

# The Future of HR: What's Next for the Profession

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# Howard Schultz on the Role of HR

*New York Times, Oct. 11, 2010*

***"People ask me what's the most important function when you're starting an organization or setting up the kind of culture and values that are going to endure. The discipline I believe so strongly in is HR..."***



## Knowing what's next: HR has a good story to tell

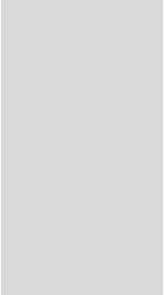
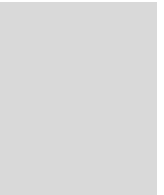


Because people drive change, no one is a better expert on what's next than HR leaders



# Today's Agenda



- 
1. Where we stand today, four years after the recession
  2. Key HR challenges at many organizations
  3. Two-part strategy for turning challenges into opportunities
  4. Best Practices Case study of Deloitte LLP
  5. Student Discussion
- 

# What does the world of today look like?



# Where We Stand Today

## US Hiring and the economy are slowly picking up



Job growth over the first 11 months of 2013 was in the 150,000-200,000 range but dropped in Dec. and Jan.

A solid 175,000 new jobs were created last month in February, while unemployment rose slightly to 6.7%

US Gross Domestic Product grew at 2.5% in 2013, up from 2.2% in 2012. Economists expect slightly higher growth in 2014

HR professionals will need to continue to focus on retaining talent in 2014, rather than recruiting new talent from outside

## Where We Stand Today - Illinois



### 8.7% Unemployment as of January 2014

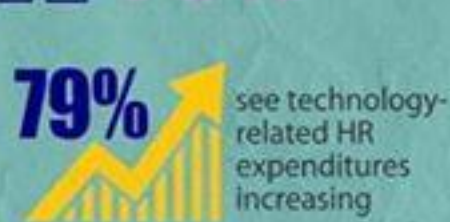
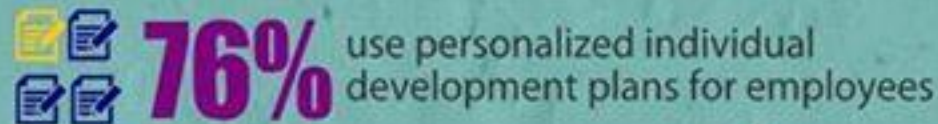
- 9.2% in August 2013
- IL ranks 49/51 in nation

Moline-Rock Island:	6.8%
Champaign-Urbana:	8.3%
Chicago Metro Area:	8.3-8.6%
Kankakee:	11.3%
Rockford	11.6%

Source: Bureau of Labor Statistics, Economy at a Glance

[www.bls.gov/eag](http://www.bls.gov/eag)

# {STATE OF HR IN 2014}



Please note: Results are from a subset of Argyle Executive Forum's 4,200 Human Capital members who are VP-level or higher executives at organizations with greater than \$1 billion in revenue.

For more information, visit [www.argylejournal.com](http://www.argylejournal.com).



# The Outlook for HR Professionals

Things are starting to look better



Job openings posted on SHRM's HR Jobs web site in 2013 increased by 45% compared to 2009

Also, the U.S. Bureau of Labor Statistics projects an increase of 22% in HR employment by 2018 – compared to a 10.7% increase for all occupations

# Challenge #1 -- Low Employee Engagement

30%



\$450 Billion

70%

## Challenge #2 - Stressed, distrustful employees



More than **one-third** of American workers experience

- chronic work stress
- low salaries
- lack of opportunity for advancement
- heavy workloads

Many employees feel stuck, with only **39%** citing sufficient opportunities for career advancement and just over **50%** saying they feel valued at work

## Challenge #3 - Reduced Resources for HR Initiatives



The bottom line for most HR professionals today is:  
“Do more with less.”

## Challenge #4 - Employer Brands Need Rebuilding



Many companies lost their strong employer brands during the recession and have not regained their former strength

# Where do we go from HERE?



# Turning Challenges into Opportunities

## Two-part Strategy

**#1:  
Grow  
from Within**

**Conduct strategic workforce planning and develop talented employees from within to meet your post-recession and long-term workforce needs**

**#2:  
Build/Rebuild  
Your Brand**

**Build or rebuild your employer brand to retain and engage your high-performing employees and attract new talent from outside**

# Strategy #1 - Grow from Within

## Strategic Workforce Planning



The ability to predict and fill future talent needs is critical as companies move from survival mode to long-term sustainability

HR must make the ROI business case to top management for strategic workforce planning



# Turnover Costs - Really Costs!

Replacing employees from the outside is expensive



Bliss-Gately “Cost-to-Replace\_Tool”

# Strategy #1 - Grow from within

## Example

If a company with 1,000 employees and an average base salary of \$50,000 lays off 100 employees -- or 10% of its workforce -- it will spend \$7.5 million in addition to their salaries to replace them

$$100 \text{ Employees} \times \$75,000 = \$7,500,000$$

These costs include severance payouts, lost productivity, recruitment and new hire costs, and training

# Strategy #1 - Grow from Within

Joint poll had responses from 430 US HR professionals

Focused on potential retirements by workers aged 50+



- 72% of organizations described the loss of boomers' experience as a current or potential problem
- only 29% had conducted a strategic workforce analysis of the impact of their retiring workers

Strategic Workforce Planning: SHRM-AARP 2012 Poll

# Strategy #1 - Grow from Within

## AARP-SHRM free online Workforce Assessment Tool



### Workforce Assessment Tool

Co-sponsored by AARP and SHRM



This free, confidential tool can help your organization assess your current and future workforce needs.

The Workforce Assessment Tool is a resource for HR managers to:

- Assess how retiring workers will affect their organization
- Address skill shortage challenges due to staff attrition
- Create a work environment that attracts qualified workers of all ages
- Manage a multi-generational workforce
- Build an employer brand that attracts and retains top talent

The Workforce Assessment Tool takes about 30 minutes to complete. Once you complete the Tool, a customized Summary Report will automatically be generated based on your responses.

#### Getting started

To create a new account and access the assessment tool, please click here to [Register](#). Already have an existing account? [Log in above](#). You will have the ability to save any data entered and return to your account to change or complete the Workforce Assessment Tool.

#### Sign In

Email Address

Password

[Forgot password?](#)

[Log in](#)

New to the site?

[Register!](#)



[www.aarp.org/workforceassessment](http://www.aarp.org/workforceassessment)  
[www.shrm.org/aarp](http://www.shrm.org/aarp)

# Strategy #1 - Grow from Within

## Develop Your Talent



Career and leadership development programs can provide enriching opportunities to improve skills and knowledge

# Strategy #1 - Grow from Within

## Workplace Flexibility

“We must change the structure of our workplaces... they must be flexible enough to give workers the ability to be productive.”

President Obama

Fortune Magazine's  
Most Powerful Women Summit

An advertisement for 'Next.' is positioned on the right side of the slide. The top half shows a man in a light blue shirt sitting at a wooden table in a cafe, working on a laptop. The background includes a water cooler, a printer, and a clock. The bottom half shows a black and white dog lying on the floor next to colorful stacking toys. The text 'Next.' is written in a large, orange, sans-serif font. Below it, a paragraph of text discusses the importance of a flexible workplace. At the bottom left of the ad is the SRM logo and the tagline 'we know next'.

**Next.**

With the demands of work as complex as the lives of employees, a flexible workplace is the next business imperative. HR professionals are helping business redefine where, when, and how people do their best work. From innovative environments that focus on results rather than hours worked, to flexible schedules that encourage greater autonomy, HR is helping employers and employees achieve greater success, productivity, and balance. See how HR helps organizations and their people adapt to what's next at [weknownext.com](http://weknownext.com).

**SRM**  
SOCIETY FOR HUMAN RESOURCE MANAGEMENT

we know next

# Strategy #1 - Grow from Within

## SHRM Workplace Flexibility in the 21<sup>st</sup> Century Survey



### The Top Five Positive Effects of Formal Flexible Work Arrangements



# Strategy #1 - Grow from Within

SHRM / FWI Partnership on Workplace Flexibility

“Moving Work Forward”



SOCIETY FOR HUMAN  
RESOURCE MANAGEMENT



**Families and Work** Institute

Flexible work arrangements

Fit the 21<sup>st</sup> century workforce

Create new competitive advantages







# SLOAN AWARDS

## About The Award

The 2013 Sloan Award application is now open.

In 2012, hundreds of organizations applied for the Sloan Award for Excellence in Workplace Effectiveness and Flexibility, resulting in 352 winning worksites! Since 2005, the Sloan Awards have been recognizing model employers of all types and sizes across the U.S. for their innovative and effective workplace practices. We hope you will join this dynamic and prestigious group of organizations! Learn more:

- [Register and begin the application now](#)
- [Log back in to an existing application](#)
- [About the Sloan Awards](#)
- [Application process](#)
- [Eligibility](#)
- [Deadlines](#)

### Ask the Seattle, Spokane, & Wenatchee SHRM Chapters about their award winning companies!

#### About the Sloan Awards

The Sloan Awards are part of When Work Works, a research-based initiative to highlight how effective and flexible workplaces can yield positive business results and help employees succeed at work and at home. When Work Works is a joint partnership between [Families and Work Institute](#) and The [Society for Human Resource Management](#).

It is a site-based award. For employers with more than one location, it is the local worksite that applies for the award. Separate applications may be submitted if multiple worksites wish to be considered.

Worksites located in one of the participating *When Work Works* partner communities or states should select that community when registering to apply. An employer that does not have a worksite located in one of the participating communities or states may apply as an "at-large" applicant. Note that the final deadline for at-large applications is **now May 10, 2013**. However, the application deadline in some partner communities may be earlier. Please check the [deadline](#) for the community or state where your worksite is located.



**2013 SHRM WorkFlex Conference: Oct.29-30, 2013 in San Francisco, CA**

## Strategy #2 - Build/Rebuild Your Employer Brand

**Goal:** Create an image of your organization as a “Great Place to Work” among your stakeholders and the public



### It helps you grow from within and recruit outside talent:

Improves employee retention rates

Increases employee motivation/engagement

Increases manager satisfaction

Increases unsolicited quality job candidates

Increases recruiting of younger generations and college students

Increases job acceptance rates

Increases employee referrals

## Strategy #2 - Build/Rebuild Your Employer Brand

Engage & Activate Young Professionals - Who Are These People?

By 2014

36% of US workforce  
will be millennials

80 Million

Young adults born

Between 1976 and 2001

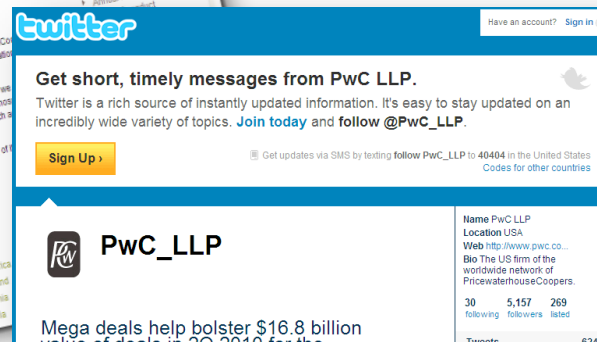
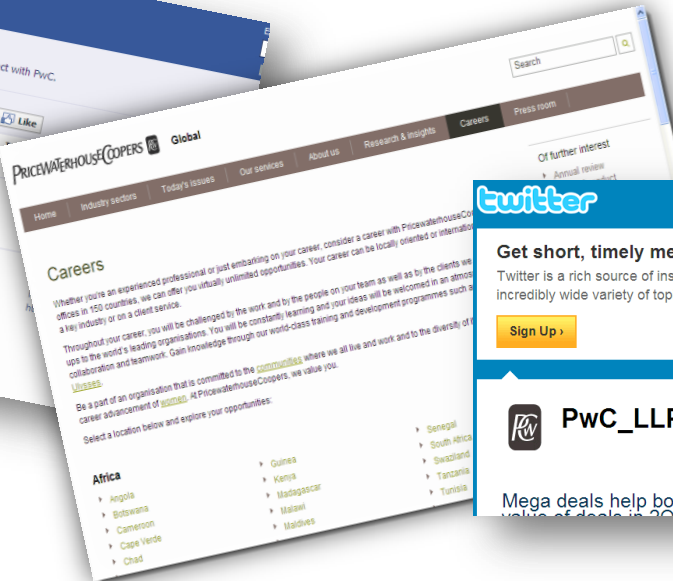
By 2020

46% of all US workers  
will be millennials

# Strategy #2 - Build/Rebuild Your Employer Brand

Communicate your company story and brand via:

- Your website
- Print and TV ads
- Chat rooms/forums/blogs
- Social Media
- Employee testimonials
- Visual branding on billboards, etc
- Best Places to Work lists
- Industry magazines
- Company buildings and Intranet
- Job podcasting



# Case Study: Deloitte LLP

## Women's Initiative - Culture of Flexibility



Appeared on “Fortune 100 Best Companies to Work For” list 13 times -- #47 in 2013

20 years ago, It began WIN, its initiative for the advancement and retention of women

The creation of WIN marked the beginning of a culture of flexibility at Deloitte. View the Win video at:

[www.deloitte.com](http://www.deloitte.com)

# Case Study: Deloitte LLP

## Talent Strategy Based on Strong Corporate Culture



# Case Study: Deloitte LLP

## Brand Building through Social and Online Media

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# Summary -- Takeaways

As the economy grows slowly, HR leaders need to shift their focus to strategies for long-term sustainability

HR leaders face four key challenges going forward:

- Low employee engagement
- Stressed and distrustful employees
- Reduced budgets for HR initiatives
- Employer brands in need of rebuilding

A two-part strategy can turn these challenges into opportunities

- Plan and grow in-house capabilities for future workforce needs
- Build or rebuild your employer brand

Emulate Deloitte and seek to make your organization a “Great Place to Work”



# Going Forward - Look to SHRM for Support



# We Need Your Passion and Innovation





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