3 Big Problems

ONLY HR CAN SOLVE

HR center of excellence

by Paycor

How HR Leads:

1. Break free of unconscious bias and diversify your workforce.

2. Recruit talent in an historically tight labor market.

3. Build a company culture no one wants to leave.

There's never been a better time to be in HR.

Now more than ever, your company depends on you to go far beyond transactional, status quo HR.

We define "status quo HR" as paper-based processes that your company has outgrown. It's off-the-shelf technology that your team has to work around. It's getting bogged down by admin. It's that nagging voice that says, "There's so much more we could be doing, if we had time."

In this guide, we'll present action plans for three big initiatives your HR team (or just you, if you're the team!) can start on today.

Let's get started!

#1

TO REAP THE BENEFITS OF A DIVERSE WORKFORCE, BREAK FREE OF UNCONSCIOUS BIAS

33% More Profitable

Companies with the most ethnically diverse executive teams are 33% more profitable.[1]

THE PROBLEM:

Many studies[2] show that diverse companies are more profitable than less diverse ones. McKinsey found that "companies with more culturally and ethnically diverse executive teams were 33% more likely to see better-than-average profits." McKinsey also found that gender diversity in management drives a profit increase of 21%. Diversity makes good companies better.

The talent is out there. What's standing in the way?

HOW HR LEADS:

To lead doesn't mean to solve. Diversifying your workforce will take leadership from across your company. It will not be an overnight transformation, nor will it be a project you can wrap up in 3 easy steps. Allison M., an HR leader at a media company in Chicago, says: **"You have to make diversity issues—what's working, what's not—okay to talk about, or you'll never even know what, if anything, is holding you back, much less how to solve whatever problems there might be."**

Diversity Training

Is diversity training effective? The jury's still out. You can find smart people who say it does and others who say it absolutely doesn't. Will it work for your company? As an HR leader, you're going to know better than the experts.

No Elephants in the Room

Whether it's a formal workshop or a more organic approach, HR can help the executive team define "unconscious bias" by getting everyone to talk about it, openly, in a safe environment. **Unconscious bias is like an opinion, everyone has one, whether it's articulated or not**. And bias isn't just about race, it can be about age, gender—any kind of pervasive stereotype. Unconscious bias is often incompatible with your stated values, and it can be an unpleasant surprise to have it exposed. So, keep the conversation focused on the end goal: working together to create a more diverse workforce, for the good of the company and the success of the business.

Project Implicit

Take Harvard's free online test to explore where you may have unconscious bias.

A closer look at bias in recruiting & performance reviews.

HR's big win: Prevent unconscious bias from interfering with who you hire and how you coach.

Recruiting

Job Descriptions:

It's surprisingly easy to write a job description that unintentionally appeals to a certain group. HR can help by asking a diverse committee to give feedback on new job posts. (And by feedback, we mean any and all reactions, no bad ideas. You're looking for honest reactions, not definitive statements.)

Blind Resumes:

Some companies are experimenting with resumes that remove the candidate's name and other identifiers of race or gender. The managing director of Oleeo tells SHRM: "So many studies have been done that show applicants with white-sounding names are more likely to get selected for interviews than those with black-sounding names. Many organizations have implemented processes of removing names, nationalities and university names from resumes when given to hiring managers so they can solely judge on merit and experience." [3]

Standardize Interviews:

Studies[4] show that unstructured, open-ended interviews don't predict job success. Instead, **HR can lead a project that challenges department heads to agree on how to structure the interview process. Simply trying to come up with standard questions could be a valuable exercise for your company.**

5

Performance Reviews

Establish Corporate Goals:

Whether you call them OKRs or OGSM, your company needs goals that are clearly stated, objective and measurable. **The end goal is to map corporate goals to each department and to every role, so employee performance is evaluated as objectively as a company's quarterly results.**

Written Reviews:

Performance reviews that ask open-ended questions, similar to unstructured interviews, can lead to unintentional bias, according to a 2019 report in The Harvard Business Review.[5] They conclude that "open box = open to bias." Instead of open box questions, they recommend creating checklists for managers to help them consistently reference specific, predetermined data when evaluating performance.

Get help with performance reviews.

For help designing a more objective performance review process that ladders up to corporate goals, watch Performance Fundamentals, an on-demand Paycor webinar.

#2

40% of the C-suite

say their recruiting
practices are average
or below.[6]

55% of HR teams

feel extremely challenged
in their search for
high-quality talent.[7]

THE PROBLEM:

Since early 2018, unemployment has bounced between 3.7% and 4.1%. The reason you've heard so much about these numbers is because they are historic; the last time we saw unemployment this low was in late 2000 (3.9%) and way back in the '60s. The tight labor market has made many business leaders anxious, with nearly half of HR leaders naming recruiting as their number one challenge.[6] **HR can't control market forces, but you can control the way you recruit and retain talent.**

HOW HR LEADS:

HR leads by not getting distracted by the latest job reports. Everyone knows that good employees are hard to find and recruit, and in this white hot job market, *many industries are facing a crisis in turnover.* **Focus on what you can control.**

HR ACTION PLAN

Use recruiting data to troubleshoot and problem solve, not just report.

Status quo HR only tracks the most basic recruiting metrics in terms of volume: number of résumés received, number of phone and in-person interviews you've scheduled, when and where the next interview is going to happen. Those metrics merely describe your current recruiting efforts, but they won't tell you how to troubleshoot, solve problems and improve. Instead, **HR leaders need to track key performance indicators (KPIs). KPIs provide actionable data that will help you and your team get better at finding and recruiting talent.**

Key Performance Indicators

#1 Offer Acceptance Rate

#2 Candidate Sourcing

#3 Average Time to Fill

#4 Current Candidate Pipeline

#5 Reasons for Non-Selection

What role does technology play in recruiting?

If it takes less than 5 minutes to complete an online application, you'll get up to 365% more applicants.[8]

Key Performance Indicators (KPIs)

#1 *Offer Acceptance Rate*

This metric will likely never hit 100%, but by tracking job acceptances over time you can see just how effective your talent acquisition strategies are. **If your offer acceptance rate is low or on a downward trend, you need to make sure your salaries and benefits are industry and location standard.** This is the most important metric to have, because the percentage of offers accepted is used to demonstrate the effectiveness of your company's overall recruitment strategies.

#2 *Candidate Sourcing*

This is an important metric for making decisions regarding your recruiting strategy and will inform several data points. **Use this metric to determine how much and where to spend your recruitment budget** (e.g., job fairs, on-campus recruiting, job boards); to determine recruiting hour allotment to recruitment resources, such as events; and to help determine recruiter performance.

#3 *Average Time to Fill*

This metric is **all about tracking the speed in which a candidate moves through your hiring pipeline** once they've been recruited or have applied. Time to fill is self-explanatory. It adds up the total number of days an open job goes unfilled. However, it can provide some telling information about how long recruiters take to contact a candidate after one is identified, as well as how long it takes to schedule an interview.

#4 *Current Candidate Pipeline*

This metric is important for **understanding which stage of the hiring process each candidate is in, as well as how many candidates are in each stage.** It can answer several questions, such as: How many candidates in the interview state (i.e., "good" candidates) do you currently have? How many offers are outstanding? Which candidates will you close soon?

#5 *Reasons for Non-Selection*

Keeping track of why a candidate wasn't hired is important. Some reasons include: candidate doesn't meet qualifications, candidate withdrew, etc. Capturing this data can help with EEOC compliance in the event of discrimination litigation.

Learn how you can *transform* your recruiting process with the right Applicant Tracking System.

#3

BUILD A COMPANY CULTURE
NO ONE WANTS TO LEAVE

53% of Workforce

"not engaged"
cognitively or emotionally
with their work.[9]

THE PROBLEM:

Chances are more than half of your employees are "not engaged" with their work. What if you could change that? "Compared with business units in the bottom quartile," Gallup reports, "those in the top quartile of engagement realize substantially better customer engagement, higher productivity, better retention, fewer accidents, and 21% higher profitability."

HOW HR LEADS:

HR is uniquely positioned to own the "employee experience," defined as: "everything an organization does, from onboarding to mentoring to career development, to help gradually and purposefully build an employee-centric culture".[10]

HR ACTION PLAN

You've just made a new hire—great! **Now, design their first year on the job.**

Before Day 1

Let your new employees know you're excited for them to join the team. Paycor has found that 83% of the highest-performing organizations begin onboarding prior to a new hire's first day.

30 Days

Collaborate on goal-setting. Encourage the hiring manager to collaborate with new employees on a 30-, 60-, and 90-day plan to help outline a path forward.
(Need a handy onboarding checklist? Here you go!)

90 Days

Swing for the fences. By this point, your new hire should be familiar enough with the company to take on a major project or assignment.

6 Months

Network. Offering professional groups or small focus groups can help them find their place. They also want to know they're making an impact. Show them their value with *appropriate recognition*.

12 Months

Beware the one-year itch. Watch out for complacency. Challenge them with growth opportunities. *Focus on learning* and refining technical skills and business knowledge.

Beyond Year 1

Give engaged employees tools to evangelize and brag about where they work. Brand them with more company swag! Make them company figureheads; start a social media ambassador program.

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HR TECHNOLOGY SAVES TIME.

## EXPERTISE HELPS YOU MAKE A DIFFERENCE.

The plans presented in this guide assume that you have at least some time in your day to experiment with new ideas. If you don't have time in your day, it may be that your HR technology is not doing its job. We can help: *Check out 6 Common HR Problems and How to Solve Them.*

HOW PAYCOR HELPS

More than 30,000 medium and small businesses nationwide trust Paycor to help them recruit, develop, pay and retain their employees. Paycor is known for delivering the best HCM technology for the SMB market, but what makes us legendary is the total client experience we provide, from responsive service and user-friendly design to expert partnership and thought leadership. **Our unique combination of technology and expertise helps clients streamline every aspect of people management so they can rise above status quo HR and grow their business.**

Paycor can help you make a difference.
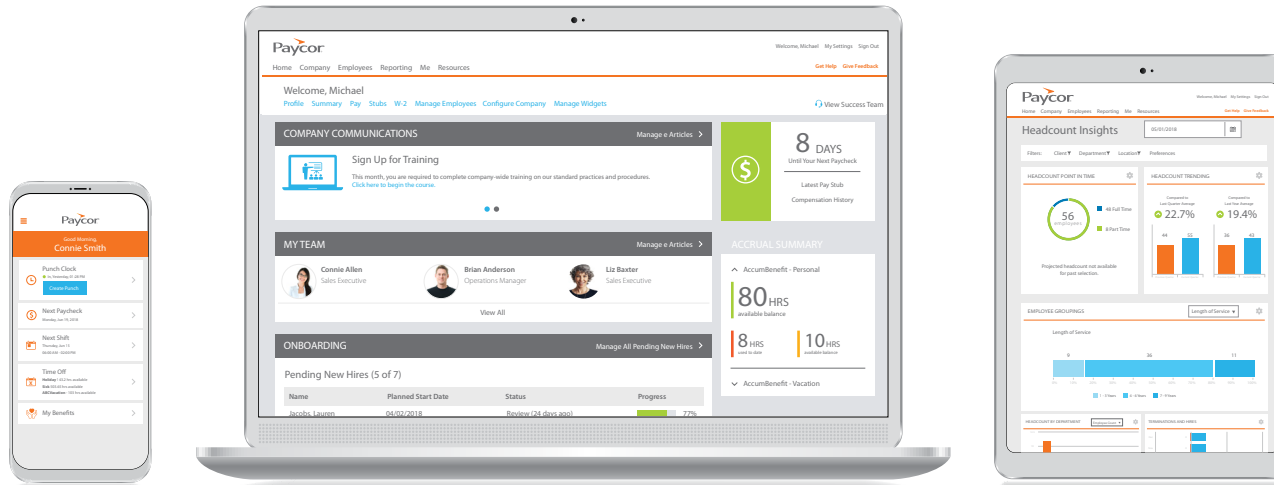
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You want to make a difference. *So do we.*™

1 "Delivering Through Diversity", McKinsey

2 "More Evidence that Company Diversity Leads to Better Profits," Forbes, 2018

3 "Can Technology Improve Diversity in Hiring?" SHRM, 2018

4 "How to Take the Bias Out of Interviews," Harvard Business Review, 2016

5 "2019 Report," Harvard Business Review, 2019

6 HR Center of Excellence, 2017

7 Paycor, 2017

8 Appcast

9 Gallup, 2018

10 "How to Build Culture of Engagement," 2018