

OCTOBER 2022 • \$8.95

# Human Resource Executive®

## ‘The Magic of J&J’

PETER FASOLO, CHIEF HR  
OFFICER OF JOHNSON &  
JOHNSON, IS *HRE*'s 2022  
HR EXECUTIVE OF THE YEAR.

PAGE 6

HR's New  
Challenge:  
Quiet Quitting

Page 9

Recapping  
the HR Tech  
Conference

Pages 11

The Rise of  
Employee  
Experience

Page 15



# IT'S TIME TO #RETIRE INEQUALITY FOR GOOD.

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.

TIAA is a mission-based company that believes in the fundamental right of every person to retire with dignity and security.

**Scan the QR code to learn more about how TIAA is helping to retire inequality for good.**



SCAN FOR MORE

## COVER STORIES

## 'The Magic of J&amp;J'

BY JEN COLLETTA

HR Executive of the Year Peter Fasolo, CHRO of global pharmaceutical giant Johnson & Johnson, has led the organization through not just the obstacles presented by COVID-19 but also a number of internal transformations, while keeping the company values at the heart of his work. Page 6

## HR Honor Roll

BY KATHRYN MAYER, WILL BUNCH

This year's HR Honor Roll inductees are Providence Chief People Officer Greg Till and Acacia Network Senior Vice President for Human Resources and Talent Management Katrina M. Jones, who are facing unique HR challenges in their respective industries. Pages 8, 10

## Talent Management

## What Can HR Do About Quiet Quitting? 9

## HR Technology

## Recaps from the HR Tech Conference 11

## Benefits

## Salary Increases on the Horizon for 2023 14

Announcing the Speaker Lineup  
at the Health & Benefits Leadership Conference 14

## Leadership

## EX is Becoming Central to the CHRO Role 15

## Columns

## Inside HR Tech

Lessons from HR Tech 3

## HR in the Flow of Work

The Next-Gen HCM Solutions on the Horizon 4

## READ MORE AT HREXECUTIVE.COM

Full HR Tech Conference coverage, including:

- 10 skills for HR leaders to transform in 2023 and beyond
- Employee experience start-up takes Pitchfest win
- Why today's HR leaders must align with IT
- How McDonald's reduced time-to-hire by 60%
- Why the L&D market is facing growing pains

Cover photo by Jim Bosch

HUMAN RESOURCE EXECUTIVE<sup>®</sup> Magazine (ISSN 1040-0443 USPS 002-565) is published monthly in January/February, March/April, May, June, September, October and November by LRP Magazine Group, an LRP Media Group Company, Suite 500, 747 Dresher Rd., Horsham, PA 19044, (215) 784-0910. Periodicals postage paid at Horsham, PA and additional mailing office. Single copy price: \$8.95. Subscription rates: In U.S., \$94.95 for one year; \$138.95 for two years; \$180.95 for three years. In Canada and Mexico, \$106.95 for one year; \$169.95 for two years; \$222.95 for three years (U.S. currency). In all other foreign countries, \$138.95 for one year; \$222.95 for two years; \$307.95 for three years (U.S. currency; prices include air mail delivery). For subscription information, call 1-800-386-4176 or FAX to (215) 784-0317. POSTMASTER: Send address changes to: HUMAN RESOURCE EXECUTIVE, PO Box 2132, Skokie, IL 60076.

## INSIDE HR TECH

By Steve Boese/Columnist



## Lessons from HR Tech

With the 2022 HR Technology Conference now in the rearview mirror, I wanted to reflect about what a busy year of planning for the event, and an even busier week of executing the event, can teach us about the state of the

HR technology market.

While the size and scope of the market continue to expand—even perhaps surprisingly through the pandemic years—I think it is still possible to make some sense of it. More importantly, we should seek to understand how to assess the market to make the best technology investments for our organizations. Here are a few of my biggest takeaways:

**The HR technology market continues to grow—and get more complex.**

Throughout the conference, as attendees took in what was the largest expo hall we've ever had, it was clear that the HR technology market has grown substantially and now even encompasses several non-traditional HR companies like Microsoft and ServiceNow, both of which have made significant investments in HR solutions. With the HR technology landscape becoming more diverse, the challenge for HR leaders is to stay informed of current developments as well as understand the advances and opportunities from experienced solution providers.

Adding to the complexity are new terms and new types of solutions like talent intelligence platforms and AI-based skills ontologies, which both are shaking up the status quo, driving the development of new

solutions and altering the approach from several existing providers. These new developments require all HR leaders and their teams to constantly seek out reputable and comprehensive sources of insight. Of course, HR Tech does remain the single best event that brings this diversity of solutions together and creates an environment where HR leaders can compare the full breadth of solutions in one place.

**Organizations can find value throughout the HR technology landscape.**

Consistently throughout the conference, there were numerous examples of how solutions across the broad landscape of HR technology are benefiting organizations, HR leaders and employees. New solutions encompassing the complete candidate/employee/ex-employee lifecycle have emerged and create a wide range of opportunities for organizations to make strategic investments to support very specific process areas of human capital management. From advances in sourcing technology to help organizations develop more diverse talent pipelines, to all the traditional HR solutions informing the employee journey along their career trajectories and even to solutions that help organizations use new tech for intelligent and thoughtful management of employee separations—there is an HR technology for every step of the employee journey.

But the ability to implement a specific use case in HR technology also presents a challenge for HR and IT leaders in that often these point solutions need to be integrated with other HR technologies for core HR (the so-called “system of record”), payroll and benefits administration. These kinds of integrations are somewhat

of a “dirty little secret” in HR technology; they are not spoken about enough in the sales process, their complexity and costs are frequently underestimated and, once developed, they will need to be monitored and maintained for the life of the implementation. One bit of self-review here: I think we could and should spend more time at HR Tech on these kinds of true “technical” concerns and considerations at the conference, and I have that in my notes for next time.

**The CHRO of today must be tech-savvy.**

I was fortunate to introduce and attend two wonderful panel sessions at HR Tech featuring CHROs and chief people officers from some of the largest and most successful organizations in the U.S. While these discussions each had their own distinctive topics, it would be fair to distill one of their key findings to be that the CHRO, the most senior people executive in the organization, needs to have a technical acumen far greater than in the past. That may be apparent to those of us who are entrenched in the HR technology space, but I can recall similar sessions with HR leaders in the fairly recent past where it was not at all clear that the CHRO was involved in the important selection process and implementation of HR technologies in their organizations.

While the CHRO has so much on their plate to be involved in many of the small details of HR technology, it is clear from the CHROs whom we heard from at the conference that driving the organization's HR tech strategy is a crucial element of the job description of the modern CHRO. In fact,

**Continued on page 13**



# The Next-Gen HCM Solutions on the Horizon

One of the topics covered in my recent HR Tech keynote (see page 12 for more) is the ongoing evolution of HCM solutions. Today, there are more than 50 vendors in this space, and the market continues to grow like crazy. Workday is now nearly a \$6 billion company; its second-quarter revenues rose 22%. ADP's stock has seen record highs over the past month or so, and

vendors like Paychex and Paycom are fast-growing, multi-billion-dollar cap stocks.

In the last 10 years, HCM systems have exploded in depth and scope. What used to be "back-office" systems for HR managers are now employee-facing systems used for recruiting, onboarding, training and all aspects of employee experience.

Replacing an HCM system is a big deal, but every decade or so the trade-off between implantation pain and new functionality becomes worth it. Here is what to consider:

## Organizational agility and team features

Companies today are constantly reorganizing, acquiring, restructuring and redesigning jobs. HCM systems need to be designed so that such changes can be easily and quickly reflected without weeks of IT work.

Employees commonly work on multiple teams at the same time, and often report to more than one person. Most HCM systems were never designed to allow for managing goals and performance, quotas and bonuses by teams. And, what if you want a different performance process for different teams? What if pay frequencies are different? Will your system efficiently manage a workforce comprised of remote, in-office, hybrid, part-time, contracted and full-time employees—potentially all with different needs? HCM systems need to accommodate the new, much more flexible workplace of today.

## Employee experience tools and features

We now need HCM systems that are employee systems first, HR systems second. Vendors like ServiceNow, Applaud, Microsoft (Viva) and others are now selling platforms that manage employee journeys, transitions, feedback, goal setting and more. How can HCM systems become, in a sense, these types of employee experience platforms? Next-gen HCM platforms have to let managers and staff design and use the systems in order to fit the unique experiences of their employees, without depending on IT.

## AI and skills underpinnings

Next-gen HCMs have to be AI-enabled and architected around skills. For instance, if you needed to find employees with high-level data security skills for a major new project, could you do that? Such data could also be used for development, succession planning and even salary adjustments.

## Intelligent job architecture

One of the most important functions of HCM systems is to manage job architectures—job levels; titles; standard privileges by role, function and hierarchical position. In today's dynamic business environment, this information may change frequently. Intelligent systems like Eightfold can infer a job architecture, discovering that the "marketing analyst," "financial analyst" and "HR analyst" are all doing the same job. Next-gen HCMs need to be smart enough to figure this out.

## Multi-cloud, scalable, open APIs and ecosystem partners

Finally, next-gen HCMs must be highly scalable, multi-cloud (so they can be hosted in any country or any cloud platform), built on open container technology (so functions can be moved) and filled with easy-to-understand APIs and public interfaces for partners. Vendors are moving in this direction and need to continue to do so.

## When will next-gen HCMs appear?

Next-gen technology evolutions tend to happen slowly for a while, and then changes happen very quickly. Right now, changes are speeding up. Following are a few of the HCM vendors in this space that are vying to become recognized as next-gen HCMs.

**Darwinbox:** This five-year-old HCM company built an entire HCM and payroll system around a graph database (modeling the data around relationships, not hierarchies) and a componentized, micro-services, object-based architecture. Darwinbox has several major customers, which chose Darwinbox because of its flexibility for organizational planning, organizational design, its ability to handle mergers and acquisitions and employee experience strengths.

**ADP:** Like Darwinbox, the ADP Next-Gen HCM is built on a graph database with micro-services architecture and designed to work with the company's next-gen payroll engine. The solution, which now has more than 50 enterprise customers, lets companies set up completely different "talent domains" across teams, business units or companies. You can have different performance rating scales, workflows for recruiting or pay, and completely different talent data.

**SAP SuccessFactors:** SAP SuccessFactors is the biggest vendor in the market. With 73 million licensed users, it is almost 30% larger than Workday in client numbers and more than four times bigger than Oracle. The SuccessFactors solution suite is going through a massive redesign this year, and upcoming releases have many next-gen capabilities.

**Workday:** Workday, which came to market in 2008, has been evolving its architecture continuously. Workday's core database is object-oriented and uses many of the features of a graph database. The Workday skills cloud, its employee experience support, ongoing enhancements to Peakon, its Extend APIs and other initiatives are bringing new functionality to all areas of HR, learning and recruiting and adding value to corporate investments.

**Oracle:** The most "corporate" of all HCM providers, Oracle is also working to become a next-gen company. Oracle HCM Cloud, recently redesigned, incorporates new EX functionality, including feature sets for journey development, employee learning, surveys, service delivery and customized sentiment analysis. In an effort to compete with vendors such as ServiceNow, the Oracle team has built an entire journey management system, journey design system and a series of features for employee feedback, wellbeing and social connection.

Even if you're not looking to make a change, it's a good idea to talk to your current HCM vendor to understand what's in the development pipeline. What you find out will help you plan for the coming year.

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

Human Resource  
Executive®

VOLUME 36, NUMBER 4

**Kenneth F. Kahn**  
President

**Timothy D. Burke**  
Senior Vice President/Publisher,  
HR Products

**Rebecca McKenna**  
Vice President Global Events and Publisher

**Elizabeth Clarke**  
Executive Editor

**David Shadovitz**  
Editor Emeritus

**Jen Colletta**  
Managing Editor

**Kathryn Mayer**  
Benefits Editor and Chair of the Health &  
Benefits Leadership Conference

**Phil Albinus**  
HR Technology Editor

**Nick Otto**  
Senior Editor, Digital

**Jason Averbook, Josh Bersin, Steve Boese,  
Peter Cappelli, William M. Kutik,  
Eva Sage-Gavin**  
Contributing Columnists

### GRAPHIC SERVICES

**Joseph Ciocca**  
Production Director

**Rebecca Eller**  
Art Director

**Rebekah Galy-Davis**  
Media Production Specialist/  
Team Lead

**Jerry Criner**  
Media Production Specialist

**Dianna Zisman**  
Media Production Coordinator

### CIRCULATION

**Dana Kubicko**  
Director of Audience Development

### ADVERTISING HEADQUARTERS

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

**Joe Kirschen**  
Regional Sales Manager  
(215) 784-0910, ext. 6295  
[jkirschen@lrp.com](mailto:jkirschen@lrp.com)

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

**Michele Garville**  
Digital Media Operations Specialist  
(215) 784-0910, ext. 6386  
[mgarville@lrp.com](mailto:mgarville@lrp.com)

For subscription information,  
please call (800) 279-8428, email  
[human\\_resource\\_executive@omeda.com](mailto:human_resource_executive@omeda.com),  
or fax to (800) 661-5127.

Send payments to:  
LRP Media Group  
360 Hiatt Drive  
Dept. 150F  
Palm Beach Gardens, FL 33418

All other written correspondence to:  
Customer Service Department  
Human Resource Executive Magazine  
P. O. Box 2132  
Skokie, IL 60076



### LRP CORPORATE EXECUTIVES

**Kenneth F. Kahn**  
President

**Todd Lutz**  
Chief Financial Officer

**Timothy D. Burke**  
Senior Vice President/Publisher,  
HR Products

**Emanuel Cotronakis**  
Executive Vice President and  
General Counsel

HUMAN RESOURCE EXECUTIVE® Magazine is designed to provide accurate and authoritative information in regard to the subject matter covered. It is published with the understanding that the publisher is not engaged in providing legal, accounting or other professional services. If legal advice or other expertise is required, the services of a competent professional person should be sought. The publishers have taken all reasonable steps to verify the accuracy and completeness of information contained in HUMAN RESOURCE EXECUTIVE®. The publisher may not, however, be held responsible for any inaccuracies or omission of information in any article appearing in HUMAN RESOURCE EXECUTIVE®.

Entire contents Copyright © 2022, HUMAN RESOURCE EXECUTIVE®. All rights reserved. Material in this publication may not be reproduced in any form without written permission. Authorization to photocopy items for internal or personal use, or the internal or personal use of specific clients, is granted by LRP Magazine Group, provided that the base fee of US\$10.00 per document, plus US\$5.25 per page is paid directly to Copyright Clearance Center, 222 Rosewood Drive, Danvers, MA 01923, USA. For those organizations that have been granted a photocopy license by CCC, a separate system of payment has been arranged. The fee code for users of the Transactional Reporting Service is: 1040-0443/22/\$10.00+\$5.25.





// The team that supports us from ShareBuilder 401k mirrors our core values. They're responsive, proactive, and they care about us."

Linda Montgomery, CFO  
Speedeon Data

The comments and benefits of ShareBuilder Advisors' clients reflect their experience which may vary from other clients. This client received no compensation for sharing their experiences



## Save More with Low Expenses

Learn what our 6,500+ 401(k) customers already know—ShareBuilder 401k offers up awesome plan design expertise, top-notch technology, and employee education programs that make it easy to save more for retirement. Did you know that paying just 1% more in investment expenses can cost employees thousands of dollars over the course of their careers? ShareBuilder 401k's index-based investments and oversight help create what we believe is the best 401(k) program on the planet. Our aim is to cut your investment costs in half to help employees save more—which means big savings for you.

**Scan the QR code to visit [ShareBuilder401k.com](https://sharebuilder401k.com) and get plan pricing in minutes. You can also give us a ring at 1-800-431-7934.**



Advisory services are provided by ShareBuilder Advisors, LLC, an SEC registered investment advisor and subsidiary of ShareBuilder Inc. ShareBuilder 401k is a brand name of ShareBuilder Advisors, LLC. © 2022 ShareBuilder Inc. All rights reserved.

**SHAREBUILDER 401K®**

See other 401k Success Stories at  
[sharebuilder401k.com](https://sharebuilder401k.com)



## Cover Story

# ‘THE MAGIC OF J&J’

**Johnson & Johnson CHRO  
Peter Fasolo is this year’s HR  
Executive of the Year.**

BY JEN COLLETTA



Photo by Jim Bosch

## Peter Fasolo

**Organization:** Johnson & Johnson

**Title:** Executive Vice President, Chief HR Officer

**Employees:** 140,000

**Key HR Challenges:** Caring for employees through COVID-19 and navigating the ongoing disruptions.

**Key HR Accomplishments:** Creating a culture, built around the company’s Credo, that puts the needs and wellbeing of J&J’s employees and the people it serves first.

Johnson & Johnson Chief HR Officer Peter Fasolo is the first to admit he was a bit “unmoored” at the start of the COVID-19 pandemic.

With responsibility for the 140,000-plus employees of the global pharmaceutical giant—whose products touch more than 1 billion customers and patients every day—it’s no wonder Fasolo, *HRE*’s HR Executive of the Year, was overwhelmed by the people implications of the unprecedented health crisis. But, while he didn’t have a pandemic playbook to guide him, he did have a document that provided direction.

Johnson & Johnson’s Credo, written 80 years ago, is a 300-word values statement that Fasolo says is a living testament to the principles on which J&J was founded in 1886, and those that continue to guide leadership every day—which, Fasolo says, boils down to servant leadership.

That’s part of what attracted him back to the company after a brief break. After 12 years at Bristol-Myers Squibb, he joined Johnson & Johnson as vice president of HR in 2004 and left three years later for a new venture. But, in 2010, he found himself back at the New Brunswick, N.J.-based J&J campus.

“I don’t think the question was even finished on the other end of the phone when I said yes,” Fasolo says about returning to take on the CHRO role. “When I left, I realized pretty quickly that J&J is a pretty special place. I was drawn back by the people, the mission, the purpose.”

### Meeting the moment

That was all top of mind for Fasolo when COVID started spreading across the globe in early 2020.

“When the pandemic hit, it was very natural for our leaders to immediately go into, ‘How do I take care of our employees?’ Because at the core of our Credo, we’re a caring company,” he says.

That principle focused leadership on employee safety as the immediate priority. And that meant that Fasolo had to facilitate remote work for nearly two-thirds of the global workforce, an effort that, he says, involved close partnership among HR, IT and global facilities.

Many employees had to continue to report in person, particularly given the new demands on the company—it stepped up to provide ventilators early in the pandemic, meet the need for sanitizer and was one of the only companies to pursue a not-for-profit vaccine—and the work was arduous. Through the “On-Site Superheroes” program, J&J invested more than \$33 million for one-time rewards and an extra week of PTO for more than 30,000 employees and 4,000 contingent workers.

“Our culture and values were expressed during the pandemic; where some companies may have had to try to figure it out or find their purpose, I was at a huge advantage. Johnson & Johnson is built to last—because we’re built on principles,” he says.

That commitment to “caring” has continued to evince itself in the last two-and-a-half years—with J&J expanding paid parental leave from eight weeks to 12, upping military leave from two years to three and enhancing support for families of servicemembers. The company has also sharpened its focus on employee mental health, including through virtual access to EAPs and new caregiving leave.

“We have to meet the moment and provide the support employees need financially, personally, mentally—to ensure they’re safe,” Fasolo says. “Because when our employees returned [after COVID], and as they continue to return, they’re not returning the way they left.”

It’s part of a larger shift in recent years toward tending to the holistic health of employees, Fasolo says. While the company maintains fitness centers at campuses around the world, its approach to health has become much more expansive than the traditional focus on physical health—encompassing everything from global shipment of breast milk for traveling employees to tuition reimbursement to competitive pay and robust retirement plans.

“One thing Peter has done really well that impressed me is that he has made employee wellness a real foundation of the HR model at J&J,” says Charles Tharp, professor of the practice at Questrom School of Business at Boston University and former CHRO of Bristol-Myers Squibb, where he worked with Fasolo. “Whether it’s

helping people with exercise, balancing work and non-work, providing resources—he makes it such a priority.”

Looking toward a post-pandemic world, the company’s strategy for employee wellness includes a new understanding of work/life integration. Last year, it rolled out its global hybrid working model, J&J Flex, through which office-based employees have the option to work at least three days on-site and up to two days remote per week. This is the latest addition to a portfolio of flexible work arrangements, designed to offer individual solutions for employees: from more frequent remote work to part-time schedules, compressed weeks and more.

Flexibility has become a central focus in HR trends like the “Great Resignation” and “quiet quitting”—movements that, Fasolo says, can actually move HR functions in a positive direction.

“People have re-sorted; they’ve re-prioritized,” he says. “During one of the most traumatic events in our lifetime, if you have the luxury to—and not many people do—but if you have the luxury to step back and say, ‘What’s important to me now?’, that’s healthy. And it’s up to HR functions like ours to meet that moment.”

### DE&I: From aspiration to operation

As employees are “re-sorting,” chief among their changing expectations is a heightened emphasis on diversity, equity and inclusion. DE&I has been a cornerstone of J&J since its founding more than 135



years ago, Fasolo says, with ongoing progress—eight of the first 14 employees were women; it hired its first female and Black vice president in 1976; and J&J expanded its benefits plans to include same-sex partners nearly two decades ago, for instance.

The longstanding commitment, Fasolo says, has embedded a deep understanding of the power of diversity across the ranks at J&J, particularly among the diverse board of directors and leadership team.

“You need a workforce that reflects the customers and the patients you have the privilege to serve. That’s the starting point,” he says. “You need [DE&I] to innovate ... and to compete on the world stage that you’re in, so that’s the imperative.”

Setting the tone at the top is the first building block of J&J’s DE&I strategy, Fasolo says, and, from there, the focus has been on developing very public aspirations. In 2020, the company rolled out a series of five-year DE&I goals in its Health for Humanity strategy—including reaching gender parity in management globally (currently at 48%), 35% racial/ethnic diversity in U.S. management (currently at 34%); and 50% growth in representation of Black and African-Americans in U.S. management (that figure currently stands at 6%, a 25% increase in the last two years).

Operationalizing those aspirations has involved everything from candidate slate reviews to leadership scorecards. Since last year, more than 25,000 people leaders and 20,000 individual contributors have voluntarily set DE&I goals.

“Our board of directors and Executive Committee look at [leaders’] progress on a quarterly basis, and then we loop it into our reward system,” Fasolo says. “So, in part, our reward system is predicated on making progress in our diversity, equity and inclusion aspirations.”

Technology has also played a significant role. J&J has “invested heavily,” Fasolo says, in data analytics—generating information on everything from the diversity of current teams to quality of hire to flight risks, which has tremendous predictive power.

“We now have mobile applications of data analytics in the hands of our business unit HR people so they can constantly see what’s happening,” he says. “That’s real-time data science that has been hugely powerful.”

Tharp recalls that Fasolo and an HR analytics leader at J&J delivered a guest lecture for Tharp’s MBA HR strategy course earlier this year—and that students were “wowed” with their work.

“What [J&J] has done in predictive analytics has been amazing,” he says. “The future of HR is really data-based decision-making.”

## A new J&J

The future of HR at Johnson & Johnson today looks a bit different than it did just a few years ago.

Again guided by the Credo, Fasolo led an HR restructuring over the last seven years. At the time it initiated, the company had hundreds of different HR management practices around the globe: for recruitment, comp administration, performance management.

Instead of HR getting credit just for having robust processes, Fasolo says, he wanted to instead shift the focus to outcomes.

“What’s the diversity of your team? What’s the inclusiveness of the unit that you support? What’s the mood of the organization? How are you the stewards of the Credo? We measure those things,” he says. “In large part, I wanted the HR organization to be accountable for those outcomes, not focus on processes.”

So, approaches were harmonized where possible, and the organization then created a global services footprint to help HR meet employee needs in a way that was “easier, more efficient, more effective and faster.”

Today, nearly half of HR leaders and managers at J&J work in a global services environment—with focuses like employee relations or comp administration—allowing HR professionals in areas like corporate services or total rewards to tend to overarching strategic direction.

The change-management muscles Fasolo was able to

flex during this transition came in handy in recent years, as the organization saw several additions to the Executive Committee and Fasolo led the search for a new CEO, the second in his career at J&J. Former CEO Bill Weldon departed in 2012 and his successor, Alex Gorsky, stepped down earlier this year, with former Vice Chairman Joaquin Duato succeeding him.

In both transitions, Fasolo says, before building out the CEO profile, he started the process by “grounding [himself] in the company strategy,” to identify the CEO capabilities that would be needed to take the organization into any new directions. Chief on the horizon for J&J is the 2023 planned separation of the consumer health business to a separate, publicly traded company, which will focus on J&J’s beauty, self-care and other over-the-counter products, with the reimagined J&J continuing to invest in pharmaceutical and medtech.

“I would say it is one of the biggest strategic decisions that we have made as a management team, as a board of directors, to create two new companies,” he says, noting the shift has “huge people and change management implications” for both new organizations.

“[Consumer health business employees] have all of the questions you would expect them to have; their identity has been with Johnson & Johnson but there is tremendous opportunity to define the future of consumer healthcare,” he says.

To confront the challenges of such a move, Fasolo created the HR Project Management Office, which will manage the people-related issues—think, digital processes or tax and legal requirements—of the planned separation, along with setting talent and other HR strategies.

“We’re working on both of those sides of the equation, and it’s a lot of work,” Fasolo says, “but it’s a lot of excitement in the organization as we prepare to launch these two new businesses in 2023.”

## A marriage of personal, professional values

That Fasolo has helped keep the J&J ship steady as it has navigated such shifts is a testament to his HR fortitude, says Fred Foulkes, professor of Management & Organizations at the Questrom School of Business and a judge of the HR Executive of the Year competition.

“There has been a lot of change while he’s been there and he’s really provided that stability and an ability to work with the top team through it all,” Foulkes says.

## About the Competition

Every year, Human Resource Executive® selects one HR leader for our prestigious HR Executive of the Year honor, which has now been bestowed upon 34 individuals since 1989. Along with this top recognition, we have recognized more than 100 leaders on our HR Honor Roll.

A panel of eight judges reviewed this year’s submissions and based their selections on candidates’: ability to handle significant problems in HR, success at launching innovative programs that achieve measurable results, role and/or success in establishing the HR function as an integral part of their organization, management skills as demonstrated within the HR function, and contributions to the HR profession.

Judges for 2022 were Timothy D. Burke, senior vice president and publisher of HR products at LRP Media Group; Dr. Fred Foulkes, professor in the Questrom School of Business at Boston University; David Shadovitz, editor emeritus of *HRE*; and five former HR Executive of the Year winners: Diane Gherson, former CHRO at IBM; Kathleen Hogan, executive vice president for human resources and chief people officer at Microsoft; Tracy Keogh, chief people officer at Great Hill Partners; David Rodriguez, global HR officer at Marriott; and Ellyn J. Shook, chief leadership and HR officer, Accenture.

Fasolo’s stable voice on HR issues—and willingness to share the knowledge—is often counted on throughout the industry, adds Tharp.

“All of our colleagues [at Bristol-Myers Squibb] whom we used to work with, when we talk about who we network with, who we keep up with, who we call for advice—everyone calls Peter,” says Tharp, who recalls that same spirit when they were at BMS. “He was a person who, no matter what I would ask him to do, he was always raising his hand, ready to go.”

Since then, Fasolo has delivered guest lectures on HR strategy everywhere from Boston University to Cornell to Rutgers and volunteered his time and expertise for organizations like the HR Policy Association and Center on Executive Compensation.

“It’s not only what he has contributed but his willingness to contribute that has impressed me,” Tharp says. “He is truly someone who is caring and giving—and that is just such a wonderful personal characteristic.”

Being an active and connected leader within the HR industry—including as fellow of the National Academy of Human Resources—feeds into Fasolo’s passion as a “student of the profession,” Tharp adds, noting he’s known him to be a “voracious” reader of HR- and management-focused literature.

“He’s an ongoing student—and, to be successful, that’s a must,” he says.

Fasolo agrees that he’s learning “every day.” He says he approaches each morning as CHRO “never thinking I have the answer.” He may have the experience, and an informed point of view—but that doesn’t always mean he’s right, he acknowledges.

“I need people around me who, in many cases, are better than I am and who are willing to provide me their point of view and who can be truth tellers,” he says.

Creating an environment where colleagues and employees can feel like they can be authentic and can trust Fasolo sets the tone, he notes, for collaborative learning. For instance, he says, he tries to consistently make room in his calendar for face-to-face time with employees across the organization: out in the field with sales reps, on the manufacturing floor, in the clinical labs, in the office with HR team members around the globe.

“When they know I care about them as individuals, then it gives me permission to say, ‘Let’s get better. Let’s raise the bar. How can we improve?’ ”

And the trust goes both ways. Fasolo says he’s confident in employees to make the “million decisions” that have to be made every day at because he knows everyone on the team is grounded in the company values.

“I don’t need to be involved in those million decisions,” he says. “I just need to know that the environment and tone I’m trying to create is one of authenticity, safety, truth-telling, realism. If you can keep doing that, there’s no problem you can’t solve.”

In addition to relying on his team to help solve problems over the years, Fasolo also depends on support from his wife of 32 years and two grown sons, whom he says have been along the J&J “journey” right beside him.

He also keeps in mind some sage advice he received when he took on the CHRO role: “Always remember our Credo, and never forget that you have a responsibility for all of our employees and their families. If you can keep coming back to those two principles, you’ll be just fine.”

The marriage of the values expressed in Johnson & Johnson’s Credo and Fasolo’s own passion for taking care of the people at his organization are what will continue to inspire him as he leads HR at J&J into the future, he says.

“The great history of this company and my own personal values fit like a glove,” he says. “And I know that’s the way most people in this company feel: They’ve joined us because their personal mission fits the mission of the corporation. There’s very little daylight between their values and the values of the corporation. To me, that’s the magic of J&J.”

*Send questions or comments about this story to [hreletters@lrp.com](mailto:hreletters@lrp.com).*

# Reimagining the Healthcare Workforce of the Future

Greg Till, chief people officer of Providence, is focusing on mental health, technology and more to retain burnt-out workers in an industry that is seeing massive turnover.

BY KATHRYN MAYER

Navigating the past two-plus years of complete chaos—from the continuing COVID-19 pandemic, health concerns and burnout to staffing challenges and high employee turnover—has undoubtedly been a challenge for the majority of HR and business leaders. But perhaps no industry has experienced as many of these challenges as the healthcare sector.

Healthcare workers are continuing to treat scores of COVID patients, while also dealing with new threats like monkeypox and polio. They're worried about getting sick on the job. Even violence in hospitals and healthcare settings has hit new levels. As a result, burnout, anguish and mental health issues are sky-high among healthcare workers. And turnover is hitting record rates, with many healthcare workers—frustrated and fed-up—leaving the industry altogether. (Roughly 20% of healthcare workers have left the industry since the pandemic began, according to the Bureau of Labor Statistics.)

Suffice to say, all this gives Greg Till—executive vice president, chief people officer at health system Providence, headquartered in Renton, Wash., who manages the company's 120,000 employees—every reason to be stressed.

"It's layers upon layers. We like to say we've seen some of these things before, but never on top of each other like they have been," says Till, one of this year's HRE Honor Roll inductees.

In many ways, stress has only worsened for healthcare workers, including those at Providence, in the past year. In the beginning of the pandemic, healthcare workers were sustained by overwhelming public support and a sense of duty. "All the healthcare workers that were fearful and uncertain, they actually said, 'You know what? We're going to dig deep, and we're going to stick around and protect our communities because that's what we were called to do,'" Till explains, adding that Providence saw the lowest level of attrition on record during the first year of COVID (15.5% in 2020 vs. a 21.6% baseline). (On Jan. 20, 2020, the first known COVID patient in the U.S. was identified at Providence's Regional Medical Center in Everett, Wash.)

But over the many months of continuing cases and the ebbs and flows of different COVID waves, there has been a slowdown in terms of community support, he says. "Frankly, it became a grind for the healthcare workers, and they became burnt out. The Great Resignation hit healthcare the hardest."

## Doing things 'differently' in healthcare

These are all challenges Till is working to manage, even as new ones emerge both externally and inside the sprawling health system. Along with other HR leaders at Providence, Till has not only worked to make things better for his employees, but he is striving to make the healthcare industry and its workforce more sustainable in the years ahead.

His biggest priority of late for employees is taking aim at mental health. He has tripled the company's investment in mental health and wellbeing initiatives. In total, Providence invested \$300 million in mental health and other benefits investments—including pay protection programs, emergency time off, and free child/family care.

Mental health resources, unlimited access to virtual mental health counseling, mental health apps and access to suicide lines are all part of the equation. So is training for managers and supervisors to recognize signs of distress among their direct reports. Providence also is embracing flexibility—even for workers who historically didn't have that option. For instance, the company is allowing flexibility for its nurses and building out virtual nursing units in an effort to prevent burnout and retain workers.

Constant communication—through employee surveys, frequent visits to different sites to talk to workers and so on—is helping Till, and other HR leaders, identify the right solutions for their workforce.

"We want to make sure that we continue to retain them, which means trying to keep up as much as we can with market-based rates, making sure we put our arms around them, and really making sure that we're taking care of their mental and emotional health at a baseline level," Till says.

Till is hoping a focus on mental health—as well as diversifying sources of talent and leaning heavily on technology and flexibility—will help prepare the future healthcare workforce. Tech solutions, like automated staff scheduling, offer the potential to ease many staffers' jobs so they can focus on what really matters: treating patients. Till also has added new digital experiences for candidates and workers, including an automated chatbot, automated interview scheduling, mobile-friendly workforce dashboards and candidate tracking systems.

The past few years have presented massive challenges for Till—and, arguably, have been the most difficult of his 20-plus-year career in HR—but they're also massive opportunities for him and other Providence leaders to reinvent the status quo and "do things differently in healthcare."



## Greg Till

**Organization:** Providence

**Title:** Executive Vice President, Chief People Officer

**Employees:** 120,000

**Key HR Challenges:** Managing burnout, stress and other mental health issues among Providence employees, as well as retaining and attracting talent in an industry with significant turnover.

**Key HR Accomplishments:** Continuing to inspire workers to deliver great results despite what Till calls "very, very challenging times."

"The saying that you never let a good crisis go to waste, or necessity is the mother of invention, is true. Even though it's very challenging, and some days it hurts, it also is the most inspiring time, I think, to be in HR, because HR has truly had a seat at the table," he says. "We are able to optimize outcomes with our employees, which is really important to me."

For these reasons, Providence President and CEO Rod Hochman calls Till "an influential leader and pioneer in healthcare human resources."

"Throughout his tenure at Providence, Greg has consistently introduced innovative strategies aimed at inspiring, retaining and recruiting today's workforce while looking toward the future to build the team we need for tomorrow," Hochman says. "His contributions leading up to and throughout the pandemic have been especially essential as we have maneuvered through significant challenges with patient care and an unprecedented competition for labor."

Till's eye on the future workforce is one he hopes other HR leaders share.

"Today's challenges are great, but we can't get mired in them," Till says. "We need to be designing the workforce we need in 15 years and bringing the future to the present. It's fine to continue focusing on today's retention, engagement and development, but they're not going to develop the workforce of the future. We really need to change our practices, our designs and our strategies. I would just say don't lose sight of the future workforce, which really needs to be 15 years out, not tomorrow."

*Send questions or comments about this story to [hreletters@lrp.com](mailto:hreletters@lrp.com).*



## Talent Management

# What Can HR Do About Quiet Quitting?

Managing employee productivity in today's work climate must involve a sharp focus on engagement, experts say.

BY TOM STARNER

In the last few months, “quiet quitting” has become the latest pandemic-driven catchphrase, right alongside the more established “Great Resignation.”

Quiet quitting refers to an undetermined number of employees who are dialing back their work efforts—primarily trying to align the bare minimum of effort with their compensation. In short, quiet quitters are the last employee group you will find going “above and beyond” their job descriptions.

It's a term that gained traction at the end of this summer, with reports in the *Wall Street Journal*, *New York Times* and more and has fueled significant debate on social media. While some argue that the term is a misnomer—since it's a productivity and, not necessarily, a retention issue—others have questioned whether the trend suggests that employees are committing to healthier work boundaries, as opposed to slacking off.

To be sure, it's certainly happening. An August ResumeBuilder.com survey of 1,000 working Americans, in fact, found that a decent percentage (21%) of workers report having a “quiet quitting” mindset, with another 5% doing even less than what's required of them. About one-third of those who said they have reduced their efforts have walked back their working hours by more than half.

Bottom line, the survey found that nearly half of respondents don't want to do more work than they're compensated to do. They also aren't eager to go the extra mile because it could compromise their mental health and work/life balance—importantly, eight out of 10 admitted “quiet quitters” said they're burned out.

Stacie Haller, a career strategist and coach, says that—like many workplace trends today—the pandemic is at the heart of quiet quitting, as it “shifted many people's attitude toward work.”

“Some employees no longer feel connected to their work or workplace and have a much stronger desire to focus their attention on their families and personal lives,” she says. “With this shift in priorities, you see less willingness to engage in a ‘hustle culture.’”

Natalie Baumgartner, chief workforce scientist at Achievers, an employee voice/recognition solution provider, notes that, at the start of

the pandemic, many employees “put all their energy and time into work,” particularly while shifting to new, remote environments.

“That level of effort and focus isn't sustainable, though,” she says, “and many people have reevaluated the importance of work, among other things in life. So, now people are drawing back, bringing us face to face with the trend of people ‘quitting quietly.’”

### Experience and engagement are key

According to the ResumeBuilder survey, about 90% of “quiet quitters” said they could be incentivized to work harder. So, what can HR do to get them back in the game?

Joe Galvin, chief research officer at Vistage, a global CEO coaching and peer advisory firm, says boosting the employee experience is the most effective way to keep employees engaged and productive. HR should be working to curate an environment that people want to work in—including key considerations like compensation, flexibility and wellness offerings.

It's important for HR and employees to work together to identify and address problems and determine ways to increase engagement.

“Employers and HR teams can minimize quiet quitting by consistently engaging in open, honest conversations with staff about their individual expectations, desires and goals,” Galvin says. “It is important employees feel like they have a vested interest in the company; they want to feel like they are heard and know how their work is impacting the company's larger mission.”

This collaborative work can ultimately enhance overall company culture, he adds.

“Culture has become even more important, and even more challenging, amid the rise of hybrid work,” Galvin says, adding that a strong culture can unify employees and help keep quiet quitting at bay. “Employers should focus on re-engaging their workforce by making meaningful changes to their culture. This is what will help motivate employees to continue to strive for more.”

Fostering a culture of appreciation can also be effective, Baumgartner adds.

“It's a great way to boost engagement and retention,” she says.

According to the Achievers Workforce Institute's *Belonging at Work Culture* report, 41% of employees don't feel valued at all. Programs that would encourage frequent meaningful recognition could reduce that number, Baumgartner says, adding that 57% of employees in the Achievers report state that feeling recognized would reduce the likelihood that they would take a call from a headhunter.

Baumgartner says employees who feel celebrated and supported

are also more likely to have a strong sense of belonging, which can be furthered by knowing their voices matter. HR should use frequent surveys to gauge how employees feel and what changes need to be made.

“No matter how big or small the feedback is, don't overlook the importance of change and employees feeling heard,” she says.

Send questions or comments about this story to [hreletters@lrp.com](mailto:hreletters@lrp.com).



HAVE  
YOU  
HEARD  
ABOUT  
BOB?



# A Network Built on Values

Katrina Jones, of social service organization Acacia Network, is tasked with hiring employees who can bring not just skills but also ‘care, compassion and empathy.’

BY WILL BUNCH

For many employers, hiring new workers during the COVID-19 pandemic and its unsettled aftermath has proved a challenge. Human resource executives who need to hire in a hurry might want to consult with Katrina M. Jones, who, as senior vice president for human resources and talent management for Acacia Network—New York City’s largest Latino-led social-services nonprofit—is sometimes called upon to staff a large, new shelter in barely a weekend’s time.

That’s what happened in the mid-2010s when then-New York Mayor Bill de Blasio announced a rapid-fire initiative to get a large homeless population off the streets. Jones recalled that city officials called Acacia Network on a Thursday and asked them to open a facility by next week.

“When they call, we say ‘Yes’ and then we figure out how to do it,” Jones recalls with a laugh. “We needed to hit our number [of new staffers], which was 200, so on that Thursday, I came from the C-suite and I brought the team together and I said, ‘This is the goal ...’ We said, ‘All hands on deck,’ and we got into the groove immediately and everybody had an assignment.” The next day, applicants began arriving at the makeshift hiring center that Jones and her HR team had set up, and the new shelter was up and running days later.

And this was not a one-time occurrence. Jones and her staff at Acacia Network—which provides an array of community services around healthcare, substance-abuse treatment and other needs of some 150,000 clients in America’s largest city—conducted similar crash operations to launch COVID-19 isolation shelters for the city, opening three in three weeks. Earlier this summer, Acacia was similarly tasked by the city with accommodating migrants bussed from Texas and dropped off in New York.

Jones’ leadership in expanding the workforce at Acacia Network—which had roughly 700 workers when she arrived at the organization a decade ago and has swelled to more than 3,000, with plans to hire hundreds more in the coming months to deal with New York’s array of social issues—is a key reason she’s been named to HRE’s 2022 HR Honor Roll.

The accolades for Jones are also a recognition of the challenges she has faced not only in guiding Acacia Network’s expansion despite the hiring headwinds of the pandemic, but also the added complications of addressing moral and social concerns around both employment and providing

services in predominantly Black and Latino underprivileged neighborhoods in the Bronx and Manhattan. One recent Acacia Network effort piloted by Jones involved working with New York’s Fortune Society—an organization dedicated to reintegrating former inmates back into society—to launch a program that offered internships and training opportunities for people recently released from city jails, with potential job opportunities at the network.

“We have a person working here in HR from the Fortune Society—this is, I think, her fourth week—and she’s being exposed to a field that she thought she would never be able to work in because of, unfortunately, bad decisions that she made,” Jones explains. “But we welcome her and we allow her to learn—whether we decide to keep her or if she wants to stay with us after this—she’s gained valuable work experience.”

## Values-led work

Jones herself can relate to finding a career path in people management somewhat by accident. A native of Barbados who moved with her family to the United States when she was 3 and grew up just north of New York City in Westchester County, N.Y., Jones’ first job after earning a bachelor’s degree was as executive assistant to the COO of a nearby nursing home.

She found herself working often on HR issues and, when her boss was let go by the nursing home, her parting request was that Jones be kept on to run that department. She eventually earned her master’s degree in human resources management from Manhattanville College and a certificate in HR leadership from Cornell’s School of Industrial Relations.

As CHRO at Acacia, Jones deals with many of the same problems that confront her peers in the corporate world. She recently oversaw negotiations with a union representing Acacia employees that averted a strike, and during the pandemic the nonprofit has faced new challenges because of so many would-be workers seeking hybrid or work-from-home positions, when most work with clients must still be performed face-to-face.

Jones says her team at Acacia is looking at solutions such as, “Can we get our time in in three days or four days instead of a five-day workweek? Or, how can we offer benefits that cover more family members? So, we’re looking at things like that, that we have not thought of in the past—things like vacation sharing,

## Katrina M. Jones

**Organization:** Acacia Network

**Title:** Senior Vice President for Human Resources and Talent Management

**Employees:** 3,000

**Key HR Challenges:** Recruiting workers for on-site positions during the COVID-19 pandemic; rapid-fire hiring to address recent surge of migrants in New York; and building a sharper focus on diversity and equity.

**Key HR Accomplishments:** Opening new shelters to deal with homelessness and the COVID-19 crisis under extreme deadline pressure; launching new initiatives to find work for returning veterans and the recently incarcerated; and coaching and mentoring dozens of new staffers, including high school and college students.

or if the employee had a catastrophic event and they don’t have enough PTO, can we share our PTO?”

But a typical workday for Jones also involves projects that reflect the unique social mission of Acacia, such as recently planning and helping launch a job-placement program geared around military veterans. She also works with outside umbrella groups—such as the Bronx Partners for Healthy Communities Workforce Subcommittee and a diversity initiative of the Alcoholism and Substance Abuse Providers of New York State, Inc.—to strengthen Acacia’s alliances and learn best practices.

Jones says she finds the biggest challenge—and reward—of people management at an agency like Acacia is building a workforce that shares these values.

“We have to be the gatekeeper, the goalie, to make sure that we vet the individuals properly and that they’re coming in to bring their best to the job because it can be stressful,” Jones says of expanding the Acacia workforce. “They’re working with individuals who, unfortunately, have had setbacks in their life—whether it is substance abuse [or] people who have lost their homes—so we have to make sure we have people that are trauma-informed and can provide the level of care, compassion and empathy that individuals need.”

*Send questions or comments about this story to [hreletters@lrp.com](mailto:hreletters@lrp.com).*



## 5 Takeaways from the HR Tech Conference



Skills development, talent acquisition worries and an overheating tech market were among the most pressing trends of the event.

BY PHIL ALBINUS

There was no end to the discussions about HR's challenges and ideas for solving them at this year's HR Technology Conference, which took place in Las Vegas in September and featured content from hundreds of thought leaders and the biggest expo hall in conference history. Here are five takeaways from what we heard in briefings with vendors, general sessions, chats with experts and attendees, and on the expo floor to keep in mind as you start looking to 2023.

### While popular, skills development needs clarity and oversight.

"I fear you have been oversold on the promise of skills. This is a very, very complex problem," said Josh Bersin in his keynote address.

While employers view skills as a key to retaining employees and developing their careers inside the organization, the pursuit of skills development technology has led to a crowded and confusing layer of technology within enterprises. Bersin noted that HR and the IT leaders who serve them must deal with skills taxonomies, skills assessments (to record and list the skills already in existence within their workforce), skills needed for specific job roles and responsibilities, skills that are used in the labor market and more.

The proliferation of skills development and assessment tools has led to new job titles within the organization and overlap in job roles and responsibilities, said Bersin.

He presented a framework for considering skills technology vendors by showing the three layers of a skills architecture inside an organization. The Skills Tech Applications layer includes LinkedIn, Cornerstone, Phenom, iCIMS and more. The Skills Tech Pools and Middleware layer includes Microsoft, Empath, Degreed, Edcast and others. And finally, the Talent Intelligence Platforms layer includes Eightfold, Retrain and SkyHive.

Despite the crowded space, learning and development tech vendors see an eager market. "Since the pandemic," said Dani Johnson, co-founder and principal analyst of Redthreat Research, "the skills conversation has blown up."

### Talent acquisition tech helps recruitment challenges.

When looking at the current job market, recruiters face a myriad of challenges: a declining population rate with Baby Boomers leaving the workforce every day, Gen Z-ers putting

off marriage, the Great Resignation, quiet quitting and more.

"This will have a tremendous impact on recruiters in the future," Bersin said.

Recruiters are also facing burnout as their mission to fill open job roles never appears to be complete. But dozens and dozens of vendors demonstrated AI-powered tools to ease those burdens and address the challenges of filling open roles. These tools include ones that plan and execute advertisement campaigns on major job sites such as LinkedIn and Indeed, people analytics tools that aim to find the right candidates with the skills and experience to fit the open role, and onboarding apps to help once the candidate is hired.

And it's not just white-collar roles that are being filled using these tools. Hourly service jobs have been difficult to fill since the outbreak of the pandemic and workers for these roles remain in high demand, said Joe Fantone, director of sales of PandoLogic. This solution helps recruiters create job postings and manage job advertising budgets. The vendor counts Amazon and Verizon as customers.

"I have been coming to HR Tech for 10 years and we have been having these conversations for the past six years," he said. "Retail and service are very competitive and, in 2022, nearly everyone is having trouble reaching their hiring goals."

Even the most American of companies, McDonald's, has turned to AI to keep its burgers and fries flowing. In 2019, it partnered with Paradox to roll out McHire, the chain's AI-enabled hiring platform. So far, the fast food giant has shortened application and scheduling time from three days to three minutes while doubling applications, with a 99+% candidate satisfaction rate, and reducing time-to-hire by 60%.

"It helps us hire faster, but what we're getting out of that is offering a more personalized experience and engaging candidates between steps, especially now when the employee experience is at its most critical," said Alexa Morse, director of HR operations and execution at McDonald's.

### HR wants more from HR tech vendors.

While HR leaders are awash in sophisticated-seeming solutions that aim to solve their problems, they report frustration with their tools' ability to generate reports, a lack of support from vendors and paying for extra features after a solution is implemented. The goodwill that existed between the HR leaders who bought and implemented the technology and

the vendors who supported them and claimed to be partners has evaporated.

"The year of grace for HR technology providers is over," warned Stacey Harris, chief research officer for market research firm Sapient Insights, in her keynote address.

Nearly all small, medium and large organizations report continuing struggles when managing their technology, she said.

And many of these HR tools often go unused by the employees whom HR leaders thought would benefit from these solutions. Unused or underused HR technology, which Bersin compared to a kitchen junk drawer, along with the nearly 50% of HR tech implementations that fail after two years, according to Microsoft's Sunita Khatri, should spur HR leaders to rethink the technology that they use and deploy, Harris said.

"When looking at HR systems, it's not a standalone system but an entire ecosystem," she said. "As we share

data, think about your role in the organization. How do you get people excited about new solutions?"

### Vendor investment is slowing down, fueling consolidation.

A walk through the event's bustling expo hall made one thing clear: Vendors see plenty of opportunity in the HR tech space, and new companies are cropping up each year. But sweeping consolidation is taking place and will continue in the coming months.

"Every major software company wants in on HR," said Bersin. Large-scale software and services firms including Microsoft, ADP, Workday, IBM, Facebook, Glassdoor, Oracle and SAP Successfactors and more are signing major clients and acquiring smaller companies for their technology and clients in small to medium-sized markets. Google also is making a big play in HR and deserves attention, according to Bersin.

**Continued on page 12**





## Skills and Talent Intel Dominate the HR Technology Market

In his HR Tech keynote, Josh Bersin shared predictions for market changes.

BY PHIL ALBINUS

In a sprawling overview of the current HR technology market, analyst and *HRE* columnist Josh Bersin told a packed audience at the HR Technology Conference last month that the coming year should see both consolidations in the market and continued growth, even amid concerns of a recession.

In his keynote address entitled, “The Disruption Never Stops,” Bersin highlighted a number of trends, including the maturing skills market, the need for talent intelligence and the power of employee listening.

Setting the stage, Bersin said that HR leaders have their hands full, particularly given what he called “incredible” inflation and volatility in the stock and crypto markets. On top of that, 81% of workers say they are burnt out. Recent job figures tell the tale, with 4.2 million people having left their jobs and one-third of the workforce that has moved on over the past few years. “These issues will continue whether we have a recession or not,” he said.

Bersin emphasized that the best new HR tools are not designed to help HR professionals confront these issues;

rather, they are primarily geared toward employees. “In my research of big HR systems, the successful implementations were not tech projects but business transformation projects aimed at employees,” he said.

### Where is the market headed?

Upskilling and reskilling have been major focuses for many employees in today’s market, yet Bersin admitted that he’s been frustrated by the claims of skills vendors. “I fear you have been oversold on the promise of skills. This is a very, very complex problem,” he said.

“Today’s skills problem is important and complex, and it affects the job architecture inside a firm with new job titles that require the same skills,” he said. “We now have eight different job titles that all resemble the same role and skill requirement.”

The rise of capability academies—the learning method of allowing employees inside an organization to partner with or mentor one another—has picked up speed in the past year. “These academies bring together people in a company and let them learn from each other,” he said.

to accomplish more with less, according to RedThread’s Johnson.

“Although there is still \$675 million being invested in the learning tech space, smaller and newer employers are seeing some budget cuts for learning and upskilling in anticipation of possible layoffs,” she said.

### People analytics drives EX.

As HR leaders continue to focus on employee experience, especially in light of the Great Resignation, quiet quitting and the return-to-office debate, they must become experts in data analytics, advised officials from leading employee data firms like Visier, ADP and Phenom.

“HR leaders need to know about data, where to find it and how to process it,” said Ian Cook, vice president of research for Visier.

This data can be found in a variety of tools and processes within HR’s purview—from recruiting to onboarding to employee monitoring to performance review. Employee listening remains a key HR function and source of data as well.

“You cannot learn about your company unless you listen to employees. Employee listening is a massive space and is expanding,” said Bersin, who cited such vendors as ServiceNow, UKG, Monday.com, Asana, HubSpot and others that are delivering solutions that address

Technology is going to make learning increasingly innovative, he said; for instance, corporate training is an area where the metaverse, virtual and augmented reality will abound.

In addition to tech-fueled learning, Bersin also highlighted the need for robust employee listening, a feature that now resides in many HCM platforms. “You cannot learn about your company unless you listen to employees. Employee listening is a massive space and is expanding,” he said and added that passive listening—the ability to find data points about employee behaviors, productivity and actions—is taking off, as well.

Smart use of talent data can be a differentiator in today’s job climate. For instance, workspace analytics—who is using the office, who isn’t—will “be a big part of HR next year,” he predicted.

Despite the challenges of the Great Resignation, the back-to-the-office debate and new concepts like quiet

employee listening, which can help overall employee experience.

Last month, Oracle announced Oracle Touchpoints, an employee listening solution that operates inside its Oracle ME employee experience platform. The new tool allows managers to continuously capture, track and act on employee sentiment.

The challenge of improving EX remains in finding, gathering and processing the right people data, which resides in multiple and often standalone solutions that were never designed to operate and share data with other systems. Vendors such as Oracle, SAP, ADP and Microsoft and others are working to break down the data barriers so HR leaders can help retain valuable employees.

HR leaders will need to look at multiple sources of data that were previously unexamined or overlooked by people analytics initiatives. Workspace analytics—the study of who is using the office and who isn’t—is going to be a big part of HR next year, Bersin predicted.

“A lot of [passive listening] vendors were acquired this year,” he said.

One thing is clear: HR and IT professionals have plenty of technology to consider when delivering solutions and support to their employees in the coming year.

*Send questions or comments about this story to [hreletters@lrp.com](mailto:hreletters@lrp.com).*



quitting, Bersin said he believes that the role of HR—and its capacity to maximize the use of technology—has never been more vital.

“The most important part of all of this is what you do,” he said. “There is no way to deal with this complexity unless [HR leaders] take it seriously.”

*Send questions or comments about this story to [hreletter@lrp.com](mailto:hreletter@lrp.com).*

### Continued from page 11

And start-ups continue to emerge. This year’s Pitchfest competition attracted 33 vendor companies that delivered three-minute presentations of their solutions in hopes of taking home a \$25,000 grand prize from sponsor Randstad. This year’s winner, SPOTLYFE, offers a novel take on work-life balance and employee experience. “Think of us like a check engine light in your car to help you prevent burnout in your life,” said Josh Schwede, co-founder and CEO of the winning start-up.

But this vibrant market is likely to see some slowing down in investment from private equity and VC firms. “The heavy investment days have come to an end and things will slow down from here,” said Bersin. Global VC funding has fallen 23% quarter over quarter to \$108 billion this year, which the analyst calls the largest quarterly percentage drop in a decade.

Larger companies have gone on buying sprees in the past year in employee experience, talent acquisition and the skills and learning and development space, and Bersin expects more in the coming two years.

L&D, in particular, appears to be ripe for M&A activity, which means that HR leaders may have fewer choices for their tech vendor companies, but the companies they choose should have solutions to solve their challenges. This will be helpful as some HR leaders have

Statement of ownership, management, and circulation for October 2022. *Human Resource Executive* is published monthly except Jul, Aug and Dec with combined issues in Jan/Feb and Mar/Apr for \$94.95 by LRP Publications. Complete mailing address: LRP Publications, 747 Dresher Rd., Horsham, PA 19044. Publisher: Tim Burke. Editor: Elizabeth Clarke. Managing Editor: Jennifer Colletta. Owner: Kenneth F. Kahn. Known bondholders, mortgagees, and other security holders owning or holding 1 percent or more of the total amount of bonds, mortgages, or other securities: None. The average number of copies of each issue during preceding 12 months are: Total number of copies: 59,890. Paid and/or requested distribution: 57,303. Free or nominal rate in-county copies: 2,226. Free or nominal rate copies mailed at other classes through the USPS: 46. Total free or nominal rate distribution: 2,272. Total distribution: 59,575. Copies not distributed: 315. Total: 59,890. The number of copies of single issue published closest to filing date are: Total number of copies: 62,395. Paid and/or requested distribution: 57,489. Free or nominal rate in-county copies: 2,192. Free or nominal rate copies mailed at other classes through the USPS: 100. Total free or nominal rate distribution: 2,292. Total distribution: 59,681. Copies not distributed: 2,614. Total: 62,395. Statement signed and certified to be true by Roberta J. Flowers, Director of Publications.



# The 'Year of Grace' for HR Tech Vendors is Over



Solution providers need to step up their innovation, Stacey Harris said at HR Tech.

BY PHIL ALBINUS

If HR tech vendors thought that the post-pandemic years would mark a return to normal times, they are in for a surprise—because, while the people who buy and implement HR technology solutions have relatively the same budget as in previous years, they are now looking for more support, better reporting and solutions that are a part of the HR ecosystem. So, HR tech vendors are going to need to step it up.

The “year of grace” that HR and tech buyers gave to vendors in light of the pandemic is over, said Stacey Harris, chief research officer for market research firm Sapient Insights, in last month’s HR Technology Conference keynote address, “The Public Debut of the 25th Annual Sapient Insights HR Systems Survey Key Findings.” (The complete survey was officially released this month.)

In Sapient’s annual survey of HR leaders at small, medium and large organizations, nearly all continue to struggle to manage their technology, said Harris.

Among the highlights from Harris’ bracing presentation are some serious issues among organizations and vendors: For instance, there was a 30% increase in respondents saying that a reporting functionality gap exists (“Reporting is a nightmare for organizations,” said Harris.), while vendor satisfaction dropped “dramatically” in learning, analytics and compensation apps and user experience satisfaction with HR solutions dropped to 7%.

The average expected increase in HR tech spending is 21%, but survey respondents are also impatient and dissatisfied with increasing vendor costs. “Being nicked and dimed and paying for new modules was a big response. Buyers are struggling with this,” said Harris.

It wasn’t all cold water to the face for vendors, with plenty of signs of opportunity. Sapient found that small companies with as few as five employees are interested in performance management systems, for example.

That said, HR technology vendors and consultants need to revamp how they speak with new and current clients, and they should stop selling functionality to HR leaders immediately. “Stop talking about systems,” said Harris. “Talk outcomes. Buck the system. Help those companies get to those outcomes.”

When it comes to specific functionalities HR leaders are looking at, more than half of time and payroll apps are in danger of flipping in the next 12 to 24 months, Harris said, while none of the organizations surveyed are sending and sharing DEI metrics on a monthly basis and only 13% of surveyed companies are leveraging earned wage access solutions.

At the same time, recruiting—as well as learning and career development—remains a top priority for HR tech spending plans even with concerns of a possible economic slowdown. “Companies are still struggling to recruit and hire new talent,” she said.

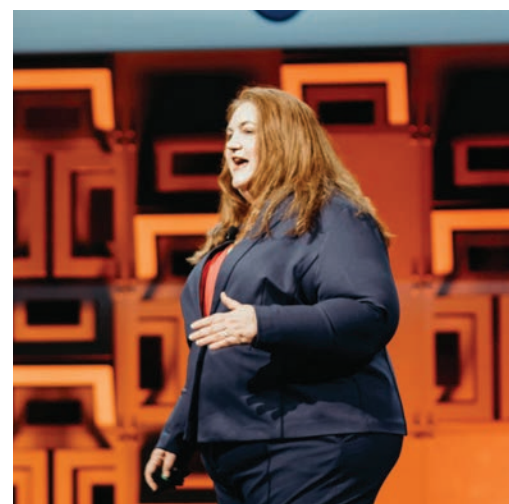
To address these and other challenges, HR leaders must broaden the role of HR technology and how it is used in their firms, Harris said. If a new tool is being looked at solely to address compliance, for example, the implementation is doomed to fail.

“When looking at HR systems, it’s not a standalone system but an entire ecosystem,” said Harris. “As we share data, think about your role in the organization. How do you get people excited about new solutions?”

The Sapient report also found that HR leaders need to rethink their role within the enterprise in the next three years. Forty-six percent of survey respondents said HR is viewed as contributing strategic value; Harris said that numbers should be at 55% by 2025.

“If we want to get to 55% by ’25, we need to shift from a best-practice function to a defined-outcomes business,” she said.

*Send questions or comments about this story to [hreletters@lrp.com](mailto:hreletters@lrp.com).*



## Continued from page 3

I distinctly recall the CHRO of one of the largest food companies in the U.S. openly sharing her ideas for a new shift-scheduling technology she felt would greatly benefit her organization and their workforce. I hope someone who was listening to the session steals that idea and builds it for next year!

The last observation I took away from the 2022 HR Technology Conference was the overwhelming sense of happiness and excitement that permeates the HR tech industry and flows through to the conference. Certainly, some of the positive energy was due to a feeling that, as a larger society, we are back to “normal” following the pandemic years. But also, I felt the excitement of innovation, new ideas, opportunity and the collective efforts by the HR tech community to make the world of work a better, more welcoming, more

supportive, more inclusive and more successful place for all.

If you attended the HR Technology Conference this year, I would love to know your biggest takeaways. While I feel like I have a pretty good perspective from a year of planning, I did spend the week of the event running around Mandalay Bay like crazy (I covered 31 miles on my step counter), so I am sure that I probably missed something. You can keep the conversations from the event going on LinkedIn and Twitter—just use the hashtag #HRTechConf. And make plans to join the HR technology community for Virtual HR Tech, Feb. 28-March 3, and back in person at HR Tech, Oct. 10-13, 2023.

*Steve Boese is chair of HRE’s HR Technology Conference & Exposition®. Send questions or comments to [hreletters@lrp.com](mailto:hreletters@lrp.com).*







**Nationwide®**  
is on your side

Connect with pet-owning employees and attract talent with this paw-pular voluntary benefit.

Nationwide® pet insurance offers peace of mind to pet owners with reimbursement on eligible veterinary bills. That translates into higher engagement and retention rates at no added cost to your company. Learn more at [petinsurance.com/hrexec](https://petinsurance.com/hrexec) or call (877) 263-5995.



**Nationwide®**  
is on your side

More employees ask for pet health insurance than any other voluntary benefit—but why?

Pet insurance supports pet-owning employees by offering reimbursement on eligible vet expenses. Businesses can add Nationwide pet insurance to their voluntary benefits without adding to their bottom line. Learn more at [petinsurance.com/hrexec](https://petinsurance.com/hrexec) or call (877) 263-5995.

## Benefits

# Salary Increases on the Horizon for 2023

Experts predict a 'banner year' for salary boosts.

BY KATHRYN MAYER

**D**riven by a hot job market and record-high inflation, HR leaders are planning to turn to larger-than-usual salary increases in 2023, new data indicates.

A recent report from Salary.com, which surveyed 1,000 HR professionals, finds that nearly half of U.S. employers plan higher year-over-year budget increases next year compared to 2022. The long predominant 3% raise, which started its decline last year, has been replaced by a median raise of 4% across all employee categories, the survey finds. And a quarter of employers plan to give increases in the range of 5%–7% in 2023.

"2023 promises to be another banner year for employees seeking salary increases," says Chris Fusco, senior vice president of compensation at Salary.com. That's a far cry from just a couple of years ago. In 2020 when the pandemic began, Fusco adds, just under 10% of employers planned a higher salary budget increase than the prior year.

Although next year looks to be promising for employees in search of a larger paycheck, this year has been a good one for salary increases as well: The Salary.com survey found that the 2022 actual salary increases were higher than what was planned: 22% of organizations gave increases in the range of 4%–5% vs. the 12% that had planned to do so last year.

Cost-of-living increases also tended to be more generous in 2022 than in 2021, with average cost-of-living adjustments rising above 2% for the first time in many years, the survey found. It's no wonder why: Inflation

has increased about 9% year-over-year. The Salary.com survey found that smaller organizations (under 500 full-time employees) were more likely to provide COLA increases than larger organizations. Average COLA increases for smaller organizations hovered in the range of 2.5%–2.7%, higher than the typical 2% provided by larger organizations.

Increasing salary and enhancing benefits are both obvious strategies in today's current talent war—and ones that several employers say they're utilizing, multiple reports have found. Recent data from Willis Towers Watson found that employers are planning to up employee salaries in the biggest projected hike in 15 years—on average budgeting a 4.1% salary increase for 2023. Gartner found that 63% of executives plan to make compensation adjustments in response to high inflation, while another survey from human resources consulting firm Mercer finds 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, Mercer found.

The focus on competitive salaries continues even as some analysts worry about a recession and what that may mean for salaries and other perks. The concern, for now, is not only about attracting talent, but convincing employees to stay put, industry insiders say.

## Announcing the Speaker Lineup at the Health & Benefits Leadership Conference

**A**mid some of the greatest challenges and events in history—an ongoing pandemic, social justice issues and political upheaval among them—employees are examining every aspect of their lives, and their workplace is no exception. With the Great Reevaluation underway, how can company and HR leaders best engage workers, offer them value and generally convince them to stay with the organization?

Those questions will take center stage during the opening keynote at next year's Health & Benefits Leadership Conference, which will be held in Las Vegas from May 3-5.

In the event's opening keynote session, thought leader, bestselling author and executive coach Jenn Lim—who, with late Zappos CEO Tony Hsieh, founded Delivering Happiness, a company that helps organizations thrive using the science of happiness—will walk HR leaders through what employees are truly looking for in their organization. Lim will explain how employers can deliver to improve retention, job satisfaction and employee happiness.

Lim's keynote comes at a vital time: Scores of employees have left their jobs over the past year, and the candidate-driven market is still in full swing despite economic volatility and concerns over a potential recession. Many workers are in search of purpose, happiness and value—and if they feel they don't have that in their organization, then they are no longer hesitant to leave in search of employers with the same shared values. Experts say that culture, benefits, values and more are paramount to not only recruiting candidates, but keeping employees.

Lim is among the robust set of speakers that will be part of HRE's HBLC. The three-day event will focus on some of the most pressing topics in health and benefits, including wellbeing, burnout, a renewed focus on financial health and retirement, and how to contain rising healthcare costs.

Fred Thiele, vice president, global benefits and mobility at Microsoft, will speak about the tech giant's template for workforce success: a comprehensive and inclusive employee wellbeing program. Thiele also will explore how a holistic approach is indispensable to supporting a diverse employee population as they navigate the twists and turns of the modern hybrid workplace. And Ilyse Schuman, senior vice president, health policy, at the American Benefits Council, will dive deep into the legislative proposals and regulatory activity addressing health and retirement benefits and paid leave programs—and what that means for benefits and HR in 2023.

Industry analyst Josh Bersin will also present at the conference, talking about the latest trends in the healthcare and wellbeing industry.

Other sessions will explore retirement strategies, individual coverage HRAs, burnout and how to communicate benefits. More speakers will be announced in the coming months.

*Registration for the Health & Benefits Leadership Conference, which will be held at the Mandalay Bay in Las Vegas, is now open. To sign up, visit [benefitsconf.com](https://benefitsconf.com).*

—Kathryn Mayer





# EX is Becoming Central to the CHRO Role

Amid attraction and retention challenges, HR leaders are rethinking the employee experience.

BY KATHRYN MAYER

**L**ike many HR leaders, Johanna Söderström, executive vice president and chief human resources officer for Tyson Foods, prioritized employee safety during the early days of the pandemic—most employees worked in person in the factories, after all. But as the last two-plus years of continued uncertainty and change have proven, helping employees is more than just keeping workers safe—it's become imperative for HR to strengthen the overall employee experience. And now, this shift is entirely reshaping how HR leaders approach their work.

"We wanted to focus on employees, focus on the experience that we want to create. We wanted to think holistically of how we create a great experience, a great environment in everything we do every day," she says. "People don't just come to work for a paycheck; they are looking for much more."

Johanna Söderström

For Tyson, the focus on the employee experience has included embracing flexibility, adding new technologies to make tasks easier and more effective for employees (workers can use devices to change their shifts, for instance), enabling new ways of work and adding new benefits, such as free education assistance. It's also opened health clinics for employees near company production facilities, giving Tyson workers, and their families, easier access to high-quality healthcare—in most cases, at no cost.

"We want to make sure no one is unclear what we are about—and that's winning with our team members," Söderström says. "And I think many companies are following that same thinking: How do we continue to make sure that employees want to be here?"

Indeed, Tyson isn't alone in rethinking nearly every aspect of employee strategy. Scores of top employers are not only figuring out how to help and support employees—many of whom have heightened expectations as they rethink their

**"Now, companies have to go back to the basics, be innovative, question everything they've been doing for employees in the past and say to themselves, 'Maybe we haven't been doing enough.'"**

—JEANNE MEISTER, EXECUTIVE NETWORKS

priorities—but to keep them engaged in the company so they don't leave. That's among the key findings in a new Executive Networks survey of chief human resource officers employed at Global 1000 organizations, the results of which were discussed during last month's HR Tech Conference.

"People are reevaluating their lives," says Jeanne Meister, executive vice president of HR peer network organization Executive Networks, who moderated the HR Tech panel. "It's not just that they're leaving their jobs; there's a big shift [in mindsets]. They're thinking about their careers, if they want to choose another profession or move. The pandemic has been a tipping point for individuals: Do they really want to continue to do things like they were?"

It's no wonder the survey finds that the overwhelming majority of HR leaders (83%) are very concerned about the attraction and retention of talent. The top factors CHROs cited for higher levels of voluntary turnover include stress and employee burnout, lack of visibility into career advancement and development, dealing with work/life balance issues and requests for increased compensation.

The phenomenon of late is more than just the Great Resignation, says Meister, it's the Great Reevaluation—meaning that employers and HR leaders are getting more creative, more innovative, more flexible and more employee-driven than ever in

order to keep workers. It's about taking aim at employee burnout, connecting with workers, providing flexibility, focusing on wellbeing, ensuring employees have purpose and values, meeting employees where they are and much more.

"It's the Great Reevaluation of lives and purpose—and that's driving greater numbers of people leaving," Meister says. "So, now companies have to go back to the basics, be innovative, question everything they've been doing for employees in the past and say to themselves, 'Maybe we haven't been doing enough.'"

Nuotto, senior vice president of human resources at research and tech firm VTT, says that the role of HR leaders has "changed drastically over the past couple years."

"I think the realization of the fact that every business is a people business has penetrated the business thinking and acumen," she says. "That has empowered HR even more and moved it into the core."

Some of those new ways of thinking to keep workers happy and keep them put? According to the Executive Networks data from CHROs, that includes creating internal talent marketplaces (73% of survey respondents have internal talent marketplaces, but 32% of those are limited in scope); launching in-house staffing agencies; and creating guidelines for successful hybrid work (93% of survey respondents said the hybrid work environment is most effective for company performance).

Mastercard, for its part, launched an employee referral program with a cash reward that was double to triple what was offered previously, resulting in a four-fold increase in applications through referrals. IBM created structured apprenticeship programs and an internal learning platform, which are especially beneficial to advance workers without a college degree.

Many firms also are prioritizing purpose and values, upping commitments to diversity, equity and inclusion and environmental, social and governance efforts, Meister says. Others are thinking heavily about helping workers achieve better work/life balance.

"We have to help our employees so that they don't become their worst boss," Meister says of work/life balance. "If you work at home, you really need to create boundaries, and HR leaders need to help."

Soliciting employee input is key. At Tyson, employee and engagement surveys have led the food company stalwart toward what types of support to provide. "It pays off to take action on what employees want," Söderström says.

Going forward, experts say, these employee-driven focuses and the laser-like attention on recruitment and retention won't be fads. Instead, they will likely guide future HR leaders and what they prioritize.

"Where the profession is heading, and where the need for the future chief HR officer or people officer is, it's definitely about connecting those invisible dots for the whole enterprise, with people-led initiatives that's going to drive our strategy and vision," Söderström says.

Nuotto agrees.

"The CHROs of the future need to have a strong people and business understanding, and they need to be great communicators and influencers since they will be sparring the workplaces of tomorrow and leading the future of work," she says. "They will be bringing back the human element in their work; enhancing emotional agency and employee wellbeing will play an important role."

*Send questions or comments about this story to [hreletters@lrp.com](mailto:hreletters@lrp.com).*



Jeanne Meister



Kirsi Nuotto





# This voluntary benefit is like catnip

**Pet-friendly benefits are a meaningful way for companies to support employees with pets, and to boost employee engagement at the same time.**

- Use any vet, anywhere, with no networks
- Two levels of reimbursement: 50% or 70%\*
- Mobile-friendly claims processing
- 24/7 advice from pet health experts at **vethelpline**®
- Preferred pricing on pet meds at select pharmacies with **PetRxExpress**™
- And more!

Go to **[petinsurance.com/HRexec](https://petinsurance.com/HRexec)** or call **877-263-5995** to start offering Nationwide pet insurance.

\*Some exclusions may apply. Certain coverages may be excluded due to pre-existing conditions. See policy documents for a complete list of exclusions.

Products underwritten by Veterinary Pet Insurance Company (CA), Columbus, OH; National Casualty Company (all other states), Columbus, OH.  
Agency of Record: DVM Insurance Agency. All are subsidiaries of Nationwide Mutual Insurance Company. Subject to underwriting guidelines, review and approval.  
Products and discounts not available to all persons in all states. Insurance terms, definitions and explanations are intended for informational purposes only and do not in any way replace or modify the definitions and information contained in individual insurance contracts, policies or declaration pages, which are controlling.  
Nationwide, the Nationwide N and Eagle, and Nationwide is on your side are service marks of Nationwide Mutual Insurance Company. ©2022 Nationwide. 21GRP8539

