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**Trends Every
CHRO Needs
to Think
About Today**



It's not easy being a Chief Human Resources Officer (CHRO) today. At large companies, the average tenure for the role has shrunk from 5 years to 3.7 years since 2016, according to Korn Ferry¹. And that was in January 2020, before the pandemic shook the world.

Now, CHROs are challenged with leading their organizations in a volatile new environment—with employees that expect (and deserve) cultures of transparency, safety and trust. Workplace activism is on the rise with #BlackLivesMatter as a catalyst, diversity, inclusion and racial equality have become board-level priorities. The CHRO is charged with driving the business forward in this new world, facilitating productivity and success while nurturing employees.

So, what's on the minds of CHROs as they navigate the recovery, build fair, inclusive workplace cultures and drive toward a resilient future?

1 A CULTURE THAT SUPPORTS EQUITY FOR ALL

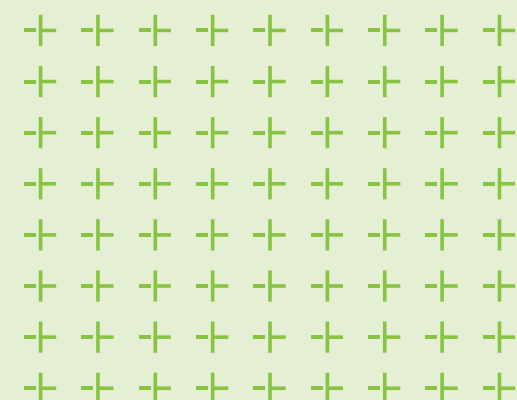
Corporate America is facing a huge cultural crisis. The moral and ethical call of the current climate is strong and many enterprises are taking public stands around racial equality and related movements.


This follows a year in which workplace activism and employee voices have been building. Pay equity, gender parity, rooting out bias and discrimination are top of mind, not to mention the general anxiety and the “new normal” of the COVID-19 pandemic. Creating safe and ethical employee experiences is not a nice-to-have—it’s absolutely essential.

Taking a stand on racial equality

Just as #MeToo accelerated awareness and the need for action against sexual harassment, #BlackLivesMatter has galvanized individuals and organizations around racial inequality. However, while intentions are good, many companies don’t know how to take real action, especially when it comes to employee issues. They are making bold statements and investing in their communities, but what are they doing inside their own four walls? How are they ensuring they are making sustainable progress?

As they say, real change starts at home. It is becoming increasingly crucial for businesses to invest in their own organizations and employees. More than just hiring and development, employers need to focus on attacking bias and related employee relations issues in a metrics, data-driven way.





Interestingly, the tech industry has been slow to adopt a model of inclusivity. According to the U.S. Census Bureau's American Community Survey, only 2.2% of the Silicon Valley workforce is black, and 4.7% is Hispanic.² While those stats paint a bleak picture, they also serve as a reminder to the tech industry of the tremendous opportunity they have to change the conversation and lead a culture shift around racial equality to affect real change.

Organizations need to do more than make big statements; they need to take tangible steps to ensure racial equality, and continually measure their efforts using data-driven insights.

The pandemic magnified issues of diversity and inclusion


While culture has long been considered a core component of a robust HR strategy and a key contributor to business success, diversity and inclusion (D&I) efforts took a backseat amid the pandemic, as businesses were thrust into survival mode.


When the workforce went remote, many employees found themselves confused, lacking clarity and direction, which further perpetuated any existing exclusionary behaviors and biases.

Pre-existing non-inclusive dynamics were amplified as those employees who had been feeling underappreciated felt further unnoticed. What's more, women, who tend to bear the brunt of the caregiving responsibilities, were forced to juggle homeschooling their children with work priorities, putting them in a vulnerable position with fears over job security.

Importantly, employers must keep in mind that times of stress often amplify unconscious bias. When people experience fear and uncertainty, they tend to express a greater level of comfort with those who are "like them." During this time, HR leaders need to shine a light on this phenomenon and remind employees to treat those around them with dignity and respect, despite charged emotions.

Technology has played a critical role in connecting an otherwise physically disconnected workforce. Were it not for video conferences, cloud-based project management tools and even social media, the feelings of separation and exclusion would be far worse. Imagine how a crisis of this magnitude would have played out 20 years ago without the ubiquitous technology we have at our fingertips today.





That said, using technology in this capacity is not a perfect solution. Employees are feeling virtual-meeting fatigue; they miss the personal interactions of the morning water cooler conversations. And, technology gives employees the flexibility to choose when to engage (or not to) with colleagues, making it harder to connect with others. Yes, technology facilitates digital communication when in-person communication is not an option. But does this lack of personal interaction create bias of its own?


Employees demand social consciousness

In the wake of the George Floyd killing and the resulting protests and riots, matters of D&I and racial equality are once again taking center stage. Employees are demanding socially conscious companies. This is particularly true among the younger generation Y workforce whose careers and brand choices are largely tied to their belief systems. This age group is not afraid to speak up in pursuit of social justice and they expect the same from the business community. Strong statements of support from the businesses with which they interact, either as an employee or a customer, aren't enough. It's all about taking meaningful action.

Diversity impacts profitability

A more diverse workforce breeds better creativity, more harmonious working environments, and ultimately, a better understanding of the customer. It is incumbent on the CHRO to ensure leaders are taking stock of the world around them and considering the unique circumstances, backgrounds, and experiences of the individuals who comprise that world. The events of this year serve as a springboard to ensuring equity for all. It is important to remember, culture is a living, breathing entity—and when well nurtured, a key contributor to profitability.

Now is the time for businesses large and small, across verticals, to examine their internal culture through a new lens: one that's seen immense crisis, hardship, racism and illness in the span of only a few short months. But the game has changed; we cannot go back to where we were as a business community. A new path must be forged and CHROs have a unique opportunity to lead this business transformation.





2

A CULTURE OF TRANSPARENCY, TRUST AND THE EMPOWERED EMPLOYEE



The face of leadership has evolved dramatically in recent years. Today's employees expect leaders who are transparent, authentic and collaborative.


Keeping employees in the know

Even during times of crisis, employees want to feel that they're part of the process. Businesses have had to make some tough decisions in response to the pandemic. Many employees have been asked to work under extraordinary circumstances, scale back their hours or agree to pay cuts. In other cases, employers have been forced to furlough or lay off employees, all while trying to protect employee morale and brand reputation—a tough challenge.

As the crisis wears on, employees are feeling significant stress, anxiety and fear—about their health, their family, their jobs and more. Times of uncertainty, according to Gartner, lead to a 33% increase in misconduct,³ which only compounds the issue. How can leaders quell those crippling emotions among their workforce and their ripple effects on the organization—particularly as they relate to events outside their control? It comes down to communication.

Employees don't want to be shielded from hard truths. They want transparency.

By engaging employees—bringing them into the loop, telling them what's going on (even if it's not good news), and sharing information and progress as it becomes available—leaders can reduce anxiety and build trust in the process.





Empowering employees and demonstrating trust

The remote work model has forced leaders to trust their employees to get the job done in a remote setting—without seeing it directly. While this may have been a difficult transition for some leaders, being trusted to do what is expected of them without their leaders peering over their shoulders is all most employees ever wanted. They were hired for a reason and they want to feel empowered to do what is required of them.

HR leaders have an opportunity to ride this wave of empowerment. By continuing to offer modified and flexible work arrangements that give employees the freedom to demonstrate accountability and individuality, even post-COVID, CHROs can enable an environment of trust and loyalty.

Technology powers human interaction

In recent years, technology has gotten a bad rap as a convenient replacement for human interaction. But thanks to current events, that paradigm has shifted. Technology is now considered a life

preserver for a business, serving to connect employees and facilitate human interaction at a time when people have been forced to physically separate.

The ongoing crisis accelerates the need for transparency between the manager and the employee—and without technology, that need cannot be met across a remote workforce. It is incumbent on the CHRO to ensure the workforce has access to technology that will facilitate virtual real-time discussions and continued development, absent the more traditional face-to-face conversations of the pre-pandemic days.

Leaders also need to continue to invest in their employees and ensure they are allowed time for continuous learning, especially with new digital offerings like webinars, podcasts, e-learning courses and virtual events. Development discussions should not stop just because we are not in the office.

Ultimately, employees want to be treated fairly—and not just monetarily speaking. They want an employer that anticipates and meets their needs as individual human beings and treats



them humanely, always. **Research shows that companies built on a solid ethical foundation—those guided by leaders with a strong moral compass—boast higher customer and employee satisfaction and perform better financially.**

No business can avoid employee discontent altogether. However, by offering a sense of psychological safety, support and trust through openness and authenticity, a business will be able to maintain long-term credibility as an employer while keeping existing employees loyal and engaged.





3

ROAD TO RECOVERY

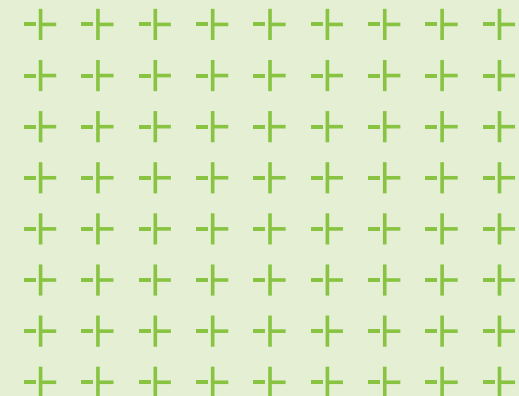
The workforce is an ever-evolving, complex mix of people and technology. It's always changing as life unfolds with societal shifts, technological advancements, and of course, unexpected global events.


The shift to more permanent remote work

A vast majority of U.S. businesses have gone remote, which, for some, has been a radical shift in the way they operate. The truth is, the work-from-home (WFH) model is expected to continue well into the foreseeable future. According to Gartner, 48% of employees are expected to stay remote to some degree following COVID, up from 30% pre-pandemic,⁴ while 74% of CFOs plan to increase remote work following the outbreak.⁵

With this shift comes a fundamental change in the structure of the workforce. Recruiting practices will focus on bringing in more digital natives who are tech-savvy and agile. People leaders must adopt new strategies for managing their teams and place a higher level of trust in their remote employees while also find new ways to support those who are struggling to thrive in the WFH setting.

Team structures are also being impacted. While video meeting platforms serve an essential role in enabling a remote workforce, a video meeting pales in comparison to an in-person meeting where large groups can gather to vet ideas and make decisions. To accommodate these constraints, business leaders are now forming smaller teams that





can collaborate better and make decisions faster while ensuring the newest, most effective technology platforms are in place to facilitate impactful communication and productivity.

The contingent workforce allows organizations to be agile


Some companies, on the other hand, are moving more towards a contingent workforce in the post-COVID world. In fact, Gartner's research revealed that 32% of companies are replacing full-time employees with contingent workers as a cost-saving measure.⁶ In addition to a reduction in overhead costs associated with full-time employees, a contingent workforce has become an increasingly popular way for organizations to fill a talent gap, on-demand, to support a more agile approach in meeting business objectives. This is particularly true in the tech industry, where a skills shortage continues to give way to increased competition over talent. The contingent workforce provide organizations with the skills and knowledge they need today while also diversifying and providing the knowledge and fresh perspective that helps develop and train the existing workforce.

The Workforce insists on Transparency

While COVID has profoundly changed the way people work, we're also seeing a different kind of evolution in the workforce—one that is dominated by younger, Generation Y workers. Also known as millennials, Gen-Yers come to the table with a different set of skills—and expectations—than that of their Gen-X or Baby Boomer counterparts. They were raised with technology and social media at their fingertips, and as such, expect more from technology in the workplace.

What's interesting about this age group is they are motivated less by money and more by the intangibles of their work life: they want to be heard, they want to be themselves, and they want to derive meaning from their work. They want to feel good about what they're doing, work for a company that takes a strong moral stand, and be praised for a job well done. They insist on transparency, clear communication and responsiveness.

Understanding and managing to these expectations and attributes will be a key driver of success for the business community in the years to come.





4 DATA ANALYTICS THAT BENEFIT EMPLOYEES, NOT JUST THE BUSINESS




HR organizations typically use analytics as a means to maximize the effects of human capital on critical business objectives—measuring things like employee engagement, performance and output. But as the business community continues its shift to a more employee-centric focus, HR leaders must rely not only on people analytics, but also on analytics for the people.

People analytics

People analytics offers insights from data that help business leaders make decisions about their people so they can elevate processes, improve performance and deliver business success. A business might use people analytics to make better hiring decisions, support more effective management practices, or identify areas of opportunity in the workforce that need to be addressed. While each of the above factors is measured using employee data, they don't necessarily impact the individual employees themselves; they are measured as a means to improve business performance.

Analytics for the people

Analytics for the people, on the other hand, takes a more employee-centric approach to data analytics. Here, HR leaders use data to learn more about the workforce as a whole and the individuals that comprise it to answer the question, “how can I better serve my employees?” As the data landscape continues to expand, employers will have more





access to deeper insights that will help their employees learn, grow and excel, ultimately offering a more meaningful work experience for the people that fuel their organization.

Technology supports insights

Regardless of the type of analytics being performed, the quality of the insights is only as good as the technology that's powering it. Software solutions designed specifically for employee relations, like HR Acuity, make it easy to discover patterns, identify trends, and proactively manage risk. The CHRO can use that information to address culture, policy and leadership-related issues, examine how the organization stacks up against others, and even proactively guard against regulatory violations or systemic bias.

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5


PARTNERSHIP, AGILITY AND RESILIENCE WILL DRIVE THE ORGANIZATION FORWARD




As CHROs map out the strategic direction of the organization they must strike a delicate balance between maximizing for today and investing in tomorrow. COVID has elevated the perception of HR at a time when business leaders have been forced to revisit their business strategies in response to an unprecedented crisis. HR has stepped up and led the charge—a trend that is expected to continue.

As the business community raced to comply with government-mandated shutdowns and a profound shift in the workplace, C-suite leaders turned to the CHRO to solve immediate challenges—ensuring the safety of essential workers, transitioning to a WFH model, and overseeing mass layoffs, for example. **As a result, the CHRO has been given a unique opportunity to make the leap to strategic business partner in the organization.** As part of a model known as the G3, CHROs are beginning to join the ranks of the CEO and CFO in corporate decision-making. Once viewed as a supporting layer of the organization, HR has started to take center stage and elevate human capital as a core business priority. For example, our HR Acuity benchmark study shows that 52% of employee relations teams are now reporting directly to the Chief Human Resources Officer (CHRO), or Head of Human Resources.

Similarly, HR has begun partnering more with Legal and Compliance leaders to deliver key employee insights that help mitigate risk and avoid lawsuits. Powered by employee relations analytics tools like HR Acuity, the HR, Legal and Compliance teams can better partner to spot and report on trends, so action can be taken before a problem emerges.





The CHRO is the eyes and ears of the company. By forming a productive, symbiotic relationship with senior leaders, the CHRO serves as the medium to convey employee feedback and deliver insights into operations while offering strategic guidance that steers the business in alignment with its goals, visions and ethics.

Responding to the unexpected


Agility has become more critical now than ever. The way organizations operate continues to change at a seemingly exponential pace. **A savvy CHRO is one who can make quick decisions and plan for the unexpected.** This is not a linear process, but rather one that involves careful consideration of potential disruptions that are meaningful enough to influence the business at large. Absent a crystal ball (who could have possibly predicted all that we've lived through this year alone?), this requires CHROs to be quick on their feet—able to understand and

respond to a crisis with agility and leadership. Critical to this skill is the ability to identify trends and make adjustments and before they become a problem.

Since this agility will be a key consideration as the CHRO plans for the future of the organization's workforce, it becomes even more important for the CHRO to be involved in strategy development.

Agility paves the road to resilience

The CHRO is on the front lines of contingency planning. Agility is critical to ensuring the business is not only protected from the devastating impacts of an unexpected disruption, but able to thrive in its wake. It is his or her ability to manage this complicated relationship, not only through quarter-by-quarter operations of the business, but also in planning for a future that includes sustainable success.



The Road Ahead

The role of the CHRO has evolved in recent years, and is expected to continue into the foreseeable future, driven in large part by the global pandemic. The landscape of the workforce and the technology that powers it has undergone a radical shift. Business as we knew it will never be the same—in some ways for the better. The CHRO plays an instrumental role in driving positive change that supports business resilience, financial success and employee wellbeing over the long haul.

Footnote Links

1. [Age and Tenure in the C-Suite: Korn Ferry Study Reveals Trends by Title and Industry](#)
2. [There Is a Supply of Diverse Workers in Tech, So Why Is Silicon Valley So Lacking in Diversity?](#)
3. [Gartner Identifies Six Initiatives HR Can Undertake to Help Managers Maintain Employee Performance and Engagement During the Coronavirus Pandemic](#)
4. [Gartner HR Survey Reveals 41% of Employees Likely to Work Remotely at Least Some of the Time Post Coronavirus Pandemic](#)
5. [Gartner CFO Survey Reveals 74% Intend to Shift Some Employees to Remote Work Permanently](#)
6. [Gartner Identifies Nine Trends for HR Leaders That Will Impact the Future of Work After the Coronavirus Pandemic](#)



Learn more: Tools & Best Practices



[Download: Fourth Annual Employee Relations Benchmark Study](#)

With data gathered from more than 200 enterprise organizations, the study shows that Employee Relations teams are using data, analytics and standard processes to reduce workplace risk, increase transparency and create safe workplace environments.



[On-Demand Webinar: Talking About Race in the Workplace](#)

Listen to this distinguished panel of experts discuss the critical steps organizations need to take to facilitate these conversations and take action in their workplace.



[On-Demand Webinar: Recovery Readiness: Preparing Your Workforce for Reopening](#)

Learn about the latest laws and guidelines as well as tips from Employment Lawyer, David Iselinger and HR Acuity CEO, Deb Muller.



[Read: Resilience, Recovery and Reimagining— Perspective on how HR Leaders can Survive and Thrive through the Pandemic](#)

Read our Blog Interview with Nancy Altobello, Former Global Vice Chair of Talent at EY and Deb Muller as they discuss how HR Leaders can lead the recovery through resilience and reimagining.



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