TECH & METRICS

EMPLOYEE RELATIONS :

Practices and Trends

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ABOUT THE REPORT

Transforming Employee Relations through Analytics

As we all know, the era of big data is here. Organizations are increasingly looking to capture and leverage meaningful data to provide insights that will drive business results. Historically, HR has been viewed as a function that supports business strategy. More recently however, organizations have realized that HR can actually enable business strategy and contribute to bottom-line growth through more complete analytics on their most important asset—their employees.

Over the past twelve months, we have seen employee relations leaders transform how employee issues are handled, identify areas of business risk, and leverage opportunities for organizational improvements. The HR Acuity *Tech & Metrics Benchmark Report* focuses on how companies are using technology to meet the new challenges and expectations of ER professionals. It also examines data analytics that will enable employee relations professionals to drive business strategy from a legal, ethical and resource planning perspective.

We are happy to share this special report, along with the previously released *#MeToo in the Workplace* and *Centralization of Employee Relations*, which you can download at hracuity.com. Look for the results of the full study when they become available this spring.
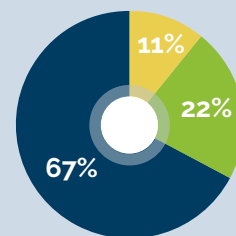
Deborah J. Muller
CEO, HR Acuity®
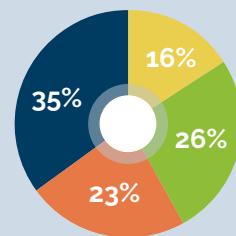888.598.0161
dmuller@hracuity.com

RESPONDENT PROFILE

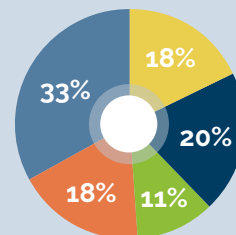Total number of participating enterprise organizations: **158**

Total number of employees represented globally: **approximately 4.4 million**

- 11% Fortune 100
- 22% Fortune 500
- 67% Other

Legend:
- Fortune 100
- Fortune 500
- Other

- 16%
- 26%
- 23%
- 35%

Legend:
- 1,000–3,499
- 3,500–9,999
- 10,000–19,999
- 20,000+

- 18%
- 20%
- 11%
- 18%
- 33%

Legend:
- Financial Services or Insurance
- Healthcare or Hospitals
- Pharmaceuticals or Medical Devices
- Technology
- Other

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The Tech & Metrics report is an excerpt of the 2018 HR Acuity Employee Relations Benchmark Study. Conducted annually, the study was established to identify and define best practices regarding employee relations management, as well as to highlight trends across this evolving landscape. Enterprise organizations across a wide array of industries provide data on employee relations practices related to their organizational model, case management processes, employee issue types, volumes, trends and internal data-driven metrics.

The entire Benchmark Study results will be available this spring. To learn more or find out how to participate in next year's study, please contact us at benchmark@hracuity.com.

TECHNOLOGY AND METRICS

Participants in the annual HR Acuity Employee Relations Benchmark Study provide detailed information about the employee relations data they are capturing and measuring, how technology supports their efforts and how they are leveraging the data to manage their teams. This report examines the compelling findings that suggest a dramatic shift is occurring in the HR landscape as employee relations is becoming a strategic contributor within organizations.
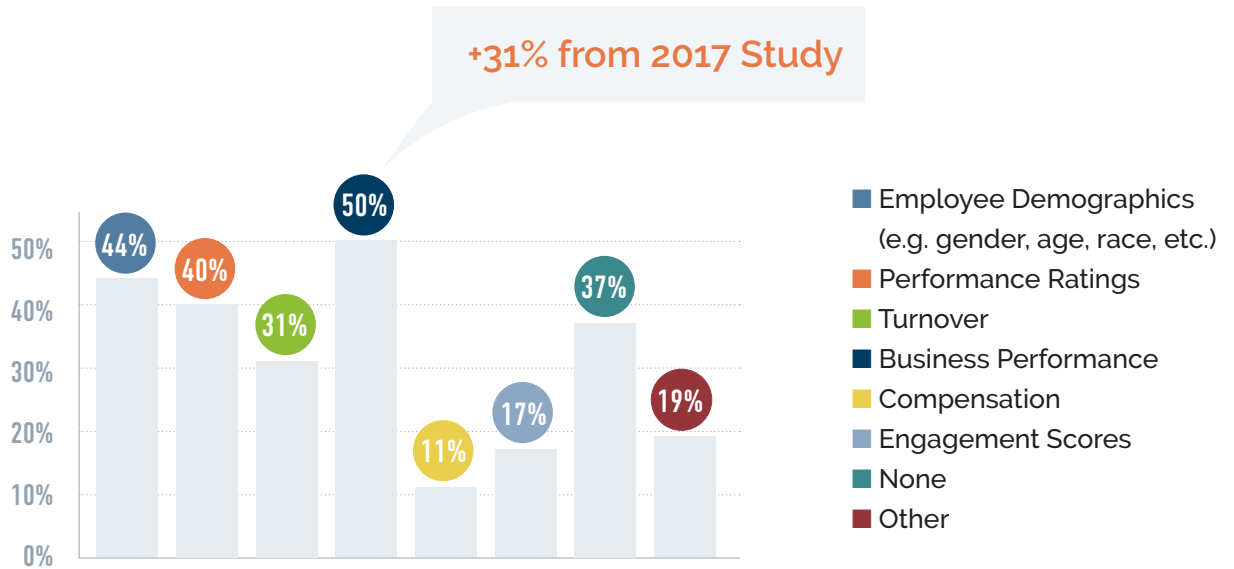
GATHERING DATA

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What employee relations data does your organization currently track?

This year's study clearly illustrates that organizations recognize the value of tracking employee relations data. The findings below highlight categories that companies view as critical to include in their tracking. As organizations implement technology specifically designed to meet the unique nuances of employee relations, it is expected that this list will expand with additional areas of focus.

| Category	Percentage
Issue Type (e.g., harassment, discrimination, policy violation, etc.)	100%
Issues by Department/Function	86%
Issues by Location	85%
Issue Disposition (e.g., substantiated, unsubstantiated, etc.)	73%
Trends over Time	68%
Time to Close (average # of days)	66%
Remedial Action Taken	65%
Cases by Manager	62%
Case Aging	61%
Method of Notification	52%
Time to Conduct Investigation/ Time Spent by HR	33%
Employee History	29%
Associated Expenses	5%

What other data do you integrate with employee relations data?

Participants reported that when combined with other HR data, employee relations metrics can yield a more meaningful picture that provides insights into potential areas of concern and support for new initiatives.

+31% from 2017 Study

- ■ Employee Demographics (e.g. gender, age, race, etc.)
- ■ Performance Ratings
- ■ Turnover
- ■ Business Performance
- ■ Compensation
- ■ Engagement Scores
- ■ None
- ■ Other

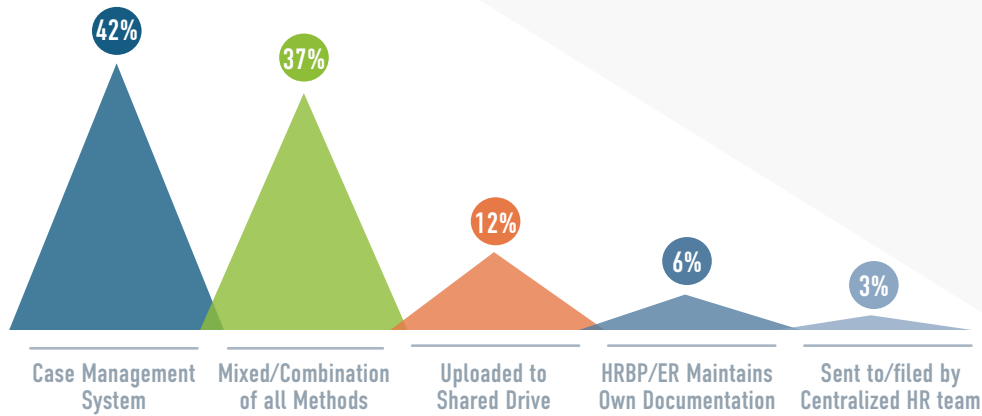Chart values: 44%, 40%, 31%, 50%, 11%, 17%, 37%, 19%

With what other functions do you partner to incorporate employee relations data?

Although 45% of respondents indicated that they currently do not combine data with functions outside HR, many respondents commented that blending employee data with that from other areas can help managers and business leaders easily identify trends, uncover trouble spots and offer insights that can drive results.
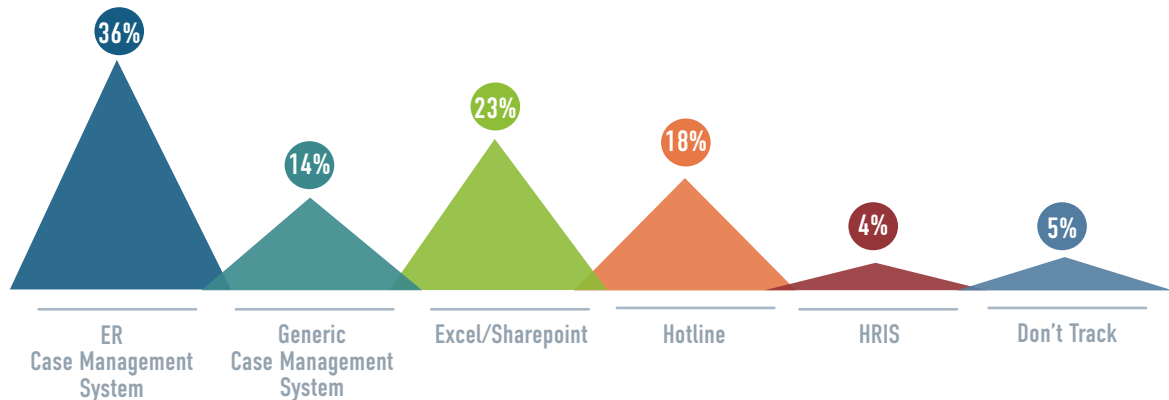

Audit	IT	Legal	Compliance	Security	Other	None
12%	5%	29%	31%	16%	11%	45%
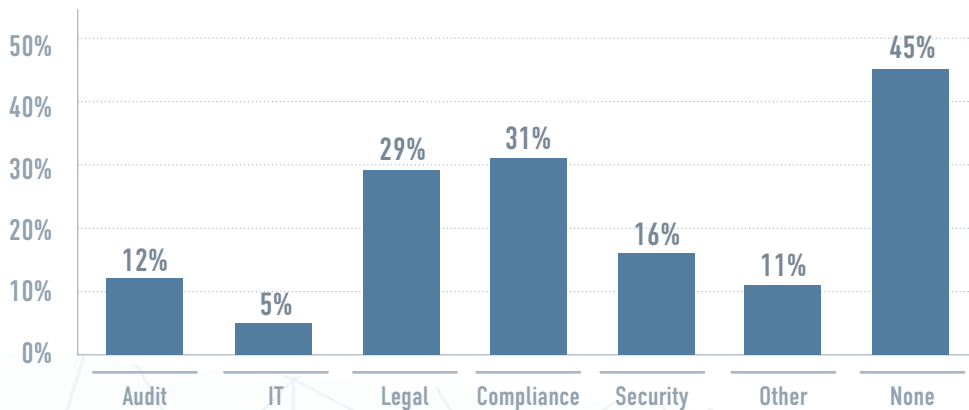
How does your organization primarily STORE documentation created as a result of an employee relations issue or investigation.

Case Management System	Mixed/Combination of all Methods	Uploaded to Shared Drive	HRBP/ER Maintains Own Documentation	Sent to/filed by Centralized HR team
42%	37%	12%	6%	3%

Forty-two percent (42%) of respondents are using case management to store documentation on employee issues and investigations, ensuring confidentiality and easy access to information as needed. However, 58% of organizations are still using other methods (e.g. spreadsheets, database tools, etc.) that afford no oversight, often resulting in inconsistent, incomplete, or inaccessible documentation—all of which put organizations at legal risk.

How does your organization primarily TRACK employee relations issues and investigations in the U.S.?

ER Case Management System	Generic Case Management System	Excel/Sharepoint	Hotline	HRIS	Don't Track
36%	14%	23%	18%	4%	5%

Half of all organizations (50%) are using some sort of case management system to track employee relations issues, and more than two-thirds of those are using technology specifically designed to address the unique nuances of employee relations. We expect this trend to continue as organizations look to minimize risk and avoid the spotlight due to poorly managed issues.

Expected use of harassment metrics in the next year

27%
TRACKING HARASSMENT METRICS

17%
PUBLISHING HARASSMENT METRICS

The **#MeToo in the Workplace** special report shows a new trend of transparency developing to drive accountability and demonstrate to employees that allegations will be taken seriously.

What specific technology platform does your organization use for employee relations case management in the U.S.?

27%	HR Acuity
21%	Navex
9%	Salesforce
9%	ServiceNow
6%	None
4%	iSight
3%	LaborSoft
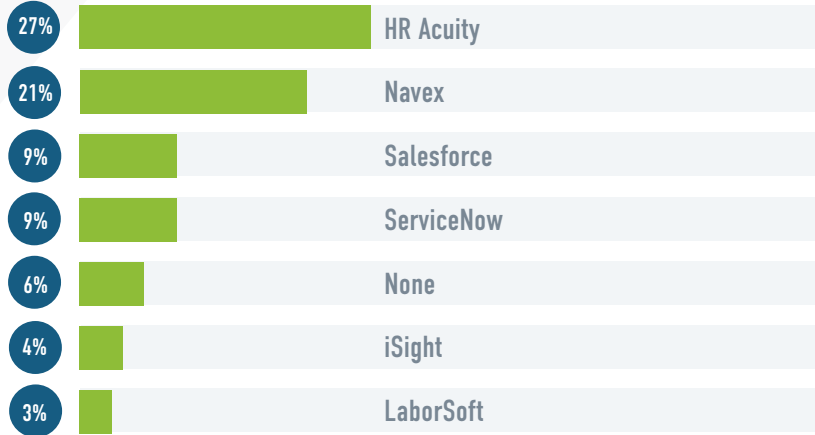
In addition, a number of respondents (26%) cited use of a variety of ad-hoc, non-case management tools to support the employee relations function.

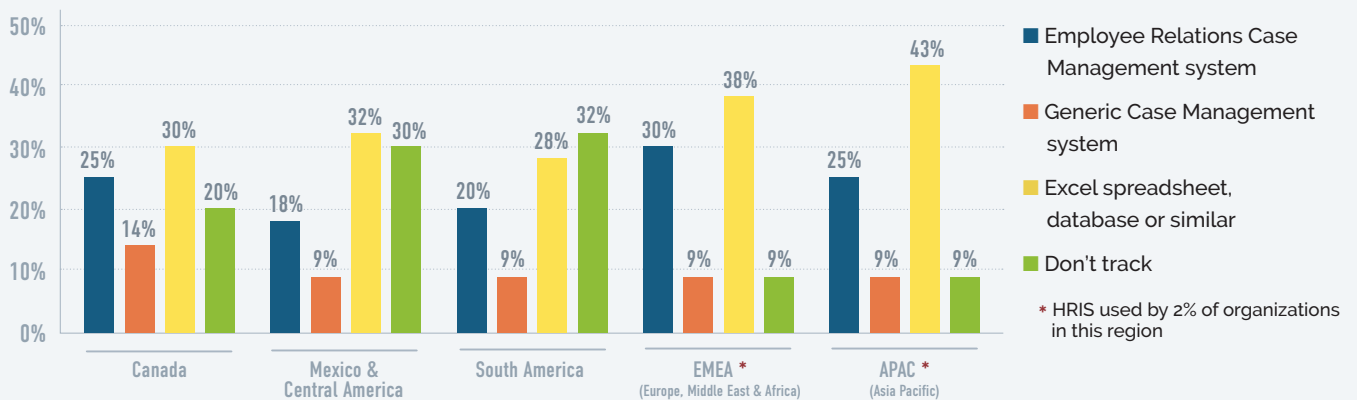## Organizations planning to transition to an employee relations or HR case management system

44%
Yes, within the next 12 months

25%
Yes, in the future (beyond 12 months)

31%
No plans for transitioning

Global Employee Relations Technology

How does each region currently track employee relations and investigations?

Legend:
- Employee Relations Case Management system
- Generic Case Management system
- Excel spreadsheet, database or similar
- Don't track

* HRIS used by 2% of organizations in this region

Region	Employee Relations Case Management system	Generic Case Management system	Excel spreadsheet, database or similar	Don't track
Canada	25%	14%	30%	20%
Mexico & Central America	18%	9%	32%	30%
South America	20%	9%	28%	32%
EMEA * (Europe, Middle East & Africa)	30%	9%	38%	9%
APAC * (Asia Pacific)	25%	9%	43%	9%

It is interesting to note that in EMEA and APAC 91% of organizations are tracking employee relations and investigation data, with nearly 40% using case management tools. This differentiation from other regions may be due to stricter regulatory requirements.

How are data and metrics currently used within your organization?

Chart values:
- A: 9%
- B: 61%
- C: 49%
- D: 27%
- E: 17%
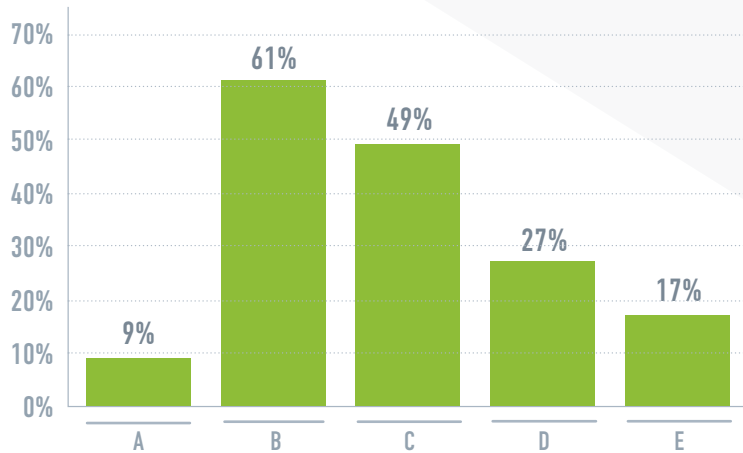
A Used to construct predictive models of employee behavior

B Obtained for more data-driven employee insights and initiatives

C Utilized to create better ER policies
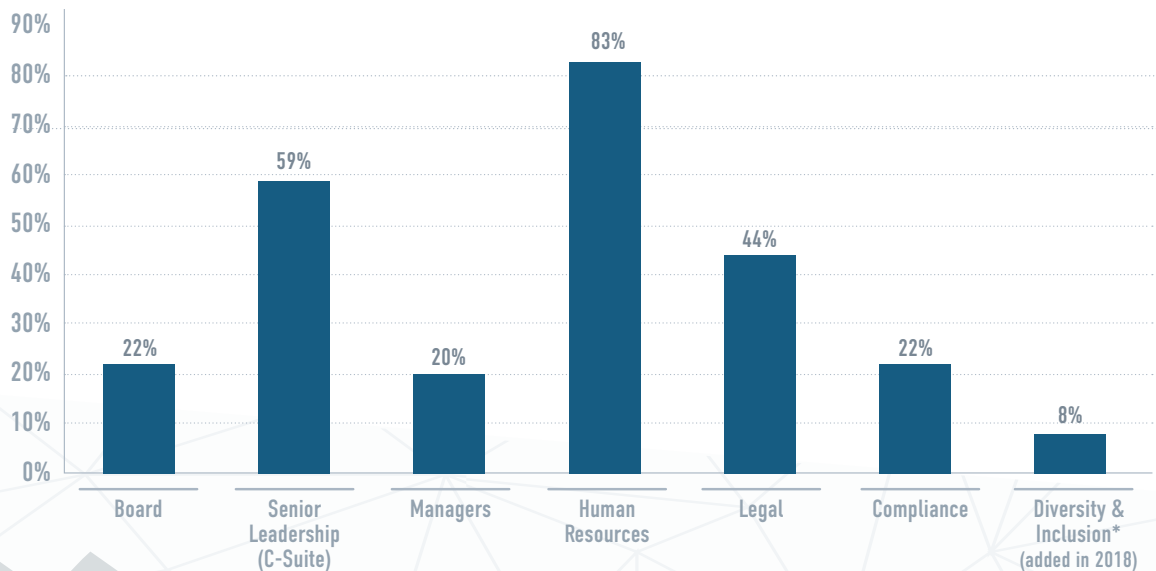
D Gathered, not really used

E Other

Consistent with the findings of the past two HR Acuity Benchmark Studies, respondents continue to use metrics primarily to provide insights into employee behavior, engagement and performance (61%) and also to improve policies (49%).

We leverage ER Metrics to understand how we are doing, identify trends and patterns that may require mitigation, meet compliance requirements and understand ER resource requirements.
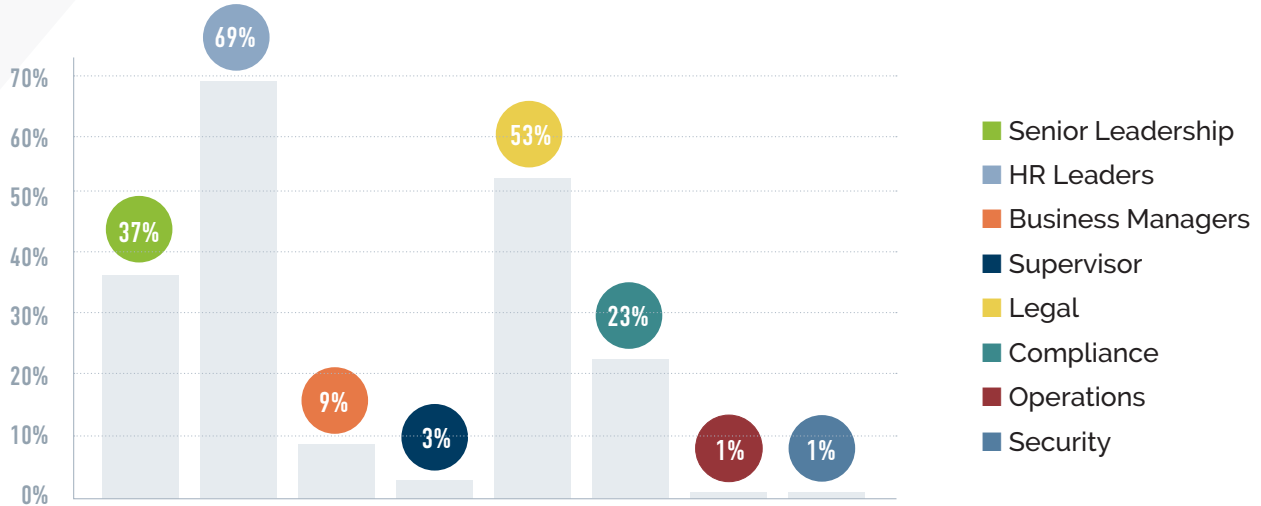
To whom in your organization do you report metrics related to employee relations activities?

Chart values:
- Board: 22%
- Senior Leadership (C-Suite): 59%
- Managers: 20%
- Human Resources: 83%
- Legal: 44%
- Compliance: 22%
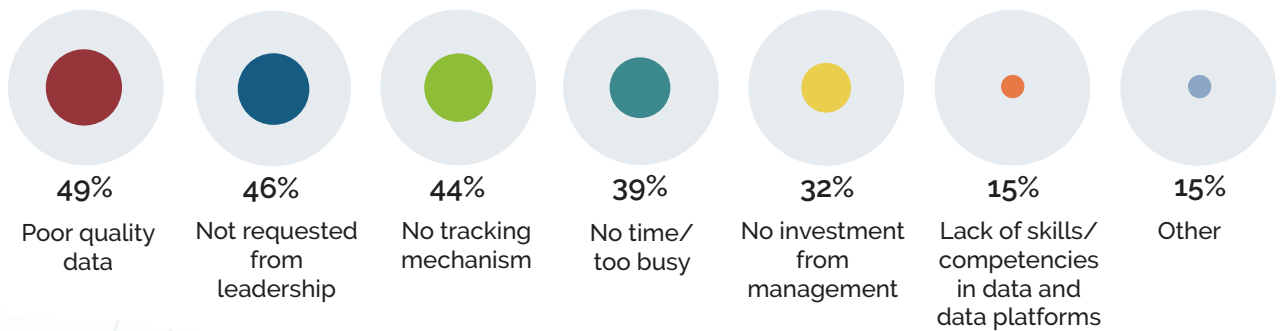- Diversity & Inclusion* (added in 2018): 8%

We have used the data to tell stories for senior leadership updates. The data has also helped us get approval for proposals to add headcount and strengthen or update policies.

Who in your organization receives or has access to aggregate reporting for investigative data?

Legend:
- Senior Leadership
- HR Leaders
- Business Managers
- Supervisor
- Legal
- Compliance
- Operations
- Security

Values: 37%, 69%, 9%, 3%, 53%, 23%, 1%, 1%

While cumulative data is most widely shared within HR (69%), it is also shared with legal by 53% of participating organizations. In addition, 37% are sharing aggregate data with the C-suite. It will be interesting to see if an upward trend develops around sharing the data with these and other functional areas as organizations work to address harassment issues, manage risk and create safer work environments in the post #MeToo climate.

If your organization is not using employee relations metrics and analytics, please indicate the reasons.

49%	46%	44%	39%	32%	15%	15%
Poor quality data	Not requested from leadership	No tracking mechanism	No time/ too busy	No investment from management	Lack of skills/ competencies in data and data platforms	Other

Please share examples and best practices of how you are using employee relations analytics.

> **Mitigate risk and view trends in the business or with leaders, plan training for gaps, improve organizational culture and help develop policies.**
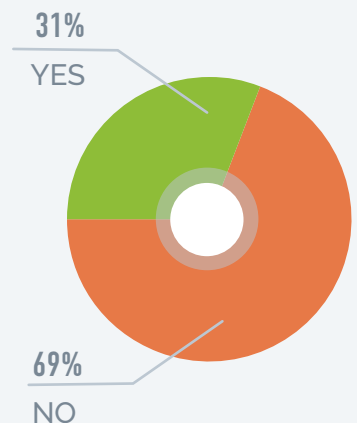
► Conduct business unit reviews with our HR Business Partners

► Populate a weekly dash board that identifies case count, age & closure rate to monitor productivity & engagement— if a team member has opened 90 cases in the last month and only closed 15 it indicates that this team member is disengaged and needs help.

► Look at performance trends by tenure and evaluate data.

► Identify cases we should be more aggressive with based on historical performance.

► Use metrics on investigations and conduct issues to roll-out trainings where applicable.

► Help reduce turnover in the first year of employment, improve training programs for new associates, improve on-boarding, shape training topics and train supervisors.

► Show cases per 1000 employees to normalize the data and highlight where performance improvement is occurring across business units.

► Identify key areas of concerns, then partner with local HR on solutions (i.e. training).

► Plan and ensure fair and consistent case assignment.

► An excellent resource to manage transitions due to vacations or changes in alignment.

► Allows quick access to employee history when initiating an investigation or documenting an issue.

► Improve communication among HRBPs and ER professionals on employee issues, past cases and actions taken.

► Set the expectation that investigators document ALL cases in our case management system.

► Produce quarterly reporting to senior leadership and to drive training initiatives in the various businesses or locations.

► Use analytics for performance and market studies and to develop policies for the majority of employees.

► See trends within groups so we can provide more coaching and training across the businesses.

► Identify key areas of employee misunderstanding of policy leading to redrafting of guidelines and training.

► Provide visibility into consistency in approach.

► Review trends in cases and complaints as well as pinpoint areas where we need training or intervention.

> **Analyze and manage ER workload and trends to proactively develop solutions and training and evaluate the number of resources needed.**

Implementing predictive analytics and AI are on everyone's mind, but only one-third of organizations have made progress in these areas. Here's what respondents shared:

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▶ It's on the roadmap. We are in a phased approach starting with foundational systems to track case activity and understand the descriptive statistics that describe the trends and how we can best respond. The next step will be to integrate with other data sources and apply machine learning technology to better predict employee behavior.

▶ As our ER data becomes more consistent, we will partner with our Talent Analytics team to be more proactive with predictive analytics.

▶ We are trying to determine if there are core competencies that drive certain behaviors tied to poor performance.

▶ We'd like to use it for predictive analytics, but analytics always gets pushed to the back burner. I'd love to compare the number of cases to manager tenure for our retail locations.

▶ Our robust HR Analytics team is building predictive analytics using AI and ever changing methodology—looking at metrics from all areas of HR to help us be proactive vs. reactionary.

▶ We use data to predict attrition and assign risk indicators to:
  • understand/predict customer sentiment based on words— escalate 'unhappy' customers to top of the queue
  • predict customer satisfaction (based on operational/triage metrics); and we are testing bots for completing common tasks like generating letters and triage using keywords to bypass tier 1.

▶ We are just starting to look at this but have not developed any processes around it yet.

▶ We plan to identify ways to leverage ER data with our data analytics team to conduct deeper analytics including leveraging annual employee engagement surveys, predictive analytics to identify areas of risk, etc.

"

Are you using or do you have plans to use employee relations data for predictive analytics or incorporate with some type of artificial intelligence (AI)?

31%
YES

69%
NO