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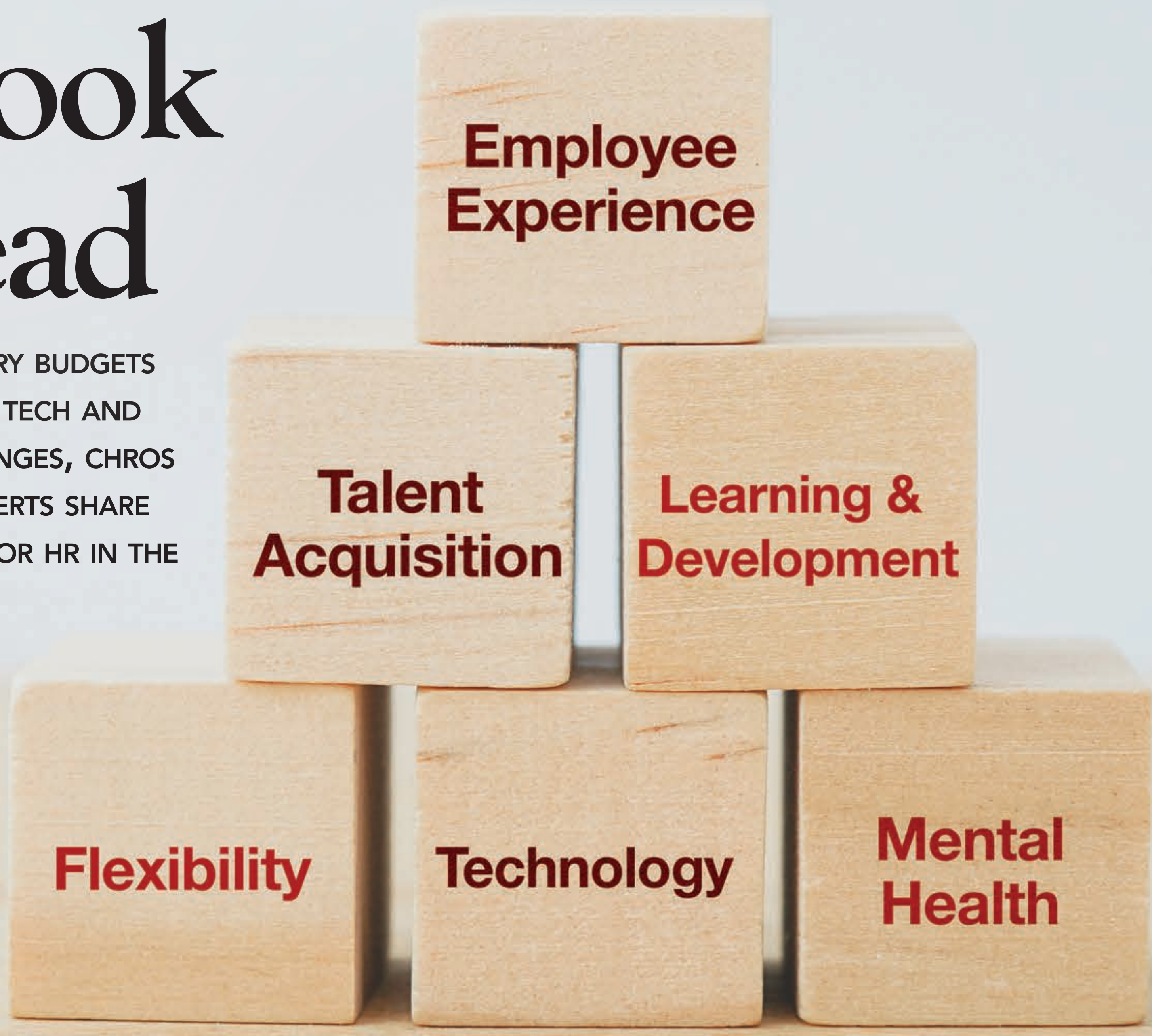

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HR IN THE FLOW OF WORK **Josh Bersin**/Columnist

The Explosion of Non-Routine Work

For years, economists and researchers have been predicting how automation would eliminate significant numbers of jobs. Certainly, routine work—jobs largely based on the performance of regular tasks at certain times or for specific situations—has been reduced. However, *non-routine work*—jobs comprised of tasks performed at irregular intervals and often executed in different ways dependent on the situation—has exploded. This trend is creating better jobs, higher-paying jobs and jobs that require new skills.

For example, consider the automation of self-service retail, mobile phone orders and in-store kiosks. These automation tools did eliminate traditional call center and order-taking jobs. But the high volume of new transactions has created new jobs in service delivery, customer service and support, analytics, supply chain and logistics. Most of these jobs fall into the category of non-routine work.

The National Bureau of Economic Research has extensively studied the shift from routine to non-routine work and confirms its significance. Not only have "occupations" shifted, but the growth rate in non-routine jobs is almost *25 times higher* than the growth rate in routine jobs (based on data from 1976 through 2014).

What are these non-routine jobs?

Non-routine jobs are typically defined as "service" jobs; they fall into two overlapping categories. The Bureau of Labor Statistics publishes a long list of service-providing industry segments encompassing a wide range of jobs in healthcare, finance, education, trade, leisure, hospitality and professional services. These jobs make up more than 70% of U.S. employment; their average wages have been growing at more than 5% per year. A second, even more important category encompasses jobs that require skills in design thinking, communication, empathy, teamwork and time management. Most jobs in the U.S. fall into this category in one way or another.

Sales is a good example of the shift from routine to non-routine work. The demand for salespeople has gone through the roof, but this demand is not due to economic growth; job openings are a direct result of sales automation. Thanks to CRM tools, a salesperson today spends time pouring through Salesforce, looking for qualified leads, then crafting interesting emails or phone conversations to get the attention of prospects. Has sales been automated? Not really. It has been augmented and improved by automation, but it's still a person-to-person job.

Technical skills vs. power skills

Recent research from IBM found that CEOs don't only want employees with technical skills, they are also desperately looking for people who are creative problem solvers who can manage large teams and deal with strategy, time management and organizational growth. Technical salaries do go up with specialization, but almost every study of pay shows that managerial roles pay 50% to 100% more, even in highly technical domains. Yes, it's hard to hire the world's best scientists and engineers, but try being the manager of these brilliant people. That is a really tough job.

While technical skills are certainly valuable, skills in design thinking, agility and flexibility, communications, empathy and management are even more so. The top skill requirement on LinkedIn isn't computer programming or data analytics, it's communications. And this makes sense. If you can't listen and communicate your thoughts well, there aren't many jobs you can really do.

What this means for HR and business

First, we have to expand focus beyond technical skills in training, development and recruitment. You should define these skills, continually develop them and reward them.

Long-term business success and economic growth is now dependent on the ability to understand this shift. An interesting study conducted by the IZA Institute of Labor Economics found that the slowest-growing economies had a much larger percentage of jobs with "routine-intensive roles." In other words, if you don't design and engineer jobs to make the shift to non-routine work, your company will suffer, as will the overall economy.

Low unemployment may be here to stay. While historically, companies have laid off workers when the economy slows, that formula seems to be changing. Why? We are constantly reinventing work and creating new jobs as other become obsolete. The fertility and marriage rates are low, and this demographic drought is creating a limited supply of potential employees. So, jobs will continue to be hard to fill.

As I see it, the future is not a world in which technology replaces people, but rather one in which jobs continuously get better. Leveraging this trend is key to growth and even survival in the future.

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.

By Dani Johnson/Columnist

3 Dumb Questions About Skills

And ones you should ask instead

There is no question that the pandemic accelerated new ways of working. Organizations needed more flexibility and fluidity as employees went remote and shuffled companies. This caused many employers to throw out the proverbial rule book and begin thinking differently about how work gets done.

One of the most significant changes we've seen during this time is the acceleration of skills. The frenzy over "skills" (reskilling, upskilling, unskilling, skilling 2.0, etc.) has recently ratcheted from a philosophical discussion to a verifiable necessity. Organizations have begun to realize the benefits of quantifying work at a much more granular level.

While the opportunities of skills are real, many organizations struggle to get started. We think part of the problem may be that they're having the wrong conversations. Following, we highlight three questions we're hearing about skills and three we think organizations should ask themselves instead.

Dumb discussion: What should we call skills?

Are skills the same as competencies? Are competencies the same as traits? Where do capabilities come in? Interestingly, in our conversations with 25 leaders who have started to implement a focus on skills in their organizations, every one of them said they don't care what they're called. These leaders tended to be much more interested in what they are: the ability to do a kind of work.

We think this conversation, which we've seen get pretty heated, detracts from bigger, more important questions.

Better discussion: What can we do with skills?

With a good skills strategy and decent skills data, possibilities open up to make organizations nimbler and more responsive. For example, organizations can:

- More accurately determine the skills needed for specific roles and gauge how qualified individuals are to fill those roles.
- Identify transferrable skills across roles and organizations, making mobility easier and potentially solving talent shortages.
- Determine which skills could be combined to create new roles that serve the strategy better or eliminate old roles that are no longer necessary.
- Identify employees with skills needed in other parts of the organization, enabling more mobility or gig work.
- New possibilities open up when leaders ask themselves what they can do with skills instead of what to call them.

Dumb discussion: Which skills will be in the highest demand in 2025 globally?

Many articles offer insights into which skills will be the most prominent in 2025, 2030 or 2050. While these articles are excellent clickbait (I admit, I always click on them), speculations like these don't serve organizations well. It is absurd to assume that all workers and all organizations will need the same skills.

Better discussion: Which skills does your organization need?

Figuring out the skills your organization should focus on is a do-it-yourself job. The skills your organization needs will vary by industry, business strategy, people strategy, changes to the external environment and so many other factors. They can't all be found on one generic list.

As such, you and other leaders in your organization are best equipped to understand which skills you need and should focus on. Leaders we spoke to recommend forming a task force whose job is to answer questions like, "Do we limit our effort to just the top skills we think all employees need?" "What skills do we need to deliver the business strategy?" and "Do we want to start small, like with one function, or should we go big?"

Don't be afraid to start the conversation. We promise others in your organization want to have it. Begin talking specifically about the skills your organization needs.

Dumb discussion: How do you get perfect skills data?

Many leaders are in search of perfect skills data. Everyone wants a perfect, clean dataset validated by both machines and humans. Don't get me wrong: We're big fans of clean, perfect datasets. The problem is we have yet to find one. Data is messy, and skills data is moreso because it is often compiled from many systems.

Skills datasets are never going to be perfect. Not only is the number of skills increasing daily, but individuals are also continually growing and learning. Our data will always be slightly outdated even if we dedicate massive resources.

Better discussion: How do we put imperfect skills data to use?

Organizations should instead focus on putting their skills data to use. One of the most common pieces of advice we heard from the leaders we interviewed was "START." Start with your information and build on it as you recognize more data sources and the technology improves.

And while you're consistently striving for better data, realize that it's never going to be perfect. Leaders should think of their skills data as directional—enough to help them make better decisions.

Directional data can give organizations a sense of which skills they have and where their gaps may be. Understanding these gaps can help them make the right investments in employee development and acquisition. Directional data can also help managers and employees determine the right development strategies and career paths.

Moving to a skills mindset is hard and messy. The end goal and all of the possibilities aren't clear yet. Still, there is enough noise—from leaders dipping their toes, vendors creating solutions and futurists illustrating the promise—to start moving in that direction. As you begin these discussions in your own organization, asking the right questions can keep you from spinning unnecessarily.

Dani Johnson is co-founder of RedThread Research and previously led the Learning and Career research practice at Bersin, Deloitte.

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Cover Story

What Are HR's Top 2023 Priorities?

Four CHROs share what challenges they'll be concentrating on in the coming year.

BY JEN COLLETTA

As the end of the year draws closer, HR and business leaders already have their sights set on one thing: 2023. The coming year is sure to be another challenging one for HR professionals, as the COVID-19 pandemic lingers on and employers work to keep up with the seismic shift it has brought to their businesses, including increased turnover, new demands for flexibility and an accelerated reliance on technology.

With HR at the center of all of those transformations, the time is now, say a handful of HR leaders we spoke with, to gear up for 2023. While the four CHROs HRE recently interviewed about their priorities for next year represent different industries and organizations, their laser focus on the employee experience—particularly the new expectations around EX that have emerged in recent years—is universal.

Here's what they had to say:

Susan Tohyama

CHRO, Ceridian

This coming year, Tohyama—who took on the top HR job at the HCM technology company in March 2020, just weeks after COVID-19 was declared a national emergency, says her HR focus will be on three primary areas.

Her first priority is, naturally, on Ceridian's people. "I want our organization to continue its focus on talent, leadership development, career development for employees and more," she says.

Beyond that, diversity, equity and inclusion will be top of mind. Tohyama says she's eager for the organization to continue to show "demonstrable movement" on DE&I.

"We've made great progress, but there is so much more work to do," she adds.

Ceridian will also be strategizing for the long-term impact of the COVID-19 pandemic—particularly as a global company.

"We need to make sure that we continue to understand what it truly means to be a virtual company, as leaders, managers and employees," she says. "We also need to continue understanding what flexibility looks like for each employee in every function—each person is different, and we need to honor that in how we show up and care for our employees."

Lisa George

CHRO, Help at Home

Like all organizations, recruiting and retention will be top of mind in 2023 for George, who joined the provider of senior caregiving services this summer. Hand in hand with those goals, she says, are plenty of opportunities to help deepen support for the organization's 50,000 caregivers, which will be the main priority in 2023.

"The most important thing will be to continue to upskill, professionalize and enhance the experience of our caregivers," she says. That will take a number of forms: utilizing new technologies to increase efficiencies and streamline processes and ensuring the field support center—the company's home office—has the right structure and capabilities to support caregivers working in the field.

"We want to make sure that, no matter what we do, when we roll out new programs, policies or processes, that it's something that creates value and impacts the employee experience, as well as the care we're providing for our clients, in the most positive way," George says.

Stephanie Soto

Executive vice president, CHRO, Breakthru Beverage Group

Soto came on board the beverage distributor—an industry leader, with 7,500 employees in North America—this summer and quickly determined that she aimed to bring a "people-first" mindset to her work as CHRO. With that, she intends to approach 2023 with a sharp focus on the experience of all employees—or, associates, as Breakthru calls them.

"I'm really interested in looking at the associate lifecycle—from the beginning all the way through to someone who's been here for their full career," she says. "There are different touchpoints along the way for people at all stages of their career where we can really make that an amazing experience."

That includes everything from employee recognition to performance management to simply "how it feels every day to come to work and be an associate.

"This people-first approach in every aspect of what we do is where I'm starting my focus," she says.

Robert Gama

Senior vice president, CHRO, AMD

Learning and development has moved to the top of the priority list for many HR executives concerned about arming their workforces with the skills needed for the future. AMD—a provider of high-performance and adaptive processor technologies, which started as a Silicon Valley start-up in the 1960s and has since grown into a global company—is placing a particular emphasis on L&D in 2023, given its hypergrowth in the last few years.

"In-person training and development took a big hit during the pandemic and now that we are coming out of that," notes Gama, "we plan to focus on offering more in-person options to ensure we continue to train and develop our employees and leaders."

Gama notes that this and other goals—including building capacity and capability across teams, enhancing efficiency and continuing to strengthen the employee experience—will all involve the alignment of people and organization strategy.

"As an HR team we continue to drive and listen to the business, flexing and adjusting as needed," he says.

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

What Soaring Salary Budgets Mean for Next Year

A recent WorldatWork survey shows salaries are expected to continue to rise next year.

BY TOM STARNER

After years of upheaval due to the COVID-19 pandemic, employees around the globe have some good news to celebrate: Raises are on the rise and expected to continue that trajectory into 2023.

A new survey from WorldatWork reveals that salary increase budgets reached their highest level in 20 years. In the U.S., they rose to an average of 4.1% in 2022 with a 3.8% median and are projected to again be at a 4.1% average in 2023.

Now in its 49th year, WorldatWork's *Salary Budget Survey* (the longest-running survey of its kind) offers business leaders robust, year-over-year data aimed to help them design competitive compensation plans and total rewards strategies that attract and retain high-performing employees, according to Sue Holloway, director of WorldatWork.

The more than 2,000 organizations represented in the survey cover nearly 14 million employees from 19 countries.

This year's findings heighten a trend that survey authors had already been seeing. In 2021, U.S. respondents projected that the following year's total salary increase budgets would rise modestly from a 3% average to 3.3%, while the median increase was predicted to stay the same at 3%.

The WorldatWork survey follows other similar findings about the upward trajectory of salaries in light of a tight labor market as well as rising inflation. A recent Salary.com report, which surveyed 1,000 HR professionals, found that nearly half of U.S. employers plan higher year-over-year budget increases next year compared to 2022 (a median raise of 4% across all employee categories). Another report from Willis Towers Watson found that employers are budgeting a 4.1% salary increase for 2023, and Gartner found that 63% of executives plan to make compensation adjustments in response to high inflation. It's all proof that competitive salary strategies will remain top of mind for HR leaders as they plan for next year.

Holloway says the higher predicted average suggests that some employers expect to compensate for pay increases that were delayed or deferred in prior years and to address increasing labor market pressure. That trend, along with the "volatile economic environment," Holloway says, "challenge HR pros to leverage data and think strategically as they formulate 2023 compensation budget recommendations and negotiate with CFOs," Holloway says.

When asked how certain they felt about their 2023 salary increase budget projections, nearly half of respondents (48%) felt moderately certain while more than a quarter (26%) felt slightly certain. WorldatWork will conduct a special pulse poll in the coming months to monitor whether projections are changing as the year unfolds.

The survey also shed light on how raises are being doled out. The average time between increases across all employee categories mirrored the historical average of 12 months, with executives' average at a slightly greater 12.3-month average. Meanwhile, on average, participating organizations reported awarding at least some base salary increases (e.g. general increase/COLA, merit increase) to 88% of employees in 2022.

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

Record 401(k) Contribution Limits Coming in 2023

The news is a good opportunity for employers to talk retirement savings strategies with employees.

BY KATHRYN MAYER

The effect of soaring inflation continues to make an impact—but this time, it's good news for employees.

The IRS announced a record increase in contribution limits to 401(k) and other retirement accounts—mostly in response to soaring inflation. Starting in 2023, employees can contribute up to $22,500 into their 401(k), 403(b), most 457 plans or the Thrift Savings Plan for federal employees. That's a $2,000 jump from the 2022 limits.

Additionally, the catch-up contribution limit for employees age 50 and older who participate in 401(k), 403(b), most 457 plans, and the federal government's Thrift Savings Plan is increasing to $7,500 in 2023, up from $6,500 in 2022. That means those participants can contribute up to $30,000, starting in 2023.

The limit on annual contributions to an IRA increased to $6,500, up from $6,000. The IRA catch-up contribution limit for individuals age 50 and over is not subject to an annual cost-of-living adjustment and remains $1,000, the IRS said.

The retirement contributions jump is good news for employees, notably those who are falling short of their retirement goals, which is a large number of workers. Research indicates that retirement optimism has fallen, with many employees feeling unprepared for their long-term future. Recent data from the nonprofit Transamerica Center for Retirement Studies in collaboration with Transamerica Institute finds that about half of baby boomers and nearly four in 10 Gen X workers expect to work, or already are working, past age 70 or do not plan to retire.

Inflation is making matters worse: Increasing cost-of-living is now the top obstacle to saving for a comfortable retirement, according to a recent survey from Schwab Retirement Plan Service. The financial services firm's annual nationwide survey of 401(k) plan participants finds that workers rank inflation (45%) ahead of other obstacles, including keeping up with monthly expenses (35%), stock market volatility (33%) and unexpected expenses (33%).

Although the recently announced IRS increase is positive news that can help pad savings, perhaps the bigger issue is that employees haven't been able to sock away more of their earnings as inflation has taken a significant toll on many workers' budgets. As prices for housing, food, gas, medical costs and other bills have largely increased over the past year, salaries haven't increased in the same way, causing employees to cut back on contributions to things like retirement and health savings accounts. Schwab data finds that 79% of workers say they are changing their saving and spending habits, while 44% have altered their 401(k) investments.

That presents an opportunity for employers, who can help by evaluating salaries, increasing contributions for their employees' retirement accounts, expanding financial resources and benefits, and beefing up communication about retirement strategies. Experts say employers should encourage employees to fund their 401(k)s to the best of their ability, and the recently announced IRS retirement limits are a good opportunity to do so.

The 401(k) limits weren't the only recent IRS announcement: The agency also increased flexible spending account limits for 2023 at a higher-than-usual jump. Employees will be able to contribute $3,050 to FSAs in 2023, the agency said.

Find out more about retirement and financial wellness strategies at HRE's *2023 Health & Benefits Leadership Conference, which will be held from May 3-5 in Las Vegas. Learn more and register at www.benefitsconf.com.*

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

FSA Limits Increase for Inflation

BY KATHRYN MAYER

Spurred by soaring inflation, which has been on an upward trajectory over the last year, the Internal Revenue Service pushed the cap for flexible spending accounts next year above $3,000 in one of the larger increases in recent years.

Employees will be able to contribute $3,050 to FSAs—made pretax through salary reductions—in 2023, the agency said this week. That's up $200 from this year's $2,850 limit. FSA limits generally increase by about $100 each year.

For cafeteria plans that permit the carryover of unused amounts, the maximum carryover amount is $610—an increase of $40, the IRS said.

Shobin Uralil, co-founder and COO of health savings account provider Lively, says the increase in FSA contribution limits is "a step in the right direction" but isn't enough to address financial concerns from employees. "Americans are seriously struggling due to high inflation rates, and the reality is that they will need more ways to save and invest their dollars to protect their retirement," he says.

Indeed, the 7% increase for FSA limits is still lower than the current inflation rate, which is 8.2%, according to the latest consumer price index. Inflation has taken its toll on nearly all aspects of employees' finances, from monthly expenses to emergency savings and retirement savings, information that is spurring many employers to make changes in the form of salary adjustments, bonuses or enhanced financial wellness benefits.

Still, a bigger increase in FSA limits—as well as health savings accounts—can be helpful for workers. The IRS back in May announced its 2023 annual HSA limits, which also increased more significantly in response to inflation. Health savings account contribution limits for an individual with self-only coverage will jump to $3,850—a significant $200 increase from $3,650 for this year. Last year, the amount climbed just $50 from $3,600 for 2021. For family coverage, the HSA contribution limit jumps to $7,750 next year from $7,300 in 2022.

Experts say employers would be wise to promote HSAs and FSAs and encourage workers to increase their contributions as a helpful way to assist with medical costs.

Find out more about healthcare cost strategies at HRE's 2023 Health & Benefits Leadership Conference, which will be held from May 3-5 in Las Vegas. Learn more and register at www.benefitsconf.com.

What's in Store for Talent Acquisition in 2023?

BY JEANNE MACDONALD

Is there such a thing as "The New Normal?" We've all been through years of tumultuous change—from a global pandemic that forced most professionals to forgo the office for the kitchen table, a reckoning on racial justice issues that brought DE&I to the forefront and now a looming economic downturn—so it's time for talent acquisition professionals to push the reset button and look toward what 2023 will bring.

Here is Korn Ferry's take on how the world of talent acquisition will—and won't change.

Scenario planning for an economic downturn

Most economists agree that 2023 will see some an economic slowdown, but opinions differ as to whether it will devolve into a full recession. This uncertainty shouldn't prevent TA teams from preparing—and learning from their mistakes. The Great Recession of 2008-2009 saw many employers drastically cutting their workforces just to stay afloat. This meant the remaining employees had to pick up the slack, leaving them stressed and burned out—and when the global economy did start to pick up, those same companies scrambled to hire back enough people to help with the recovery. This is a pattern, Korn Ferry research shows, that repeated itself right after the start of the COVID pandemic and lockdowns. Now, if the market does in fact downturn in 2023, companies should take a much more measured approach to right-sizing their workforce. Talent acquisition professionals should conduct scenario-based workforce planning to prepare for the worst, average and best-case economic conditions. In each case, it will be critical to focus not only on the downturn, but also on the recovery, so organizations can respond quickly and dynamically.

Measuring success by results

For our parents, grandparents and their grandparents, laboring from morning until late in the day was the norm. Heck, even Dolly Parton had to work from "9 to 5." But now, many employees are foregoing the traditional workday in favor of a more fluid schedule. In 2023, more candidates will look for companies that promote work/life integration: being able to put in hours when it's most convenient. Watching the clock will become less important, as managers assess success by the output of employees, and not the timeframe of their workday.

Ditching the ladder for the lattice

Thanks to an uncertain job market, professionals are no longer thinking of career growth in the traditional terms. Instead, they are making moves to other areas within their current organization, signaling a growing internal mobility trend. In many cases, companies will use talent analytics and workforce planning to determine which new roles are needed to futureproof the business and which employees might be a good fit for those roles. Going forward, employers should focus more on developing their current workforce, offering regular trainings and certification programs to reskill or upskill internal candidates. Increasingly, companies will use artificial intelligence (AI) platforms that use predictive analytics to shortlist promising internal candidates, provide tailored career development content and develop personalized career paths based on goals and interest areas. Investing in internal mobility, experts say, will not only help organizations to attract top talent and develop more diverse pipelines, but also to fill open roles and critical skill gaps amid stalled hiring.

Rent an exec (or professional)

Instead of relying only on full-time employee (FTE) hires, companies will increasingly look to interim executives and professionals to meet scaling workforce needs. And there are several benefits to employing an interim employee approach. People who choose interim or contract work are often highly skilled, mission-oriented and project-based individuals who assimilate quickly into new environments. They can bring unique skill sets and experiences needed for finite projects, during mergers and acquisitions or to temporarily fill roles during a leave of absence or while the company searches for a permanent employee. In 2023, we will see an increase in people seeking flexible opportunities. In turn, talent acquisition professionals will put more focus on nurturing relationships with such candidates. In such a dynamic landscape, experts recommend companies maintain a 70/30 FTE-to-interim worker mix.

Boomerang employees returning

It sounded like a good idea at the time. When business was booming and nest eggs were growing, many professionals decided to retire early. Others took the big leap to switch jobs—or even professions. Now, with an uncertain economy and shrinking retirement accounts, many retirees are knocking at their former employer's door, as are professionals who realize the grass isn't always greener on the other side. This can actually be a bonus for companies as they welcome back former workers with institutional knowledge and proven skill sets. In 2023, organizations will start to put more effort into the offboarding process, maintaining professional relationships with employees who leave and making sure those employees know the door is often open if they choose to return.

From D&I to interconnectedness

There are dozens of ways in which we differentiate and define ourselves. In a professional situation, diversity can be looked at as job title, industry, work experience, management status and a host of views and styles regarding work, leadership, communication and conflict resolution. In 2023, forward-thinking organizations will establish interconnectedness with the common vision of purpose—the "why" of its existence. It takes leadership to define and communicate a purpose that pulls people together. When team members understand the "why" of what they are doing, self-interest is transformed into shared interest. The more participants understand that purpose, the more they will become aligned with it. They will find their place within that purpose in a way that honors their individuality, their uniqueness and their diversity.

Jeanne MacDonald is president of Global RPO Solutions at Korn Ferry.

Why HR Needs to Get Savvy About Data and Its Related Tech

Today's HR leaders must analyze their people data to create vibrant workplaces where workers are valued, nurtured and engaged.

BY PHIL ALBINUS

Suzanne Harris is the first to admit that she is not a data scientist.

But as vice president of HR for NexusTek, an IT-focused managed services firm with 300 employees in 37 states, Harris and her team have had to grow increasingly comfortable with gathering and analyzing employee data to support vital business decisions.

Suzanne Harris

"I'm never going to be a financial planner, analyst or a data scientist," she tells HRE. That said, in 2019 she and her HR team began using people data analytics from HCM provider ADP in what she calls "bite-sized chunks" to start, and then in larger amounts, to perform in-depth people data analysis.

The days of scrutinizing employee data in a spreadsheet to generate a quarterly report are over. Today's HR leaders must become more adept at gathering, analyzing and sharing people data with not only the C-suite but also with managers and supervisors to improve employee experience and to attract, retain and develop valuable talent. The demands of the current work climate require that employers use a more informed approach to meet heightened expectations around EX, DE&I, hiring, compensation and other vexing HR issues.

"The importance of understanding the employee experience and the employee side of the business, I think, is now obvious," said Anna Tavis, clinical professor and academic director of HCM at New York University, in a *Harvard Business Review* report. "Everyone understands the importance of managing employees right. That comes from data."

HR leaders agree. The *HBR* research, sponsored by Visier, found that 54% of advanced users of people analytics reported achieving positive business outcomes and 74% examine data to analyze the workforce proactively. Perhaps more telling, the audience for people data is no longer limited to the C-suite: Half of advanced users count managers and supervisors as consumers of this data, compared with just 28% of organizations that are new to using people data on a regular basis.

"That's how [senior and middle management] make their decisions, how they understand trends and what's happening in their organization," says Harris.

HR Tech Virtual Coming Soon

The fourth annual HR Tech Virtual conference, which will focus on "Using HR Technology to Drive Certainty in Unpredictable Times," is set for Feb. 28-March 2. Registration to the free event is open now at *hrtechconference.com/virtual/register.*

The world's leading online technology event will feature three days of content along with access to an online HR tech solutions expo showing more than 100 top providers. To learn more, visit *hrtechconference.com/virtual.*

People data is more than a collection of information on employee compensation, staff turnover or the racial, gender or sexual orientation of workers on the company payroll. It can highlight burnout trends, gauge employee satisfaction and engagement, and determine the skills that employees need to grow their careers. People data also can help employers determine appropriate pay scales based on geography and suggest whether potential talent pools have the proper background and education to work for the employer.

"People data equals business data," says Paul Rubenstein, chief people officer of Visier. He likens HR's current use of people data to the days when chief financial officers began using financial data from multiple sources to inform vital business decisions.

Paul Rubenstein

"The good HR leaders are learning to master the data to tell stories and create a rhythm of accountability," he says.

Harris says this approach can not only help data-wary HR leaders achieve greater insight into their workforce, but people data can also make HR more valuable to senior management.

"Those people at the top love data," he says.

Data analysis: The new HR job skill

Using people data from multiple sources—recruitment applications, candidate interviews, onboarding tools, performance reviews and other HR systems—has become a key requirement of today's HR leader. It can also lead to transformation for tradition-bound organizations eager to thrive.

At Hearst, Debra Robinson provides HR technology support and services to five HR leaders and their teams who work in the IT and digital and broadcast media units at the legendary media and information services company. Since the company's recent upgrade to Oracle HCM technology, these leaders and their teams deliver monthly people data reports to Hearst's C-suite and the presidents of each business unit.

"We started providing these people reports every week because they never had this data before," says Robinson, senior vice president and chief information officer of Oracle technology and operations. That cadence soon slowed to once a month to avoid overloading leaders while allowing them time to absorb the report's critical data: retention numbers, employee learning and upskilling usage, and other key points that help them see what's happening inside and outside their organization.

"They can see how they're doing against other businesses," says Robinson. "It's critical."

During the pandemic, Hearst moved to Oracle Fusion Analytics Warehouse, which provides analytics for Oracle Cloud applications. After training remotely, Hearst's HR leaders were able to provide Hearst President and CEO Steven R. Swartz with deep people data at a time when he promised that no Hearst employee would be laid off.

"I was tracking every week how many hires, how many people left, and if it was voluntary and involuntary and the cost associated with that," says Robinson.

The wealth of data used in the modern workplace combined with sophisticated and easier-to-use data tools has expanded the audience for people data findings. In fact, making people data accessible to mid-level managers as well as senior management is now the expectation of HR leaders, according to Yvette Cameron, senior vice president of global HCM product strategy for Oracle, who likens HR's need for people data to consumers' desire to purchase affordable airline tickets online. "People are accustomed to absorbing analytics as a consumer," she says. "The challenge is when you put it in a business environment, it's been confusing and hard."

Debra Robinson

Cameron says that Oracle's technology has evolved to allow HR leaders to present data findings via visualizations while the solution's built-in AI can explain what the visualizations mean.

"We can tell you the story behind the data," she says.

In-depth people analytics is not just for large global enterprises with a dedicated chief people data officer. Smaller firms, like Harris' NexusTek, also are taking advantage of deep analysis of their people data.

"We've heard the age-old HCM notion that as you go into the upper stratosphere of the market segment, your needs are more complex, you need more data and data analytics is driving more of your decisions versus if you're a 20-employee client," says Aaron Smith, senior vice president of global product management and UX for ADP. But even a small business needs access to external people data to retain and engage their employees and compensate them fairly, he says.

Harris and her team, for example, do just that when they examine employee turnover rates by geographic region and use ADP salary tools to benchmark compensation plans against companies of similar size, especially during due diligence procedures for a company acquisition.

"If you're acquiring a company, you don't want to discover that everybody's making 1.5 times more than the people at your company," she says. "During due diligence, we're able to see if they had outliers in pay."

Harris admits to being intimidated when she and her team began using this data in 2019.

"I knew that it would be great information, but [I thought], am I going to be able to do this?" she recalls. "I just said, 'I'm not going to overthink this and I'm just going to start small.' " She started with ADP's salary benchmarking tool and she and her organization are now analyzing employee retention for its team of remote engineers via the HCM's dashboards.

And today, Harris is an enthusiastic consumer of people data analytics, eager to use it in future HR initiatives. "I've been building metrics little by little," she says, "to get a bigger picture of our workforce."

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

HR Technology

HR's Tech Priorities for the Year Ahead

Robust people analytics, manager training and enhanced employee listening are poised to be among the top priorities for 2023.

BY PHIL ALBINUS

After a year of addressing the skills gap, quiet quitting and the spread of hybrid work models, HR leaders need to remain focused on HR technology trends and employee demands in the coming year. After all, innovation and the demand for new policies and solutions never stops, even as HR professionals and the IT teams that support them continue to address the challenges around talent acquisition and retention, employee experience, DEI and the ethical use of AI-powered tools, among other issues.

HRE asked HR technology analysts and industry observers for their take on what will be the top HR technology priorities for 2023 and what it will mean for the people who select, purchase, implement and rely on cutting-edge HR technology in a potentially softening economy. Here is what they had to say.

Steve Boese

HR Tech Conference chair; President and co-founder, H3 HR Advisors

For 2023, HR organizations should evaluate their current set of HR tools and technologies for continuing "fit" for purpose and user focus. Because workplaces, organizations and even the nature of work have undergone so much change and disruption in the pandemic era, it makes sense to ensure that legacy HR technologies remain effective for the new ways of working and can meet the heightened employee expectations.

Additionally, after three years of survival mode for many organizations, 2023 should be the time to re-engage with the HR technology market and landscape and to catch up with the innovation and opportunities that the HR tech market can deliver. Lastly, in 2023, I would look to adopt only those technologies that put employees first—in their accessibility, their ease of use, and their direct relevance to making employees' work and personal lives easier.

After all, HR technology is not really for HR. It is for everyone in the organization.

Stacia Garr

Co-founder and principal analyst, RedThread Research

We see three primary priorities for 2023. First, career support: Even as organizations tighten their belts, they still need to retain their high-value employees and help them be successful. To that end, we expect technologies that support career growth, such as internal talent marketplaces and coaching tech, to continue to be strong technology investments for companies in 2023.

Second, people analytics: With all the significant changes in the last few years, leaders have realized the power of people analytics. We continue to see orgs make sizeable investments in people analytics technology as well as tech that has meaningful analytics within their systems. The intention of these is both to better understand what is happening with employees but also to share data more broadly.

And third, skills: As leaders dig into skills, they realize that there is a significant data and technology component to executing their strategy. For that reason, we are seeing organizations invest in skills technologies to better identify, map and integrate skills insights throughout talent systems. The data from these skills technologies are being integrated into some of the people analytics technologies and into other talent systems, such as learning and talent acquisition.

Josh Bersin

Author and analyst, The Josh Bersin Company

HR leaders will have to focus on a number of emerging challenges in the coming year. First, they need to rethink rewards around inflation and pay equity. Second, they must revisit their leadership model and focus on supporting leaders, creating energy and improving productivity and well-being. Third, HR leaders and their teams must ensure that they have a 3-year roadmap for AI-enabled talent systems. Fourth, they will need to focus their skills efforts on strategic areas of growth. And finally, HR leaders and their teams need to invest in building an integrated HR operating model and invest in upskilling every HR professional.

Stacey Harris

Chief research officer and managing partner, Sapient Insights Group

Based on our data, the top HR technology priorities for spending will be:

Upgrading and updating payroll applications: This will entail moving away from on-premise applications and looking for more innovative tools that reduce the workload of Payroll, Finance and HR.

Workforce Planning and offboarding solutions: Organizations know they may have to make cuts in the near future if the economy continues to soften, so we are seeing interest in technology that will help them do a better job assessing and reviewing their employee population from skills to job roles. But once the decision is made, organizations want to ensure they maintain a brand and relationship with employees that they may need to hire back in the future so offboarding tools that add more structure, humanity and benefits for employees they are letting go have become a topic of conversation. This includes the OnwardsHR solution and financial wellness tools, exit interviewing solutions, etc.

Recruiting is still a top area for investment based on our survey, but we see more investment in candidate relationship management for long-term hiring campaigns, compensation assessment tools and talent intelligence tools focused on finding the needle in the haystack.

Finally, we are in the first rounds of a replacement cycle for analytics applications—and we are seeing more focus on HR-specific, embedded and full business intelligence solutions that bring together the need for data mapping and visualization.

Jason Averbook

CEO and co-founder, Leapgen

In 2023, HR's top technology priority will be to put together a portfolio of technology that is optimized around the employee experience, putting both the employee and manager at the center while ensuring this portfolio of processes and tools is generating data that be used to understand the current state of the workforce.

Organizations will look to leverage automation such as journeys, workflows and bots to make these tools easier to consume at the employee and manager level while also trying to consolidate the number of tools it uses to make the portfolio easier and more efficient to manage.

People analytics will truly get its moment in the sun as organizations finally look at data in an "east-west" manner instead of the traditional, siloed "north-south" manner it has in the past to truly understand the workforce as whole. This all amounts to more transformation than we have ever seen in the world of HR and workforce technology, but once and for all, these transformations will be accretive as they will be done in harmony with each other with the workforce in the center.

Madeline Laurano

Founder, Aptitude Research

The top HR tech priority for 2023 will include improved experiences for employees, candidates, managers and recruiters.

Experience impacts every trend in HR today, including integration, transparency, skills and internal mobility. In order to improve experience, companies must rethink their strategies and technology options. They must break traditional views and build a new framework for empowering their workforce through a better experience. This requires investing in solutions that benefit the individual rather than the employer. A few examples include:

Manager Experience: Technology that will give managers the tools they need to better communicate with employees, provide feedback in real-time and approve everything from recruitment to compensation to development in a matter of minutes.

Recruiter Experience: Solutions that fit within the recruiter workflow that provide simple experiences and consistency.

Employee Experience: Solutions to empower employees throughout their career development. These tools will allow employees to build skills, connect with other employees, and access learning and development opportunities.

Candidate Experience: Every candidate deserves a fair, consistent and human hiring process. Tools need to give candidates the information they want to know that they are being considered for a role, and they want to receive feedback on where they stand in the process.

Registration is open for HRE's upcoming HR Tech Virtual Conference from Feb. 28 to March 2. Register at hrtechconference.com/virtual.

By Steve Boese/Columnist

Human Resource Executive HR Technology Conference & Exposition®

An Update from Oracle CloudWorld

With the HR Technology Conference behind us, I can take advantage of the bit of extra time to check in with some of the innovative HR technology solution providers, as many of them hold events of their own in the fall. Recently, I attended Oracle's CloudWorld event, the company's annual user conference that, quite frankly, is massive in size and scope. With such a wide array of Oracle products and services—ranging from core IT cloud infrastructure solutions to hardware and software solutions to what is likely to be the most complete range of enterprise cloud applications—CloudWorld can be kind of an overwhelming experience.

As one of the largest, and most influential, HCM providers, it's important for HR leaders, particularly at very large organizations, to keep updated on providers like Oracle. Here are some quick observations gained from a few days at CloudWorld.

Recruiting solution progress

At CloudWorld, Oracle announced some important enhancements to the Cloud HCM suite, most notably several new capabilities added to the Oracle Recruiting Cloud application, grouped under the title of the Recruiting Booster. These capabilities include:

Hiring event promotion and management: the capability to create and promote hiring events like job fairs or on-site college recruiting events on the company career site, and set up candidate registration pages and screening questionnaires.

Two-way messaging: provides the ability for recruiters to communicate with candidates using text and email directly through the Oracle Recruiting application and keep a log of these communications and interactions.

Enhanced candidate experiences: enhancements to Oracle's AI-powered chatbot, the Oracle Digital Assistant, to allow candidates to discover and apply for jobs, complete screening and respond to surveys.

Streamlined interview scheduling: enhances and automates the interview-booking process to set meetings faster and reduce the back-and-forth communication commonly required when scheduling. Plus, Oracle Recruiting Cloud now automatically identifies ideal times for interviews that align with the hiring team's availability and shares these timeslots with candidates for their selection.

All these capabilities serve to expand the recruiting process areas that are covered by Oracle Recruiting Cloud, making the Oracle solution, notably, more comprehensive. And, according to comments from Oracle product leaders, it will enable customers to retire certain third-party solutions that are often acquired to round out capabilities that were previously unavailable in the Oracle platform.

Customer success stories

During the event, I was able to spend time with several Oracle customers to talk about their experiences. Many described navigating through HR transformation projects, and the implementation of new HR technologies during and throughout the pandemic crisis, where disruptions of other kinds presented significant challenges to the organization.

The ability for customers to undertake enterprise and HR technology transformation projects in the middle of the global pandemic speaks to how modern HCM technologies—deployed in the cloud, configurable to meet customers' needs without (typically) having to be customized, accessible on mobile devices and built with a consumer-grade, easy-to-use user experience—can be implemented successfully in less time, with lower costs and with greater employee adoption than ever before. One noteworthy example of this capability was London Heathrow Airport, which, even while being a large, complex organization in one of the pandemic's most heavily impacted industries, was able to quickly restart its paused transformation project when it became apparent that, if its systems and processes were not modernized, it would not be able to meet the expected surge in travel demand when the pandemic-related travel restrictions eased. The project teams were ultimately able to go-live with Oracle Cloud HCM and Oracle Cloud ERP in 2021, making this project a remarkable achievement and a statement of how HCM technology can be leveraged as a strategic component of an organization's digital transformation.

Takeaways for HR leaders

Customer events are designed to be a celebration of success, and to position the technology solution provider in a positive light. While Oracle CloudWorld did accomplish those objectives, the content shared and the conversations I had during the event revealed some important takeaways for HR leaders, particularly in larger enterprises. Specifically, Oracle HCM has come a remarkably long way in a relatively short period of time (including through the pandemic), developing what is likely the most comprehensive suite of HCM technology applications and capabilities delivered in a single, unified platform. When organizations consolidate HCM solutions and reduce the number of third-party solutions, they can lower the cost and complexity of the HCM technology footprint. In addition, this shift usually results in more data consistency, security, usability and overall ease of use (and increased adoption). Every additional HCM technology solution an organization adds to its platform increases cost, complexity and risk, so I have always advocated for HCM technology strategies that employ as few individual and disparate systems as possible. By continuing to build out new capabilities onto Oracle Cloud HCM, Oracle is making it possible for organizations to greatly reduce the number of different systems and providers needed by an organization to possess a fully capable, robust and modern HCM cloud solution.

Finally, I will give a nod to the redesign and new look and feel of the Oracle Cloud HCM software demonstrated at CloudWorld. Longtime observers and users of legacy Oracle products would be pleased to see just how far and how modern the new Oracle Applications look, and how intuitive and usable they have become. In fact, not only has the Oracle Cloud HCM solution won awards for its functionality and capabilities (including a 2022 Top Product Award from *Human Resource Executive*), the design system itself has also been recognized for achievement and innovation. So, spend some time getting reacquainted with what Oracle HCM has been doing over the last several years. I am sure you will be pleasantly surprised by just how far the suite has progressed.

It is clear that the Oracle HCM team has continued to make significant progress in enhancing solution capabilities, expanding the application suite to increase functional area coverage, adding hundreds of new customers (with millions of employees) and charted an aggressive course for future improvements and innovation.

I look forward to sharing additional recommendations on other important HCM technology solution providers in the coming months.

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

HR Leadership

Top 50 Most Admired Companies for HR

Tech giant Apple took the top spot in the Most Admired Companies for HR rankings, marking the sixth time in the last 10 years it has done so, after it came in second the last two years. Last year's winner, Target, wasn't eligible for rating this year, due to insufficient response rates within the General Merchandisers industry grouping. Find out more about who's on this year's list and how the top-rated companies are innovating in the areas of sustainability and ESG at HRExecutive.com.

2022 Rank	Company	Industry	2022 Rating	2021 Rating	Rank 2021	Rank Change
1	Apple	Computers	8.638	8.670	2	+1
2	Walt Disney	Entertainment	8.473	8.258	8	+6
3	UnitedHealth Group	Health Care: Insurance and Managed Care	8.383	8.080	12	+9
4	Taiwan Semiconductor	Semiconductors	8.378	7.888	22	+18
5	Nvidia	Semiconductors	8.365	8.283	7	+2
6	Amazon.com	Internet Services and Retailing	8.250	8.645	5	-1
7	Alphabet	Internet Services and Retailing	8.240	8.665	4	-3
8	Advanced Micro Devices (AMD)	Semiconductors	8.235	7.435	48	+40
9	Nike	Apparel	8.215	8.668	3	-6
10	NextEra Energy	Electric and Gas Utilities	8.113	7.760	26	+16
11	Microsoft	Computer Software	8.103	8.048	13	+2
12	Procter & Gamble	Soaps and Cosmetics	8.083	7.633	33	+21
13	Johnson & Johnson	Pharmaceuticals	8.063	8.215	9	-4
14	Starbucks	Food Services	7.935	8.043	14	0
15	L'Oréal	Soaps and Cosmetics	7.895	7.398	52	+37
16	PayPal Holdings	Consumer Credit Card and Related Services	7.873	8.000	16	0
17	Zoom Video Communications	Computer Software	7.845	–	–	–
18	Netflix	Entertainment	7.820	8.193	10	-8
19	Arrow Electronics	Wholesalers: Electronics and Office Equipment	7.820	7.683	30	+11
20	Nestlé	Consumer Food Products	7.818	7.423	49	+29
21	HCA Healthcare	Health Care: Medical Facilities	7.800	7.583	36	+15
22	Accenture	Information Technology Services	7.760	7.888	22	0
23	Adobe	Computer Software	7.750	7.845	24	+1
24	Merck	Pharmaceuticals	7.743	8.165	11	-13
25	PepsiCo	Consumer Food Products	7.700	7.923	19	-6
26	Qualcomm	Semiconductors	7.693	7.370	56	+30
27	Pfizer	Pharmaceuticals	7.685	6.888	127	+100
28	The Estée Lauder Companies	Soaps and Cosmetics	7.673	7.303	64	+36
29	Square	Consumer Credit Card and Related Services	7.653	–	–	–
30	Charles Schwab	Securities/Asset Management	7.653	7.645	32	+2
30	W.W. Grainger, Inc.	Wholesalers: Diversified	7.653	7.693	29	-1
32	Roche Group	Pharmaceuticals	7.650	7.370	56	+24
33	ServiceNow	Computer Software	7.645	7.303	64	+31
34	Xcel Energy	Electric and Gas Utilities	7.635	7.310	63	+29
35	U.S. Bancorp	Superregional Banks	7.628	7.975	17	-18
36	Visa	Consumer Credit Card and Related Services	7.610	7.975	17	-19
37	Samsung Electronics	Electronics	7.608	7.725	27	-10
38	Publix Super Markets	Food and Drug Stores	7.568	7.828	25	-13
39	BlackRock	Securities/Asset Management	7.530	8.325	6	-33
40	AECOM	Engineering, Construction	7.523	–	–	–
41	3M	Chemicals	7.505	7.415	50	+9
42	salesforce.com	Computer Software	7.498	7.570	38	-4
43	Singapore Airlines	Airlines	7.478	6.940	120	+77
44	Bosch	Motor Vehicle Parts	7.475	7.388	54	+10
45	Northrop Grumman	Aerospace and Defense	7.460	7.670	31	-14
46	Diageo	Beverages	7.428	6.873	133	+87
46	Applied Materials	Semiconductors	7.428	7.198	77	+31
48	Marriott International	Hotels, Casinos, Resorts	7.420	7.595	34	-14
49	Raytheon Technologies	Aerospace and Defense	7.408	7.230	72	+23
50	Lockheed Martin	Aerospace and Defense	7.400	8.033	15	-35
50	CBRE Group	Real Estate	7.400	7.293	66	+16

Los Angeles-based management-consulting firm Korn Ferry launches the process when it teams with *Fortune* to determine the World's Most Admired Companies, U.S. companies ranked by revenue—and non-U.S. companies in *Fortune*'s Global 500 database with revenues of $10 billion or more. They then select the highest-revenue companies in each industry, surveying a total of 640 companies from 28 countries. To create the 52 industry lists, Korn Ferry asks executives, directors and analysts to rate companies in their own industries on nine criteria, from investment value to social responsibility. To arrive at *HRE*'s Most Admired for HR rankings, Korn Ferry recalibrates the *Fortune* attribute scores, isolating four criteria that relate to HR—management quality, product/service quality, innovation and people management. This is the 18th year of the Most Admired for HR list.

Insights from NAHR's 3 New Fellows

Three human resources leaders have been installed as the newest fellows of the National Academy of Human Resources, earning recognition from the nation's most prestigious HR organization for their accomplishments.

The new fellows are:

- Deborah Caplan, executive vice president and chief human resources officer at NextEra Energy
- Kathleen Hogan, chief human resources officer at Microsoft
- Timothy Hourigan, executive vice president, human resources at The Home Depot

"Each of these human resources professionals has made sustained and exemplary contributions to their organizations and communities, and the human resources profession," said Jill Smart, president of the Academy and former CHRO of Accenture. "These leaders also have each played a major role in leading their respective organizations in the past several years, navigating a path to protect their employees' physical and mental wellness and enabling the businesses to operate as productively as possible."

The fellows, who make up the academy's 31st class, were installed Nov. 10 during the annual meeting of NAHR in New York City. Each leader recently answered questions from *Human Resource Executive*® on HR post-pandemic, emerging technology's role in the function, challenges at their individual organizations and more. Here are a few lightly edited excerpts. To read more, go to HRExecutive.com/hrleadership.

HRE: How has your own view of the HR function changed since the pandemic started?

Kathleen Hogan: I've always believed HR is central to a company's mission, especially at Microsoft. That said, the pandemic has elevated the importance of the HR function more broadly, as culture has become a top priority for companies across all industries. HR is now considered a strategic arm of a company and responsible for creating resilient organizations. Companies are seeing the benefits of putting people first and how that focus is helping to successfully scale a business. HR is central to helping move the business forward through creating a workplace culture that enables flexibility, actively listens, provides robust benefits and holistic wellbeing, and supports learning and career growth opportunities.

Timothy Hourigan: In 2020, the pandemic called on the HR function to rise to the occasion and address the myriad people-related challenges in a very uncertain environment. It called for decisions being made in the moment with limited data and required a nimbleness to course correct as new insights emerged. And due to its length and human toll, the pandemic required a resilience seldom needed in the past. I submit that, through the efforts of HR professionals across the globe, the profession distinguished itself in the most trying of times.

HRE: What are the skills that will make HR leaders most successful in today's quickly changing, uncertain world of work?

Deborah Caplan:

- *Know the business.* In addition to financial results and customer satisfaction, HR professionals are in the business of delivering careers—and you can't deliver careers without knowing the business inside and out. It's important to not only understand, but also to be an active part in shaping your company's strategy because that's what shapes your priorities, goals and the services HR offers.

- *Focus on your team's development.* To build an agile team, it's important to constantly feed each team member's curiosity. When you do, they will pursue your vision with enthusiasm, as well as any new skills required to achieve the company's goals. Never forget to engage your team members with new challenges and development opportunities. It's also important to frequently initiate conversations about their interests and personal short- and long-term goals.
- *Stay curious.* Curiosity is to your career as fuel is to a vehicle—you can't advance without it. A counterintuitive way of feeding your curiosity is to constantly expose yourself to things that may seem out of your lane. Reading, listening to and attending seminars or events that may seem only tangentially related to your role is a great way to feed your curiosity and make groundbreaking connections you wouldn't have otherwise. It's also important to stay curious about and become savvy with the latest digital tools, big data and disruptive technologies that could apply to your business as well as your team.
- *Stay connected.* One thing I love about the broader HR community is how collaborative we are and how willing we are to help and share with one another. Building a strong external network is another way of staying current and feeding your curiosity. Stay active and connected with your peers across industries as well as to peers who've moved out of the function—and remember to give as much as you receive.

Hourigan: [They] are foundationally the same as existed in the past. I believe the keys to being a successful HR professional are:

- Demonstrating a thorough understanding of the business.
- Displaying subject matter expertise in HR with a particular emphasis on emerging concepts within the HR practice.
- Exhibiting a clear focus on the associate and advocating for their evolving needs. Keen observation of trends and linking them to offerings for associates are integral to attracting and retaining the best talent.
- Courageously speaking up, especially when a particular point impacts the current and, importantly, the future workforce.

HRE: What area of HR holds the most promise to be positively impacted by emerging technologies in the next few years?

Hogan: The shift to remote work accelerated the adoption of video meetings beyond anything we could have imagined. This shift had a dramatic influence on our innovation roadmap and caused us to rethink and reprioritize. We asked ourselves: What do people need to do their jobs in this new world? Virtual meetings will remain a fixture in the hybrid workplace. Meeting experiences and physical meeting space must be reimagined to enable equitable meeting experiences for people no matter where they're joining from—remote or on-site. Features like Microsoft Teams' Together mode can help make people feel more connected and reduce meeting fatigue. The challenge ahead will be balancing the benefits of flexible work with burnout. But tech can help employees get their time back and have more impact, with five-minute meeting delays, brain research, Headspace, virtual commute, employee experience platforms like Viva and more.

Hourigan: While the use of technology in all areas will lead to more positive outcomes, I think there are major benefits in talent acquisition. Whether it is selection for entry-level roles or determining the next senior leader for a key business unit, picking the right candidate has significant value add and, conversely, selecting the wrong candidate drives increment costs and subpar business results. Additionally, the right use of technology can help reduce bias, enhancing the diversity of the workforce.

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

Benefits

5 Things to Know

About Mental Health in the Workplace

Here's how employees are faring, and how employers are responding.

BY KATHRYN MAYER

There's no question that employee mental health has taken a dive in the last few years. Major event after major event has taken its toll on the wellbeing of workers. But there's a bright side to the crisis: It's put a spotlight on how employers think about employee wellbeing efforts and the programs they put in place.

So, what's the current status of employees' mental health? What's affecting them the most? And how are organizations doing with their efforts?

Here are five things to know about the state of mental health in the workplace:

Employee mental health is still suffering—and it's causing employees to leave their jobs. Scores of research find that employees are continuing to suffer from mental health issues, including anxiety, depression, stress, burnout and post-traumatic stress disorder. That's due to a number of issues, ranging from the continuing pandemic to social concerns and financial uncertainty. The difference as of late in regard to workers' mental health issues? In many cases, those problems are causing them to look for other jobs. As the Great Resignation continues—in which scores of employees are quitting or looking to quit—many employees cite burnout and continued stress in their current job as reasons they are looking for other opportunities. About four in 10 employees say that their work environment has hurt their mental health, according to the American Psychological Association.

Inflation is having an effect. Inflation, which rose 9.1% year-over-year in June and hit a 40-year high, is eating away at employees' feelings of security and causing rising anxiety in the process. Soaring cost of living is "a highly destabilizing force," says Paula Allen, senior vice president of research and total wellbeing at LifeWorks, which conducts a monthly mental health index to gauge how employees are feeling. Recent data from the digital mental health firm, which polled 5,000 U.S. employees in May, finds that 20% of Americans say inflation is impacting their ability to meet basic needs. The index also found that people with unmet basic needs have a mental health score 16 percentage points lower than the national average.

Return-to-office policies are also impacting mental health. After years of embracing remote work due to the pandemic, many employers are beginning to enforce in-person work again. But the policies are taking a toll on many employees' states of mind, with many workers saying they are nervous about returning to offices for health reasons. Others say they prefer working from home due to a variety of other factors, from avoiding commuting to being better able to manage their personal and family lives. For these reasons and more, return to in-person work is causing nearly 30% of workforce stress and anxiety, according to Talkspace research. That's why it's important for employers to think strategically about their return-to-office policies if they choose to enforce them while also considering how they might affect employees' mental health (and how they might mitigate that associated anxiety).

Workers want workplace mental health offerings, but those offerings are falling short. Despite employees citing the importance of benefits, including mental health support, some employers are falling short, indicating opportunities for improvement. A recent report from the Transamerica Institute and its Transamerica Center for Retirement Studies, for instance, found that while the vast majority (71%) of workers say employee assistance programs are important, just 30% of employers offer them.

"In today's intense labor market, a more robust benefits package could give employers a needed edge in the competition for talent," says Catherine Collinson, CEO and president of Transamerica Institute and Transamerica Center for Retirement Studies.

Employees want workplaces that prioritize support. Eight in 10 workers are seeking workplaces that offer mental health support, according to a survey from the American Psychological Association. That means if employers want to keep their employees (and attract new talent), they should make sure they're offering comprehensive mental health help.

Many employers have stepped up offerings and support over the past two-plus years—like employee assistance programs or mental health apps. And although these efforts have been helpful, says Arthur Evans, Jr., APA's chief executive officer, "it is important to recognize many workers continue to struggle and need additional support." Therefore, he says, "employers must maintain and, in some cases, expand their mental health service offerings."

Learn more about the state of employee wellbeing at HRE's Health & Benefits Leadership Conference next May in Las Vegas. Registration is now open.

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

Disengaged Workers?

It's Time to Fix Your Company Culture

To tackle quiet quieting, employers need to be realistic about possible problems with their culture.

BY AHRYUN MOON

Quiet quitting may be a relatively new phrase, but its inspiration has been around for decades.

Take 1999's *Office Space*, the famous depiction of mindless work at a company with no meaningful culture. In the movie, Ron Livingston's character ("Peter Gibbons") and Jennifer Aniston's "Joanna" are performing individual acts of "quiet quitting."

Peter famously speaks honestly to the two consultants hiring him, saying, "I'd say, honestly, in a given week, I probably only do about 15 minutes of actual work." Meanwhile, waitress Joanna's manager criticizes her for only having the bare minimum of flair, the "fun" buttons she has to wear on her uniform to be "up to code." Re-watching the movie, thousands of workers scream in unison: If the bare minimum is not enough, then it's not the "bare minimum."

These clips nicely conveyed the duality of "quiet quitting" well before it was a term. In one, Peter is demotivated to the point that he's barely doing any work at all. But because the company focuses on the wrong things, he escapes attention. In the second, Joanna was adhering to the company policies, but her manager implied it was not enough. This raises the question, what exactly is the motivation and incentive to do more than the bare minimum, especially for something she considers as inconsequential as adding additional buttons to her uniform?

Put another way, we can put the quiet quitting discussion into two buckets: those who are establishing healthy boundaries between work and their lives (Joanna), or those who are fed up with a company and not motivated to do anything they don't need to do (Peter).

"Quiet quitters" make up at least 50% of the U.S. workforce—probably more, Gallup finds. While many use the term to describe people who remain at companies and do as little as possible, most employees who are not engaged or actively disengaged are already looking for another job. Given that retaining happy employees is the top priority for talent executives, according to our *2022 Hiring Insight Report for the Tech Industry*, this problem becomes even more important.

Quiet quitting is a response to hustle culture, where companies expect employees to overachieve because of the possibility of career advancement, and to malformed company cultures that make employees feel unheard and underappreciated. It has accelerated in the pandemic, especially for companies that fail to remake their culture to serve a remote workforce.

Companies should take the debate seriously and rededicate themselves to employee wellness, not because it's a way to eliminate quiet quitting but because it's the right thing to do.

Every employee is different. The issue is not the employees who are likely in any scenario to do the bare minimum; it's more about those who, in the past, have excelled because it makes them feel good and are no longer doing it because they don't feel supported by their employers.

If your organization is filled with many "quiet quitters," especially if you've noticed strivers who have reigned back their work, it may be a sign that your company culture is a culprit. Many companies are failing to adapt to the new workforce climate of overburdened employees burned out from the pandemic, and demands are continuing to grow, despite the headlines we see about burnout, mental health and the lack of resources or care given to employees to battle these issues.

The goal should not be improving company culture to fix quiet quitting. It's to understand that the prevalence of quiet quitting at your organization means you need to fix your company culture.

Here are five ways to do just that:

- Set appropriate boundaries. Some companies have no Friday meetings; others ask employees not to check email after hours or on the weekend. Create the right policy that gives employees time to recharge.
- Listen to your employees. Quiet quitting is more likely among those who feel they don't have a voice. Allow them to express their feelings without repercussions, and you can start getting to the heart of improving your culture.
- Offer hybrid or fully remote work. Forcing employees back to the office when it's not necessary is the quickest way to create quiet quitters and encourage actual quitters.
- Establish a cadence of check-ins that are not about the daily grind. The best way to understand employees' feelings is to ask them directly. Ask about their motivation and also gauge their nonverbal cues to get a clearer picture of what's going on.
- Focus on tone during interviews. Every new employee learns about a company through the interview process. If your interview tone does not align with your workplace culture, it will likely demoralize the employee and lead to lackluster work if they join.

Quiet quitting will remain an issue for many companies, but your company doesn't have to be one of them. The goal should not be to eliminate quiet quitting, but rather use this opportunity to rededicate your company to create a culture where people are encouraged and incentivized to give their best in a way that's authentic to them. Flair optional.

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