth and career trajectory to individuals as we’re reshaping the organization, both inside and out?
The workforce management process for hourly workers is transforming for a variety of reasons; it means HR and employers must adapt with an effective, tech-driven response to compete within that fiercely competitive talent pool.

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Workday. The finance, HR, and planning system for a changing world.
When it comes to forming an effective workforce management strategy, the seemingly mundane processes of timekeeping and scheduling were not often deemed by HR and employers to have as much impact as, say, managing employee benefits, learning or other HR-directed areas.

Yet, a report from Deloitte entitled “Bring your labor into sharper focus: A new lens on wiser workforce management” offers, among other workplace issues, an in-depth look at how timekeeping and scheduling have “emerged from the back-office world of purely transactional processes to become an invaluable source of financial and operation optimization.”

The report goes on to say that more diverse labor forces have become the norm, so there has been strong growth among part-time, contingent and freelance worker segments – many of them paid hourly.

“Hourly pay ranges are all over the place. Some workers may get benefits; others do not,” the report says. “Efforts to schedule the hours and activities of all these different kinds of workers—not to mention trying to monitor how efficiently and effectively they work—have no doubt risen to a virtually unmanageable level of complexity.”

Along those lines, Josh Bersin, analyst, author, educator and thought leader who focuses on the global talent market, posits the case that deskless employees, many of them paid hourly, easily are the most overlooked workforce segment, yet they make up 80% of the global workforce.

“In this competitive labor market, winning the war for talent depends on the employee experience you offer these workers,” Bersin says. “For example, scheduling tools that are designed for mobile devices give employees greater autonomy and flexibility over their work lives – a huge positive when it comes to hiring and retention.”

Mark Cohen, Director of Retail Studies, Columbia Business School in New York City, explains that within the retail sector, Covid threw millions of people out of work through furloughs or layoffs, and many people who were able to remain employed chose not to be, in some cases because they did not want to risk their health or shoulder responsibility to police health restrictions like masking.

“Many in the retail industry have chosen not to go back to their original jobs now and are seeking a better opportunity elsewhere,” he says. “Many retired during Covid or sought early retirement and have, at least currently, chosen not to go back to work.”

Also, he says, many who are going back to work are actively looking for a “better” alternative than what they originally had. Compensation and benefits costs along with higher than normal turnover all are fueling rampant post-Covid inflation.

Workday recently surveyed 504 senior executives across healthcare, hospitality, manufacturing, and retail with oversight and/or responsibility for decisions regarding their organization’s frontline/hourly workforce—meaning any employee who must be physically present to do their job.

It found Frontline turnover is high within the majority of organizations.

<table>
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<tr>
<th>Turnover today</th>
<th>Expect even greater turnover in the year ahead</th>
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<tr>
<td>Turnover is about the same as historical industry average</td>
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<tr>
<td>Turnover is dramatically or somewhat higher than historical industry average</td>
<td>56%</td>
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Fig. 1. Frontline turnover graph from: Longitude and Workday. “Empathy and Empowerment: the New Frontline Experience, July 2022.

Covid’s impact: Resisting a quick return

Mark Cohen
“Pre-Covid, employees had little choice. Post-Covid, at least right now, employees have enormous choices,” Cohen adds, noting that the pendulum will probably swing back at some point as the economy slows down and inflation remains a national concern.

According to Suzy McKee, product marketing director at Workday, one major roadblock is that many employers today remain mired in manual workforce management processes and disconnected data, and desperately need more agility and resilience in workforce operations.

At the same time, the U.S. workforce composition is changing fast. McKee cites a SHRM report that found a skills shortage, with 65% of HR leaders saying they can’t find the right talent and are turning to non-employees to fill skills gaps. Also, while currently 36% of employees are not regular employees, SHRM predicts that more than half of all workers won’t be regular employees in just five years.

“The war for talent has greatly intensified and there is extreme competition for workers, many of them hourly, because there are not enough people to fill roles,” she says, adding that the Bureau of Labor Statistics projects the workforce to decline over the next 10 years. When the supply of workers can’t meet the demand its puts employers at risk.

“Businesses are looking at talent management with a very different lens and considering alternative sources of labor and getting creative on how to deploy their workforce,” she says.

“HR is responsible for the holistic employee experience, yet often non-employees are treated completely separate. The employee value proposition often misses a huge segment of an organization’s workforce.”

Shedding the dehumanizing ‘just in time’ concept

Cohen says that when employees are merely simple data points on a hiring, scheduling and expense spreadsheet, analysis of the workforce is really just a set of financial tasks analogous to managing the component parts of a recipe for manufacturing or assembling something.

“The ultimate expression of this dehumanizing approach to manpower management was the scheme that consultants cooked up which enabled retail clients to optimize their labor costs by using just in time scheduling techniques,” he notes. “This ‘Just in Time’ practice, absent a worldwide Covid driven service and supply disruption, has worked well when you are talking about nuts, bolts, engine blocks, airplane seats etc. etc. Not well at all when it relates to humans.”

Cohen explains that today’s and future employment techniques and systems need to characterize people by virtue of preferences, skills, experience and lifestyle needs.

“Yesterday’s one dimensional time clock practice needs to be replaced by far more complex multi-variant techniques which treat employees far more carefully than they have been in the recent past,” he says.
Labor cost accuracy remains an issue

Workday’s McKee also notes that while labor costs continue to be the largest expense for most companies, many still do not have an accurate view into the true costs. For example, she says, employee data may be in the HCM, while contingent worker data is tucked into a separate vendor management system.

“HR tends to have its view of employee labor costs, and procurement has a different view into non-employee labor costs,” she says. “As the workforce composition continues to change—with 36% of the workforce being ‘alternative’ today, and that number expected to rise to 50% in just five years—it’s critical that HR, operations and finance leaders get a handle on that total cost of labor that represents the entire workforce.”

Today HR, operations and finance leaders can collaborate by working from one source of data and understanding the full costs of continuous churn, such as recruiting, hiring, onboarding and training. And they can take advantage of technology like machine learning (ML) and automation, to surface anomalies in time and pay, and reduce much of the manual work for managers.

ML can also be used to optimize labor, by automatically creating schedules that balance labor demand with worker preferences and availability. Workers are able to select their preferred hours and locations, sign up for extra shifts, and swap shifts with their co-workers, with the system assuring that compliance and business goals are met.

“And the business can have operational metrics like productivity, labor costs, and sales ratio—all in real time and aligned with the labor needs to support the business goals,” McKee says.

Stuck in outdated workforce management mode

McKee adds that the pandemic served as an unexpected wakeup call for organizations that were still struggling with paper-based approaches, manual processes, and managing their workforces from disconnected, siloed systems that offered little insight into worker skills.

“Organizations that already had a solid HR foundation were in a much better place,” she says. “They had already digitized their administrative processes and had a single source of truth for their HR data, and had connected data and processes for efficient workflows.

They also had transparency into costs and a clear understanding of critical workforce metrics, and they were already giving their workers a simple and inviting user experience for engaging with HR and common administrative tasks.

“Companies have always needed to pivot in response to changing business conditions, but the pandemic required them to quickly respond to radically different customer behaviors and worker needs,” she explains. “Many companies couldn’t keep pace with the need to launch new business models, redeploy workers to different roles and locations, support new worker expectations, and support remote work.”

McKee says workforce management technology has become an incredible enabler of agile operations. “It positions as no longer simply a system of record
and operation, but a system of differentiation and transformation,” she says. “There really is no reason today to have your workforce data spread out in different systems, or to be managing processes manually.”

“It positions as no longer simply a system of record and operation, but a system of differentiation and transformation,” she says. “There really is no reason today to have your workforce data spread out in different systems, or to be managing processes manually.”

Tight talent market means a return to the past

Cohen reflects that years ago workers could readily see retail employment as a potential career, as they were regularly afforded full-time work along with a host of benefits, which included pension and health plans and, in some cases, profit sharing. Over the past several decades, retail workers have increasingly been employed as part-time workers with little to look forward to other than rudimentary benefits—if any at all.

“Here we are in 2022 with the retail industry in a scramble to hold onto existing employees and onboard new ones with a panoply of expanded opportunities by way of more robust scheduling, additional compensation by way of hiring and performance bonuses and other expanded benefits, like first day medical coverage and tuition reimbursement,” he says. “An employee who was cherished and then taken for granted is now being treated as they once were – as important members of an enterprise’s team. Ergo, everything old is new again.”

Cohen adds that he is no fan of the strategy of taking a purely analytical approach to hiring in the retail space. At the same time, he says, all costs, including labor costs, must be carefully scrutinized and managed. But when the “bean counters” are entirely in charge, employee loyalty, retention and productivity often “goes to hell.”

Advice-wise, Cohen offers three key ways by which employers can succeed in this new, fierce hourly worker talent battleground:

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Workday recently surveyed 504 senior executives across healthcare, hospitality, manufacturing, and retail with oversight and/or responsibility for decisions regarding their organization’s frontline/hourly workforce—meaning any employee who must be physically present to do their job.

It also found organizations are struggling to deliver on frontline demands.

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<thead>
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<tr>
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<tr>
<td>Inability to quantify the value of an engaged frontline workforce</td>
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<tr>
<td>Inability to gather the right data to understand employee needs</td>
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<td>Higher priority placed on office-based worker experience</td>
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<td>Inflexible legacy technologies and tools</td>
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<td>Inability to connect data across business lines</td>
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<td>Inability to translate data and insights to outcomes</td>
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</tr>
<tr>
<td>Lack of budget/resources</td>
<td>23%</td>
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<td>Lack of technology empowering control/flexibility for workers</td>
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Fig. 2. Frontline demands graph from: Longitude and Workday. “Empathy and Empowerment: the New Frontline Experience, July 2022.”
• Screen potential employees by virtue of attitude, existing skill sets and personal needs.
• Train incoming employees carefully to enhance their sense of worth and embrace them as newly minted members of your team.
• Monitor, measure and reward them for performance.

No longer an expense, now a valuable asset
When it comes to hourly workers, Workday’s McKee agrees that clearly the times are changing.

“A shift in the fundamental nature of work and the acceleration of new technology continue to change how work gets done,” she says. “As a result, the shift has transformed the value of hourly workers in an organization.”

She adds that those workers are no longer viewed as an expense necessary to running the business. Instead, they are increasingly seen as an organization’s most valuable resource, a competitive advantage in how the work gets done.

“They are contributing their knowledge and skills. They are coming up with innovative ideas that impact the bottom line. And they are on the front lines providing positive customer experiences across industry sectors,” she says.

McKee adds that new worker expectations are evolving with new customer expectations.

“In the new world of work, flexibility is a must-have for all employees—and the top-down approach of employees having zero control over their working hours is becoming a relic,” she says.

In a recent survey commissioned by Workday, in fact, frontline leaders are providing workers with control and flexibility over their schedules and make it a high priority, second only to salary incentives as a workforce management strategy. Also, they are 10% more likely to have introduced greater scheduling control for the front line during the pandemic.

“Workforce management tools like time, absence, scheduling and pay were originally conceived mainly to help the business,” McKee says. “But today, they’re critical touchpoints between a worker and their employer, and processes like pay and scheduling directly impact their lives. Savvy employers are differentiating the employee experience by offering their workers an app where they can access and manage their work lives.”

For example, she explains, workers can use an app to designate when and where they’d like to work, and automated scheduling can schedule workers in the shifts that work best for them. Workers can also be given the flexibility to sign up for more shifts, or swap shifts with their co-workers. For a student taking classes, or a caregiver or parent, or people who work multiple jobs, that kind of control provides a very different employee experience.

“Like it or not, human beings when treated as such tend to be loyal and highly productive,” Cohen says. “Employees often rank comp and benefits as less important than being made to feel at home and a valuable part of an organization.”

“In the past, hourly retail employees were seen as just another set of cogs in the wheels of an enterprise’ activity,” he says, “Hire them as needed. Fire them as necessary. Just make sure the schedule of needs is properly attended to and minimized financially.

“Today, those employees are the backbone of a successful enterprise,” he concludes. “They are treated that way and value that treatment as a major feature of their employment.”
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DE&I Among the Foci at HR Tech

A mong the trends reshaping HR in recent years has been a massive shift in the focus on diversity, equity and inclusion. For instance, a 2021 study by Future Workplace found DE&I to be the second-highest item on HR professionals’ priority list, only following employee wellbeing. That was a stark contrast from just one year previously, when DE&I didn’t even make the top five on that list. And as technology continues to play a heightened role in the vision for an eventual post-pandemic workplace, the confluence of tech and DE&I is primed to be a major focus for many HR leaders. HR and tech professionals can explore the use of tech for DE&I at the HR Technology Conference & Exposition, Sept. 13-16 in Las Vegas, which will have a heightened emphasis on DE&I, with an entire track devoted to the topic. A number of sessions will also explore innovative approaches to deepening DE&I work as well as spotlight those leading the charge, such as opening keynote Cynthia Marshall, the first black female CEO in the NBA.

Like previous years, the conference starts off with the Women in HR Tech Summit, a series of sessions, panels and keynote addresses that will bust myths about gender diversity and inclusion while shining a light on technology-enabled inspirational Women to “Shaping the Future for the Next Generation of Women in Tech” and “Making Total Rewards Relevant for Women.”

“This year’s Women in HR Tech Summit promises to be the best yet,” says program chair Jeanne Achille. “We have an impressive roster of thought leaders who are passionate about how HR technology is helping develop women in leadership, resolve gender inequity and support the ever-changing nature of work. Our theme focuses on building cultures of trust, which is particularly relevant given the uncertainties that are now part of our daily work life.”

—Phil Albinus and Jen Colletta
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It’s been a banner year for HR solutions. Thanks to another full year of the triple threat of COVID-19, hybrid work models and the lingering Great Resignation, today’s HR technology providers are stepping up like never before. The innovation in the HR technology space was evident in the Top HR Products submissions this year. Not only did we receive a record number of submissions—nearly 150, with about 30 finalists who were invited to demo their software live over Zoom—but the quality of the solutions was impressive across the board.

The tools submitted are smart, powerful and easy to use, boosting the chances that they will help busy HR leaders and talent acquisition professionals address their pain points quickly and successfully. Among the themes this year, we noted the sheer number of solutions aimed at simplifying and strengthening today’s talent marketplace. Employee skills are the new coins of the realm, but TA and HR leaders have an uphill battle when it comes to understanding the skills needed for a new role and those that already exist in their current enterprise.

Employee experience was another focus of many submissions, with tools targeting EX across the HR function, including payroll, benefits learning and talent acquisition, says HR Technology Conference Chair Steve Boese, a judge of the competition.

Boese adds that, in addition to the overall uptick in the number of submissions, judges noted that more submissions than ever were worthy for the Top Product honor. In part, he says, that could be attributed to tech providers bouncing back from the challenges of 2020 and 2021, but it also reflects an overall shift in the provider community toward creating “truly impactful technology solutions designed to positively impact customer organizations as well as their employees.”

“Simply put,” he says, “providers are excelling in delivering products that are easy to adopt, fun to use and can add value to leaders, managers and employees.”

As always, we encourage readers to perform your own due diligence before making any investments.

Here are the 2022 Top HR Products of the Year:

**ARTIFICIAL INTELLIGENCE**

**Eightfold: Job Intelligence Engine**

**What it is:** The Eightfold Job Intelligence Engine provides an AI-powered foundation for role definitions that dynamically learns from internal and external talent insights. By replacing archaic and ineffective job descriptions with centrally defined roles, the tool combines AI, automation and human expertise for better decision-making. Its key benefits are: 1. Accelerated time to hire; Reduced time to write job descriptions, define role requirements and calibrate new requisitions; 2. Consistent talent standard: For hiring, internal mobility and talent development; 3. Succession planning: Based on role definition and skills insights; 4. Future-ready workforce: Align roles with the most in-demand skills for any role and industry.

**Why we like it:** Eightfold’s Job Intelligence Engine has one mission: to help organizations fill their open positions quickly and with internal talent. We like this tool’s robust library of roles and skills—millions, they claim—and that it looks beyond data found in siloes created by legacy systems. It relies on rich and complex technology, to be sure, but large organizations likely would be able to take advantage of its global data, dynamic view of all jobs on a single AI platform and relative ease of use to add skills and otherwise personalize insights.

**CORE HR**

**PTO Genius**

**What it is:** PTO Genius helps organizations transform the employee experience and boost profitability by unleashing the power of PTO. The AI-powered software helps optimize and automate time off to uncover hidden opportunities to decrease burnout, improve employee wellness and reduce churn. Using machine learning, the Genius platform detects burnout, proactively surfaces favorable times to take leave and makes it easy to convert extra PTO to fund vacations, pay down student loans, contribute to retirement and more. Robust reporting arms clients with powerful insights, analytics and actionable data to discover emerging trends and identify opportunities to further optimize time off.

**Why we like it:** This is a useful tool for encouraging employees to use their PTO and provides innovative ways to encourage that—from nudges to take a trip and putting some PTO hours to use to help pay for trips or reduce debt. But the
ADP: Intelligent Self-Service

**What it is:** ADP Intelligent Self-Service anticipates, solves and reduces employee issues before they become a problem. Combining artificial intelligence, deep HCM knowledge and intuitive experiences, ADP Intelligent Self-Service proactively nudges employees to resolve potential issues. A missed punch is a great example. Today, to correct a missed punch, employees and practitioners may follow 15-plus steps over two pay periods before issue resolution. With ADP Intelligent Self-Service, the employee is notified on their ADP Mobile App that a punch is missed and encouraged to resolve the issue within the same experience. ADP’s Intelligent Self-Service improves the workplace technology experience by proactively addressing issues before they happen.

**Why we like it:** This innovative solution, with its goal to “take the work out,” relies on ADP’s billions of data points from its clients to improve HR service delivery while freeing up HR professionals to spend more time on strategic work. We like the simple platform and, especially, the virtual assistant that surfaces potential problems for employees before a crisis, whether that’s a missed punch on a timescard or maternity leave information. Overall, its predictive and proactive nature make this a winner.

Joyous: Joyous V3

**What it is:** Joyous is an app that unlocks the expertise in large workforces to solve strategic challenges. It works in four steps: It breaks a big challenge down into small conversation starters. It reaches out to a cohort of the workforce who will have the knowledge needed. It routes their responses to subject matter experts and leaders who turn it into conversations, asking for clarification or offering support. AI then analyzes all those conversations to identify the actionable themes that will make the biggest impact.

**Why we like it:** With a name like “Joyous,” we wanted to like this solution, and we did. The ability to connect employee feedback to direct business outcomes and measures supporting real business objectives is unique in HR tech. We like the approach and innovation, as Joyous sits in the sometimes-challenging space between an HR tool and an operations tool and manages to create value for both.

Oracle: Oracle ME

**What it is:** Oracle ME is a complete employee experience platform, designed to elevate employees’ growth, connections and ability to thrive in the new ways of work and workplaces today. Part of Oracle Cloud HCM, Oracle ME enables organizations to deliver personalized experiences to every worker based on their unique characteristics and situations. Oracle ME enables HR and business leaders to deepen worker relationships by empowering managers to connect employee sentiment with action, enabling targeted communications, delivering contextual guidance and strengthening relationships. Oracle ME is a comprehensive experience platform that ignites workforce experiences and enables HR to deliver culture and empathy at scale.

**Why we like it:** With employee experience being top of mind for most HR leaders, seeing a comprehensive and thoughtful approach to a technology solution built for improving EX was particularly noteworthy. We liked the powerful capabilities, intelligent design and clear added value for employees, managers and the organization that Oracle ME can provide—all in a user-friendly package.

TALENT ACQUISITION

iCIMS: Marketing Automation

**What it is:** Amplify your sourcing and engagement efforts with sophisticated lead scoring and conditional, behavior-based campaign personalization to address your toughest talent and recruiting challenges. iCIMS Marketing Automation redefines recruitment marketing by helping recruiting teams adapt to the age of the candidate. By
serving up content at the right time in their job search, talent teams can tell which candidates are cold, warm and hire-ready based on real-time changes in candidates’ clicks, browser history, preferences and interest levels. Candidates receive unique, personalized experiences, easily connecting them to best-fit roles, and hiring teams get improved efficiency by reengaging existing databases, delivering more at scale.

**Why we like it:** We liked the advanced capability to track and score candidate interest in a company or a role. The workflow-builder capability was powerful as well. With engagement scoring that can assess candidates based on how and where they engaged with a company career site and content and then create scores so recruiters can add them to the right campaigns, we thought this was an innovative solution to help organizations with their hiring challenges.

**Paradox: Animated Personality Assessment**

**What it is:** Paradox has built the fastest, mobile-first assessment on the market, requiring just 90 seconds to complete and boasting a 95% completion rate. By using animated images rather than words, candidates provide accurate information in a fraction of the time, reducing candidate drop-off and increasing satisfaction. The animated character, Ash, is gender- and race-neutral, creating a more inclusive experience for candidates that drives more accurate results. Relying upon the widely respected Big Five model of personality, the Animated Assessment drives quality of hire for clients and greater satisfaction for candidates by fusing design with science to create magical outcomes.

**Why we like it:** Candidate and employee assessments don’t have to be a burden. Paradox has done the nearly impossible by creating an innovative assessment program that is more engaging, perceptive and frankly looks like a dating app. The software provides reports to both hiring managers and candidates based on research culled from more than 5,000 study participants, including a match score for each candidate using Paradox’s underlying Ideal Candidate Profile.

**Talview: Interviewer Insights**

**What it is:** Talview Interview Insights maximizes the effectiveness of the Interview. The AI-powered solution works by analyzing conversations and behaviors to assess the candidate and the interviewer, helping organizations continuously improve the quality of interviewing. It was engineered with three core functionalities: at-a-glance summary, search, key words and phrases; insights into candidate and interviewer performance; and interviewer coaching and feedback. By monitoring for biases in conversations, conformance to organizational policies (from regulatory compliance to DEI goals), talk ratios, gauging question relevance to the role and more, Interview Insights is a key addition to organizations serious about fair hiring practices and acquiring top talent.

**Why we like it:** This tool allows organizations to collect, share, search and make good use of candidate interviews. But it also provides something newer: insights into how well interviewers are doing plus suggestions, tools and resources to help them conduct stronger interviews—either right in the moment or afterward.

**TALENT MANAGEMENT**

**Plum: Plum Leadership Potential**

**What it is:** Plum Leadership Potential enables organizations to identify high-potential talent using proven science combined with scalable technology. By leveraging the results of Plum’s single assessment, organizations can instantly measure leadership potential in every employee, ensuring each member of the workforce is equitably considered for their aptitude. It also ensures companies are using objective criteria to strip away bias and build more diverse leadership pipelines. By objectively surfacing employees with leadership potential—regardless of race, gender and background—organizations can engage, develop and retain future leaders who will be critical to their organization’s future success.

**Why we like it:** Plum has created an impressive solution that could help an organization grow and develop its leaders internally. Powered by its custom-made predictive science, Plum Leadership Potential helps firms objectively identify employees with leadership potential earlier in their careers by assessing every employee across the workforce. Why? So, that no future leaders are overlooked. The solution looks at employees’ learning agility, presence, drive, empowerment, self-confidence and composure to determine their potential. We liked Plum’s self-evaluation tools so much that we wanted to take the test ourselves.

**Gloat: Workforce Intelligence**

**What it is:** For many organizations, workforce strategy is often encumbered by fragmented systems and manual processes that make it difficult to meet the demands of increasingly agile talent and business needs. With this in mind, Gloat built the Workforce Intelligence suite to solve the challenges of accessing scalable skills, jobs and talent insight, empowering organizations to understand and adapt to market needs. The Workforce Intelligence suite provides the actionable insights to design future-fit workforces and drive positive business outcomes—all powered by its proprietary dataset of network aggregate and external data, customer HR data and real-time continuous engagement.

**Why we like it:** Reviewing and choosing a candidate based on their experience is so pre-pandemic. Today’s HR and talent acquisition leaders have shifted to building skills-based organizations, and that’s where Gloat’s Workforce Intelligence shines. The solution analyzes data across multiple HR systems, the talent marketplace and external market data to gather and present that information in a single unified dataset. This helps business leaders understand rising and declining skills over time; skills clustering, categorization and adjacencies; skills demand, supply and gaps; and benchmarks within the market. Our judges were particularly impressed with the solution’s job architecture console and its ease of use. Now that’s a skill!
Talent Management

The Worker Shortage is Here to Stay, According to Cornerstone’s CEO

BY PHIL ALBINUS

I n less than a year as CEO of learning and development platform provider Cornerstone OnDemand, Himanshu Palsule already has overseen two strategic purchases of leading L&D systems: EdCast and SumTotal Systems. HRE spoke with the affable Palsule to hear his thoughts on the state of the employee training industry, why upskilling will survive a recession and how one client needed help with their hundreds—yes, hundreds—of talent management systems.

Here’s a lightly edited and condensed version of our conversation.

HRE: We’re seeing consolidation in the learning space, including Cornerstone’s two acquisitions this year. Can you give us the lay of the L&D land?

Palsule: This is something that we spend a lot of time analyzing, especially pattern recognition of where this whole thing is headed. I completed six months this summer and literally the first three or four months, I went out on a listening tour—six countries and about 75 customers—to really understand the nuances of learning management and upskilling.

I’ve been in the HCM space for over 25 years but when you speak with chief learning officers and someone who manages L&D today, it’s so stark, the impact of upskilling that they’re facing now. Even more so than three or five years ago.

HRE: How so?

Palsule: We’re at an inflection point of so many things that are happening: the extended supply chain challenges, the pandemic’s impact on remote access to information, the shortage of labor across everything and the halflife of skills.

Someone told me that every two-and-a-half years, they need to reskill people, which [used to happen] every seven to eight years. Also, they now have a multi-generational workforce of three or four generations doing the same work, and the way they learn differs.

HRE: Some economists predict that we’re heading toward a recession. If that’s true, will this change the balance of power in today’s employee-led environment?

Palsule: Let’s say we do get into a recessionary economy where there probably is a greater willingness for the workforce to come back to the workplace. At the same time, employers still will be facing the pinch of being able to recruit and retain talent at scale. Large customers like Amazon, Walmart and Unilever would still need to be hiring hundreds if not thousands in a short amount of time.

The need to upskill their existing talent will be paramount in an upmarket or in a downmarket for those companies that made that investment.

HRE: What skills are employees interested in? Is it hard skills like network and AI certification, or is it soft skills like leading with empathy?

Palsule: It’s both. I visited Edwards Life Sciences and they manufacture these heart valves, which obviously are critical devices that require 300 stitches. Most of the workforce that comes in is unskilled. I was there for the 2:30 shift when they have to take a learning management course on their screen first. That’s why I was there. Once you pass it, the system opens up and they have the ability to go in and work. If they fail, they have to go upstairs to the third floor and take a three-hour reorientation and come back to be able to start their shift.

Now this workforce leaves every day and they’re paid a significant amount of money per hour. But you have no idea which one of them is going to come back to work the next day and you have to start all over again.

The need for skills and training in places like that and the demand for just training them on the job at the right time is so critical that they’re gonna have to find a way to solve it in any economy.

HRE: As Cornerstone’s CEO, are you thinking of two to three acquisitions a year?

Palsule: I think I would like to get to a cadence of that nature. We obviously have to make sure we have the ability to scale. I think these two—EdCast and SumTotal Systems—will prove to us whether it’s going to be three or four a year or at a faster pace.

HRE: When you meet with a potential new client, who are you meeting with?

Palsule: It depends on the size of the company. If you go to an Amazon, Facebook or Unilever, the chief learning officer is primarily your contact. And they have been chartered by the CEO and the CHRO to upskill the entire organization. These are big positions in those companies that carry a lot of strategic gravitas.

When you move down into sort of the midmarket, it’s the CHRO with a VP of L&D or a head of development that you’re meeting with. And when you get into the SMB space, oftentimes I’m speaking with the CEO, who’s bringing in their HR person and saying, "I have 300 to 500 people and I can’t keep up with attrition." They have to upskill their labor force.

HRE: If I’m reporting to a CHRO, what am I looking for in a learning platform? Must I balance technology with the content?

Palsule: It’s a little bit of the wild west because it hasn’t been completely defined yet. Each CLO comes at it from a different angle, but the end goal is the same.

I’ll give you an example: The one issue could be that my recruiting and performance management aren’t tied together. I’m bringing all these people in and they’re leaving in one or two years because they don’t know where they stand in this organization. So, I want an integrated learning system that integrates with recruiting and performance. They look for that one-stop-shop where they say “just give me an end-to-end experience from the time someone comes in to when someone leaves.”

They have all these fine products that never really integrated, that really never worked. They ask us to solve this problem.

HRE: Can you give an example?

Palsule: I had one customer, a large retail grocery store in London, tell me they had 200 systems that touch on talent management. And it’s a holy mess for them. They had different chief information officers who brought in their own systems and none worked together. So, they turn to us as a partner to completely transform learning and start from scratch.

HRE: When will employees do all their training while wearing a VR headset?

Palsule: We have a partner and they sent me a headset at home to convince me that this is the future. The particular scenario was an armed robbery at a mobile phone store. I’ve never in virtual reality had two people point a gun at my head. And then you are being trained to answer questions, like, would you open the safe? Yes or no.

Walmart does a Black Friday simulation for a new employee. You put those on and the next thing I watched …

HRE: The walking dead coming in looking for TVs?

Palsule: [Laughs] People grabbing things out. My challenge for these people was the hardware. The hardware’s still expensive and the resolution isn’t great. You have to be sitting down, otherwise you’re gonna get dizzy. How do you use your hands?

We are making investments in [virtual reality], and it’s an area that’s emerging. Someone’s gonna break through the hardware, which usually happens when there is demand, right? I think we’re prepared for that.

I just don’t see the scale hitting quite yet.
For the last seven years, cloud-based HR and recruiting software company iCIMS has surveyed the job goals and passions of America’s graduating college seniors. The firm has tracked the mood of young grads during what has become an era of enormous ups and downs in the world of work: the heyday of open offices with foosball tables and exercise paths, through the abrupt lockdowns for COVID-19 and now the uncertain future of the workplace in the post-pandemic era.

The latest iCIMS survey—which it titled Class of COVID-19—points to some of the challenges for human resources leaders in keeping up with the needs of their 20-something recruits, which have been changing quickly in this time of great upheaval.

In many ways, 2022’s new grads may be the most challenging class ever for corporate recruiters—highly selective in a wide-open labor market, driven to find companies they believe are socially responsible and with an understandable need for human interaction that has HR scrambling to fit their needs into the bigger puzzle of post-pandemic work. That’s forced companies to innovate—to find ways to share their values and to integrate these young, new hires and their quickly changing preferences into their firm’s evolving culture.

A flexible framework

In the last two years, HR leaders everywhere have been challenged to keep up with changing expectations around remote work, including among different generations of workers. For instance, in 2021, after more than a year of shutdowns in offices and college campuses, a strong majority of graduating seniors had said they craved the experience of working in an office, to work face-to-face with new colleagues and future mentors.

But with 2022’s graduation season now in the rearview mirror on America’s campuses, things are already changing, and quickly. As the pandemic dragged into its second year, even Generation Z has grown accustomed to working from home much of the time. In this year’s iCIMS survey of grads, a whopping 70% now say they are looking for a job that accommodates remote work, even if nine out of 10 want to visit the office at least occasionally.

“I think there’s a little bit of a shift where folks are looking at, OK, what is this company doing to prioritize mental health? What are they doing to prioritize work/life balance? Am I going to be able to also pursue other personal passions?” says Christy Spilka, vice president and global head of talent acquisition for iCIMS.

While it may be true that 20-somethings are more interested in working part-time from home now than earlier in the pandemic, they also remain more interested in the office experience than their veteran colleagues, according to a survey of 2022 college grads by talent and staffing agency LaSalle Network also published its survey of 2022’s college graduates. Their survey found that the 89% of seniors who wanted to come in the office at least sometimes was double the rest of the workforce.

“The class of 2022 entered college thinking they were embarking on a highly social, collaborative educational experience, and what ended up happening is that they learned remotely and were silenced from classmates,” says Sirmara Campbell, the LaSalle Network’s chief human resource officer.

“Working in an office offers a social opportunity that these graduates likely missed out on while in school, from water-cooler chats to after-hours happy hours.”

For many incoming professionals, flexibility is at the heart of how and from where they want to work.

“While I am really hoping to work in an office, I want it to be a fun one, an office where they expect me to show up on time and get my work done but allow me the freedom to be creative in my work and work space,” Sidney Stull, a 21-year-old communications major at Boise State University told the New York Times, in its survey of graduating seniors. “I definitely want to work full-time. I love being almost too busy.”

The challenge for people managers...
as the class of ’22 enters the workforce is balancing the desires of some graduates like Stull with the growing number who say that the stress of the pandemic has changed their thinking about establishing the right work/life balance, which can mean more time working from home.

Just one year ago, HR leaders at Enterprise Holdings, the rental car giant based in St. Louis, had embraced the then-zeitgeist of promoting an in-person workplace for its post-college recruits. That approach was in line with 2021 surveys showing that nearly two-thirds of that year’s graduates were looking to work in the office all or most of the time.

The chief human resource officer at Enterprise, Marie Artim, at that time told the Society for Human Resource Management that her new hires were excited to begin in-person work and that “engagement with co-workers and managers is so important, and it’s difficult to do that well over Zoom.” In 2022, Artim and her fellow managers at the car rental firm have shifted gears to keep recruiting top young talent. “We understand flexibility is important, and while the vast majority of our workplace are employees working in field operations, we have found ways to offer flexibility for those employees, such as improving overall hours worked and scheduled certainty,” Artim explains. “For those employees in an administrative and support role, we have moved to more flexible arrangements, ranging from hybrid, remote and in-office—that’s the expectation moving forward.”

‘Work to live,’ not ‘live to work’

Those changing desires around flexibility are largely the result of a new emphasis on self-care that surely has been driven by the need to cope with the lingering stress from the pandemic. To iCIMS’ Spilka, among the most critical findings from the organization’s research were that roughly half of the class of ’22 (48%) feel strongly that a 9-to-5 work environment is no longer critical for a successful career. Roughly similar numbers said that a full-time job is just a job and not the sole focus of life. “They want to prioritize their personal passions,” she says.

Indeed, the most recent LinkedIn Workforce Confidence Survey found that Generation Z employees were much more likely than Baby Boomers in their office to say they’d accept a pay cut for a job they find more enjoyable (38%), or that offered a better work/life balance (36%) or a stronger chance to grow into their role with the company (40%).

For James Cooper-Jones, CEO of the firm Simply—which closely tracks the preferences of younger hires for the recruiting software that it develops—understanding these workplace expectations of Generation Z in a job market where applicants have gotten more choosy is critical to retaining and growing the best talent. “We believe that finding the right personality for the right role is the most critical thing,” Cooper-Jones says, noting that a task sometimes made harder by the remote interviews so prevalent during the pandemic.

One important way to build bonds between an employer and their new hires is awareness of a trend that was building in strength even before the arrival of the coronavirus in 2020: the strong desire among Generation Z to find employers whose work they view as socially relevant, especially in an era of fraught politics.

“We’ve found that having a process that focuses on values is a comfort to the candidate,” Cooper-Jones explains. “The candidate needs to feel there’s a values alignment, especially in a new environment where technology allows new hires to settle far from the headquarters, or even, he remarks, to work while traveling across the United States in a VW bus. ‘Pre-pandemic, it was more ‘live to work,’ but now it’s more ‘work to live.’ ”

The LaSalle Network’s Campbell agreed that “company culture” is one of the most important factors for jobseekers coming straight from college; other important areas of focus are benefits such as health coverage and an exciting location for the days when work is conducted in the office. Companies should showcase their culture on social media, host events—virtual and in-person—and produce relevant content, says Campbell. “Because of the social isolation this group experienced during the pandemic, they are seeking a workplace where they can make friends, laugh, feel like they belong and grow.”

Tech, teams and teaching

Knowing what the class of ’22 really wants doesn’t necessarily make life easier for HR managers, who are tasked with bringing these new hires on board and integrating them into the culture of their new employers, even on days when some are in the office and others are keeping up on Zoom. At iCIMS, the software company that is headquartered in the historic Bell Labs complex in Holmdel, N.J., but has roughly 1,400 employees in locations around the globe, Spilka and her team use the latest technology to try and connect recruits and new hires to the firm’s broader mission.

Among the tools iCIMS relies on is Video Studio, one of its own products, to share employee testimonials that Spilka says “will speak to what people are looking for in an employer.” The goal, the iCIMS talent chief explains, is to reassure its Generation Z hires that their new employer is flexible and has their back in dealing with situations like mental health.

“There the more you can open up and share with them about your company and be transparent, the better—and the more—candidates you’re going to be able to bring into the organization,” adds Spilka, noting that many of those they recruit in the current climate have extensively researched not just the firm but even the background of its executives.

But once the new hires are on board, the increasing prevalence of hybrid work environments has, for many firms, also meant a newfound focus on highly organized team-building events. At Spilka’s company, this has meant the launch of One iCIMS Wednesdays, where employees gather both in person and over their laptops for everything from yoga to praising their co-workers’ achievements to watching the company’s chief revenue officer get doused in green slime for their amusement.

Apart from still wanting to make those fun, social connections despite working remotely, the pandemic also didn’t diminish the desire of young people for some of the other innate advantages of office life, including the ability to make a positive impression on their new bosses and also gain valuable mentoring. HR managers like iCIMS’ Spilka and Enterprise’s Artim both say extra effort is needed to make sure new hires get on-one time, online or in person, with more experienced coaches. Artim says Enterprise has strived to keep its Formal Mentor Program going despite the challenges of the pandemic, to offer what she called “creative opportunities for employee connection.”

Those workers who spend time mentoring the class of ’22 will get to get to know some of its unique quirks, such as a pandemic-inspired aversion to dressing up for the workday—with some 37% in the iCIMS survey insisting that what they wear doesn’t matter, even if their managers largely disagree. There is the mixed bag of some 20-somethings’ love for cryptocurrency, with roughly one out of five expecting it as a compensation option.

In such a fast-changing world, the only thing that seems certain is that things will change again by next spring, when the class of ’23 graduates into the labor force.

“The future of the workforce has changed,” iCIMS researchers wrote in the Class of COVID-19 report. “Employers must be strategic in their talent acquisition initiatives to transform their workforce and drive business success.”

Send questions or comments about this story to krellettes@lsp.com.
Benefits

Affordability, Family Support Among the Top 2023 Benefits Trends

When it comes to their plans for health and benefits, employers are trying to balance concerns about retention and the economy.  

BY KATHRYN MAYER

A hot labor market that has seen scores of employees leave their jobs for new and better opportunities has HR and benefits leaders planning to up the ante when it comes to benefits that sway workers to stay. But at the same time, employers also are aware of soaring costs and inflation concerns and are looking to make sure any benefits investments are worthwhile.

“Employers are grappling with finding a delicate balance between what they need to do for talent attraction and retention in tight labor markets versus the challenges of the current economic environment,” says Tracy Watts, senior partner and national leader for U.S. health policy at Mercer, which this summer polled 708 employers seeking insights into their 2023 plans.

The HR consulting firm’s survey found that more than two-thirds of U.S. employers say they are looking to enhance their health and benefits offerings next year in order to attract and retain talent. Better healthcare access, more affordable medical care and increased family-friendly benefits are all on tap.

Employers are focused on improving healthcare affordability for employees, with 41% currently providing a medical plan option with a low deductible or even no deductible, and an additional 11% considering it for 2023, according to Mercer. In addition, 11% will offer free employee-only coverage—no paycheck deductions—in 2023 for at least one medical plan option, and another 11% are considering it. While free coverage historically has been relatively common among small employers (29% currently offer it), it is a newer strategy for large employers, Mercer reports.

That priority comes as healthcare costs rise as a result of inflation and other factors including deferred care, missed preventive care and late diagnoses because of the pandemic, to health system consolidation, COVID-19 infections and long-haul COVID. Virtual care is also now playing an increasingly central role in employers’ healthcare strategies, given its potential to replace some in-person care with lower-cost services. While traditional telemedicine services are offered more widely, the majority of survey respondents will offer virtual care solutions beyond telemedicine in 2023, with more than half of large employers (52%) offering virtual behavioral healthcare in 2023 and 46% offering a virtual primary care physician (PCP) network or service.

Family-friendly benefits

Employers also are increasingly looking to expand their family-friendly benefits in the coming months. The vast majority of surveyed employers (70%) are offering or planning to offer paid parental leave in 2023, and 53% are providing or planning to provide paid adoption leave. Meanwhile, nearly a third of large employers surveyed will offer access to fertility treatment coverage and adoption and surrogacy benefits by 2023, and almost another third are considering it.

In addition, nearly one in 10 large employers (those with 5,000+ employees) say they provide on-site childcare now or will by 2023, and 22% will provide access to backup childcare services. Employers also are beginning to focus on the special needs of women in regards to reproductive health, Mercer finds, from preconception family planning to support during menopause. Across U.S. employers of all sizes, 57% of survey respondents provide at least one specialized benefit or resource to support reproductive health, which could include benefits to support high-risk pregnancies, lactation, pre-conception family planning, pregnancy loss or menopause.

In order to make the best decisions regarding health and benefits offerings, employers are increasingly taking the pulse of their workers. The Mercer survey finds that 61% of employers are conducting surveys on employee benefit preferences. Informed, thoughtful and data-based strategies will help employers focus on what is right for their people, culture and business, Watts says.

“Employers need to be really thoughtful and specific about their benefits enhancements to ensure they will get a return on their investment,” she says. “This requires an understanding of the values and needs of their unique workforce.”

How HR Can Prepare for Legal Complications Post-Roe

In the wake of the Supreme Court overturning the 50-year-old ruling that guaranteed abortion rights, an HR expert shares insights on employer concerns.

A fter the Supreme Court this summer announced it was reversing Roe vs. Wade, the landmark 1973 case that ensured the rights of women to terminate a pregnancy, a host of questions and complexities immediately arose for employers. States are swiftly enacting their own laws about abortion rights, with several banning abortion in all circumstances, while President Biden signed an executive order intended to protect abortion and contraception access in the aftermath of the ruling.

While confusion related to the dismantling of the nearly 50-year-old ruling is widespread, there is one certainty: A host of legal obstacles will be coming for employers.

“This is very complex for employers,” says Lara Shortz, firm recruiting partner at Michelman & Robinson, LLP’s national law firm.

So, what legal issues are at play? And how can employers best prepare for them? For answers, HRE spoke to Shortz.

HRE: Walk me through the legal obstacles that exist for employers.

Shortz: It’s now a states’ right issue, so who’s going to be impacted is going to be heavily influenced by location. And also the type of healthcare plans that [an employer has] and if they have plans that cover employees in multiple states—some where the laws are different than in others—that can have an impact.

Some have provisions that not only make abortion criminal, but make assisting someone with getting an abortion illegal. Because these laws are going to be fairly new, we’re not going to understand the parameters until cases start being brought. From a company perspective, what you’re going to see is a pretty conservative approach; nobody wants to be the first to figure out if that law applies to them.

HRE: How will abortion travel benefits work from a compliance lens?

Shortz: Depending on what jurisdiction the company operates in, there are going to be certain benefit plans where you can do that. But there also are going to be a lot of situations where that’s going to be more tricky, so what you’re going to have is a reimbursement type of policy. For employees, that doesn’t impact the actual benefit plan because that starts to get into ERISA-type issues. I think what we’re seeing a lot of is companies saying, “Hey, we’re looking into our options, we’re going to figure out what is the best option for us.” I think, certainly, a reimbursement program is going to fly under the radar more than a full-on benefits plan.

HRE: What do you expect is going to shake out in the next couple of months? And how can employers best prepare for that?

Shortz: We are going to see more laws being passed [regarding abortion rights], and employers have to just be very mindful of what’s happening wherever they’re operating. You’re going to see some employers that are like, “I don’t want to touch this issue at all.” We’re also going to see many employers come out and say, “We want to support our workers, and if they need this kind of care, we want to support them. We’re going to provide travel and lodging expenses.”

But what does that mean? To provide those benefits? People are going to need to get sort of buttoned up on these things: Is that in the next available state? Is it in the closest area that provides the services? What kind of travel and lodging support will you provide? And whether [offerings] are for your employees themselves, or whether it’s for your employees and their family members. Plus, who constitutes a family member also varies from state to state. It’s great to come out and say [you’re going to offer new benefits to help] but there has to be a lot of thought put into the rolling out of any policy and how you’re going to handle that evenly across the board.

There are a lot of issues that come up with this. But HR is going to be the one that has to really sit down and budget it out and figure out what’s feasible or not.
Going ALL IN: Breaking Down Barriers to Transform Culture

Joining powerhouses like Vice President Kamala Harris, Mel Robbins and Bethenny Frankel — Cynt Marshall was named by Forbes last year as one of 15 of the world’s most inspiring female leaders. A widely recognized visionary HR leader with the ability to get things done, Cynt will bring to HR Tech her vision that has become the gold standard for diversity and inclusion and share her incredible story of how she transformed a toxic, misogynistic culture in her first 100 days as CEO to create the right climate for employees and to make sure every voice matters.
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The Disruption Never Stops: What’s New and What’s Ahead in the HR Tech Market

Josh Bersin
Global Industry Analyst and CEO of the Josh Bersin Company

Lately we’ve seen some surprising and not-so-surprising acquisitions, new product offerings, and market disruptors. Find out how to apply the emerging trends and innovations to your HR tech road map as Josh Bersin debuts initial findings from his extensive annual report on the HR technology market — the most authoritative industry analysis available!

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Agenda At-a-Glance

Tuesday | September 13

- Women in HR Technology Summit 8 a.m. - 12 p.m.
- Concurrent Sessions 1:15 - 3:30 p.m.
- Opening Keynote 3:45 - 4:45 p.m.
- Pub Crawl in Expo 5 - 7 p.m.

Wednesday | September 14

- Keynote 8:30 - 9:45 a.m.
- Refreshments & Activities in Expo 9:45 - 11 a.m.
- Concurrent Sessions 11 a.m. - 12 p.m.
- Lunch & Activities in Expo 12 - 1:30 p.m.
- Concurrent Sessions 1:30 - 4:15 p.m.
- HR Happy Hour in Expo 4:30 - 5:30 p.m.

Thursday | September 15

- Keynote 8:30 - 9:30 a.m.
- Refreshments & Activities in Expo 9:45 - 11 a.m.
- Concurrent Sessions 11 a.m. - 12 p.m.
- Lunch & Activities in Expo 12 - 1:30 p.m.
- Concurrent Sessions 1:30 - 2:30 p.m.
- Sweet Treats & Activities in Expo 2:30 - 4 p.m.
- Concurrent Sessions 4 - 5 p.m.

Friday | September 16

- Keynote 8:15 - 9:15 a.m.
- Concurrent Sessions 9:30 - 10:30 a.m.
- Closing Session 10:45 - 11:45 a.m.

Women in HR Technology

Included in Your Premium Pass
This popular half-day summit debunks myths about gender diversity and inclusion and shines a light on technology-enabled pathways to foster belonging in organizations. This year we’ll salute the women who — despite the challenges presented by the pandemic — have challenged the status quo, confronted inequities, and developed technology solutions to power returnship, recruitment, retention and more.

The Public Debut of the 25th Annual Sapient Insights HR Systems Survey Key Findings

Stacey Harris
Chief Research Officer & Managing Partner, Sapient Insights Group

Develop your organization’s future-ready HR tech strategy with key insights gleaned from data gathered from the longest-running and most widely participative HR systems survey in the world. Stacey Harris will expose what your peers are saying about their HR technology environments, including vendor satisfaction and user experience ratings, adoption strategies, top challenges, and more to help you make better informed decisions.

See more ...
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Here are just some of the products and services you’ll find at the HR Tech 2022 Expo:

- Assessment
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- Employee Communications
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- Outsourcing
- Performance Management
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- Recruitment
- Relocation
- Screening
- Talent Management
- Testing & Surveys
- Time & Attendance
- Training & Development
- Workforce Analytics
- Workforce Management
- Workforce Planning

Expo Hours

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Expo Activities & Attractions

HR Tech Talks
Hear high-energy, engaging and fast-moving presentations on cutting-edge industry ideas.

Demo Theaters
Gain an in-depth understanding of product offerings in quiet, hour-long demos from top HR tech software providers.

Opening Night Pub Crawl
Visit sponsoring companies and learn about their latest products and services while grabbing a complimentary craft beer, wine or cocktail.

HR Happy Hour
Enjoy complimentary beer, wine and snacks while you network or browse the Expo Hall after a full day of sessions.

HR’s Top Downloaded Podcast LIVE
Be in the live audience of the longest running HR podcast focusing on HR, management, leadership and workforce technology. Hosted by Conference Chair Steve Boese and Trish McFarlane.

Case Studies
Hear the results, pitfalls, successes and lessons learned from how a solution was designed and implemented in response to a particular challenge.

Startup Pavilion
Discover emerging companies, demo original products and meet the entrepreneurs who are revolutionizing the market — more startups are featured here than at any other event!

Pitchfest
Take a front row seat to see 30 of the most buzzworthy startups compete for bragging rights and up to $30,000 in prizes donated by the Randstad Innovation Fund.

Top HR Products of the Year
Find out which solutions developed within the past year have been deemed the “best of the best” by an esteemed panel of industry experts and even meet some of the minds behind their development!

And more!

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Q: What are the biggest challenges facing HR leaders today as far as HR technology is concerned?
A: For many HR leaders in hospitality, restaurants and healthcare, the labor market challenges continue. For job seekers, there are still about two available jobs for each person looking for employment. Simply offering a higher wage has been proven to not be a magic solution to winning the talent war. To gain a competitive edge, smart businesses are leveraging data, analytics and creative benefits to help recruit and retain employees effectively. DailyPay, for example, developed a technology that brings groundbreaking innovation to the way money moves. With a mission to create a new financial system that works for everyone, DailyPay removes restrictions on how people can access and spend their money, while providing full awareness of and control over their earnings at any time in any place. A 2021 report from the Mercator Advisory Group found that 74% of DailyPay users say having access to their earned income has helped reduce their financial stress, making them more productive at work. Employers undoubtedly benefit from this and also see hiring and retention perks. Studies show that companies offering DailyPay fill open roles 53% faster and retain employees 72% longer in some industries when offering DailyPay. In fact, seven out of 10 hourly workers said they would not have left their most recent job if it offered DailyPay.

Q: Where do you expect to see HR leaders focusing their attention in the coming months as they attempt to address those challenges?
A: While HR leaders have been investing in consumer-facing technology to stay relevant and create a seamless experience for their users, many have neglected their own employees. With the Great Resignation still prevalent, many workers are now leaving for new opportunities and joining companies that invest in their people. As a result, many HR professionals are seeking new benefits for their employees. With finances being a top priority for many individuals, companies are searching and implementing the best financial technologies and benefits, such as on-demand pay, into the benefits package. As a result, many HR professionals are seeking new benefits for their employees. With finances being a top priority for many individuals, companies are searching and implementing the best financial technologies and benefits, such as on-demand pay, into the benefits package.

Q: What areas of employee HR technology are especially ripe for innovation?
A: Aside from direct deposit, there has been little innovation in payroll over the last few decades. We are living in a digital, contactless world where you can access almost anything you want at the touch of a button, yet payroll processes and systems remain extremely outdated. When you think about it, COVID accelerated the rise of an “on-demand” world. Today we can access everything in real time and just one touch away. Food, rides, housing and even car buying and selling have become on-demand. So, why not pay? After all, if you can send money to a friend instantly on CashApp, why can’t your employer pay you in real time after each shift? DailyPay makes this a reality by offering a solution for employers that revolutionizes the experience of pay by enabling employees to access their money as they earn it. Employees no longer have to wait for pay day, meaning that they can align their pay with their bill schedule, reducing their financial stress and boosting their productivity at work.
Q: What are the biggest challenges facing HR leaders today as far as benefits are concerned?

A: I believe part of the issue is hidden in your question with the all-encompassing term “benefits.” There is a huge expanse of continuously growing offerings, from both a statutory and optional perspective, for employers to determine what to offer and for employees to attempt to best select. In today’s world where individuals can customize or personalize everything to their specific needs, the job of offering tailored total reward packages to maximize value for the employee and minimize expense for the company is going to become an expectation, one which will only continue to get exponentially more difficult. The result is the tough task of creating an offering that can flex to each employee’s preferences, life stage, interests, etc. The foreseeable challenge soon thereafter becomes how to efficiently deliver that offering of compensation and benefits to the right employees, at the right time, in the right place, all while being able to properly report and model for today and the future. And let’s not forget about the then-added complexities to benchmark, as well as be prepared to tackle items emerging items of importance such as pay equity.

Q: 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: If the end game is to deliver highly personalized rewards across an employee’s complete total reward package and to be able to report on those rewards across the complete spectrum from the overall global organization to each individual participant, the data as well as policies need to be digitized into a central platform. A tremendous amount of time, money and effort have and will continue to go into selecting the current and future point solutions that will best solve each organization’s unique problems. Companies will begin to build a tiered infrastructure that will leverage all the best-in-class solutions while being able to efficiently concatenate all that data and the underlying policies from the myriad of systems that lay across a complex set of divisions and geographies.

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

A: There is a unique opportunity for companies to lead the market by offering best-in-class point solutions and communicating the complete value of each personalized rewards package. On top of these items, organizations can be the first to truly offer a platform to accurately report on all aspects of total rewards globally and model the impact of reward changes from the individual across the spectrum to complete organizational changes. In essence, organizations will have the ability to offer employees personalized choices as they have in all their other aspects of life while gaining insights into their current and potential reward offerings. Previously, employees could only make selections in each of the compensation or benefits “silos,” but with an overarching digitized platform in place making choices between all elements to maximize value now is technically possible. The limiting factor is no longer the technology stack but has migrated to one of where an organization wants to take its policy and cultural fit into account. With the proper platform and a team’s experience and creativity, we definitely see the next couple of years around personalized rewards as an exciting place to be!

Sean Luitjens
Chief Product & Marketing Officer
uFlexReward
“By making rewards supportive of and responsive to employee needs and preferences, organizations can engage talent and drive performance in an uncertain and rapidly evolving business environment.”

“As we progress through life, what is important changes according to our lifestyle, needs and expectations. This is also true for employees in the workplace — what they need and want from their employer across their life and career stages, how and where they want to work, and the physical, emotional and financial wellbeing support they seek.”

“The changing expectations of a multigenerational workforce that values transparency and a personalized, consumer-centric talent experience.”

“Above all, the total rewards package will need to be bespoke. In this respect, HR will take a leaf out of marketing’s book. HR can create unique segments — or personas — by clustering attributes like age, income, life stage, family status, career level and certain preferences, and tailor reward experiences and content accordingly. Technology (from employee portals to digital career-pathing software) will enable individualized choice based on the needs each individual values, without adding undue administrative burden.”

“For the last fifteen years, organizations have been working towards a deeper understanding of the preference profiles of employee groups. The aim? To deliver needs-based benefits and non-financial rewards while optimizing program costs that reflect culture. Amid current cost constraints, we see this trend rapidly accelerating. By identifying the rewards that employees value most, forward-thinking organizations will be able to sustain levels of engagement while limiting if not reducing overall labor costs.”

“All Data. All Employees. All Rewards. All Countries. One Place.

uFlexReward is the only system that will facilitate and manage your total reward personalization.

Personalized Total Rewards is required to ensure you attract, retain & motivate your talent.
Industry issues and trends
Inclusion, diversity and equity are top of mind, with a reported 65% of organizations hiring ID&E officers, up from just 12% a decade ago. However, simply putting programs in place does not guarantee an inclusive environment. A 2020 McKinsey study found that 52% felt positive about diversity overall in their org, but only 29% felt positive about inclusion. The workplace experience shapes whether people remain and thrive. Organizations need to take a fresh look at whom they hire and how they operate to avoid inadvertently continuing business as usual.

In today’s world, data’s power of influence over strategy is more essential than ever. Equity, in particular, is a critical area of focus, and TIAA chose to raise the bar of our Be the Change program—launched in 2020 to uplift TIAA’s global workforce and communities through dialogue, education and engagement—by looking to our data. Rigorous equity analytics—focused on areas such as pay, mobility, engagement and performance equity—have enabled TIAA to better understand areas of opportunity and focus resources accordingly. These efforts propelled the company’s brand and ID&E impact, as demonstrated by its progression from No. 41 on DiversityInc’s Top 50 Employers for Diversity in 2013 to No. 9 in 2020 and 2021, and its pledge to continually reset the bar.

Focused on advancing both ID&E awareness and accountability for its leaders, TIAA undertook an in-depth review of its “equity” dimension to try to answer two core questions: What constitutes people equity? Moreover, how do we measure it?

Solution
The effort to answer these two questions in 2021 led to the development of the TIAA People Equity Index (TPEX). The TPEX tool is designed to support TIAA’s people strategy by strengthening insights into the equity of associate experiences across the company. TPEX builds on available data collected over time, like annual engagement survey data and annual promotion rates, to provide leaders with objective and focused insights into their decisions and coaching on how to build a more inclusive environment for all.

The ultimate goal of the TPEX is to compare the similarity of experience between associates in less-represented communities and associates in more-represented communities (e.g., female associate experience compared to male) and prompt leaders to take action to ensure equity across their organizations. Notably, this new tool had to be easy to understand, completely objective and focused on insights that could result in real action.

To develop its approach, TIAA engaged a third-party consulting firm and considered more than 20 indicators of equity across the employment experience at TIAA, based on data from a sample group of leaders. From this group, TIAA narrowed down to six key indicators deemed meaningful, reliable, differentiated and actionable.

Ultimately, 86 people leaders received a one-page TPEX report providing insights into equity across associate engagement, hiring, performance rating, promotion and leadership representation. In addition to their report, leaders also received the Equity Expert Package, which provides tips for interpreting the report and, importantly, steps designed to foster a more inclusive environment for all associates. In addition to these resources, leaders also attend one-on-one and group review sessions focused on driving from insights and reflection to planning for action.

Value
With 100% of TPEX leaders participating in a review session, the comprehensive insights the TPEX provides have already provoked new awareness among leaders and enabled them to target their inclusion, diversity & equity efforts to the areas of most need. It has also allowed the company to identify leaders who are making strong progress and learn from their best practices. Importantly, entering into the second year with the TPEX, the strength of its insights will only continue to grow with year-over-year trending. The company’s overall average TPEX indicator for 2021 was 84.5%. The aggregate results also helped reinforce mobility and development as areas of focus for our ID&E strategy.

Key Takeaways
The first year of the TPEX resulted in a few key learnings, including:

1. Leaders want and are ready for tangible insights into equity. Identifying ways to measure and demonstrate the impact of ID&E to leaders makes it tangible and more objective. Prior to rolling out the TPEX, TIAA had concerns about how leaders would respond to data that inform their ID&E outcomes. Instead, TIAA found that these data points excited many leaders, so that they could direct their efforts to be more inclusive leaders.

2. To achieve your best results as a company, meet your leaders where they are. TIAA held off on launching an index like the TPEX until leaders were ready and prepared to digest the TPEX insights in a productive way. This approach required dedicating time to driving tough conversations and continually building accountability and expectations.

3. Always drive from reflection to action. Each decision point in developing the TPEX was based on whether it enabled real action from TIAA leaders. Providing leaders with insights into issues that felt out of their control could create potential frustration and disengagement. TIAA targeted processes that were within the reasonable scope of a leader’s responsibility and engaged HR process owners to ensure expert guidance for actions that were within their reach.
TALENT MANAGEMENT

The Value of Remote Work for Employers

Peter Cappelli/Columnist

For columnists, remote work is the gift that keeps on giving—first, because we don’t really know what is going on, which creates endless opportunities for speculation. And second, to the extent that we do know, individual employers don’t seem to have settled on their approach long-term. Current practices diverge wildly across employers.

The underlying conflict that drives our continued interest in it—even if it does not affect us directly—is the apparent titanic dispute between employees, who would like to work from home, and employers that don’t want them to. It is typically presented either as inevitable—employees want it, so it will happen—or a tragedy; Remote work is better but employers just won’t allow it. When we lift that rock up, though, we see a much messier story: Employees don’t get something simply because they want it; they don’t all want the same thing and, whether remote work is better or worse for the employer is simply not clear. Results showing good job performance are limited to individual contributor roles and often to “permanent remote” where offices are taken away.

Even then, it is one thing to say that, if the practice continues, new hires who never had remote experience could be just as successful doing so as experienced workers who know their jobs could work remotely. Hybrid models are where the big interest is and also where the biggest questions are for the employers, as it is just not clear how it helps them. “Hoteling” to cut real estate didn’t work when it was tried 20 years ago. Because we don’t have any good measures of job performance for most white-collar jobs, trying to see whether remote work is more productive—when the tasks differ, when the people doing them differ and where our measures are poor—is just not possible to do well now.

One way it could help is with hiring, retention and wages. Another way to put that is, in an open labor market, is remote work something that employees prefer enough to shape which jobs they take? Could you hire better people at the same wage or the same people at a lower wage by offering it? The evidence that this might be an advantage has been around for some time, even before the pandemic. PwC, for instance, did a survey at the beginning of the pandemic showing that employees might take lower pay to be able to work from home even in a hybrid schedule.

What we would like to see, of course, is not what people say they would do but what they actually do—because doing these things is often hard. For example, the plethora of surveys reporting that employees will quit if they do not get to work remotely is highly unreliable. We know from prior surveys like these that people don’t quit unless they have another job to go to, and it has to be at least as good as the one they are leaving. Even then, moving is unlikely because of all the other disruptions and costs.

What would be strong evidence is if people chose jobs with remote options when they could have had a job that was at least as good but with no remote opportunity. Or if they stayed where they had remote work rather than take a job elsewhere that was better on other dimensions but did not offer remote options.

We haven’t seen that yet, but we have seen something that is promising. In a study published in the National Bureau of Economic Research this summer, researchers explored results from a survey of employers explaining what they did this past year and what their intentions are going forward in terms of where their employees work. Self-reported explanations are not the best evidence of anything because of all kinds of response bias (we report what we think is the socially desirable response, e.g.). But to the extent that it represents something about what employers believe, it is really important, as their beliefs are the most significant factor, in my view, in explaining what they will actually do.

These data show that 40% of a representative group of employers said that last year they allowed more work from home to keep employees happy and to moderate wage growth. That’s not the clearest evidence because we don’t know to what extent keeping employees happy had material benefits for them. They guessed that it saved them 1% of the wage bill compared to what they would have had to pay without work-from-home options. In other words, they think it works for them as a cost savings.

The more interesting result is that 38% said they will use work from home this coming year to reduce wage pressure. Most of what businesses do happens because of what they believe rather than what they have tested and confirmed, and so this is promising for those who would like to see work from home expand.

Of course, the more employers who follow this approach, the less useful it becomes as it would no longer be an important feature that differentiates them from competitors. Another possible development is the sorting out we are likely to see across individuals and jobs. Not all industries can use work from home (e.g., healthcare and hospitality) and not all jobs within those industries lend themselves to it. Either. People who really value work from home are likely to make different career choices to get it.

But this is the way market works, and it will be inevitable when it starts to happen.

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@hrp.com.
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