



**EMPLOYEE RELATIONS
BENCHMARK STUDY
2017**

HRACUITY[®]
Your Employee Matters

TABLE OF CONTENTS

- 1** A Message from the CEO
- 2** Study Terminology
- 3** Key Findings
- 5** Respondent Profile
- 8** Organizational Model
 - 9** Current Employee Relations Model
 - 10** Benefits and Challenges of Employee Relations Models
 - 12** Transitions to a Centralized Model
 - 12** Use of Call Centers
- 13** How Centers of Expertise Work
 - 14** Scope of Responsibilities
 - 15** Case Load
 - 16** Case Assignments
 - 17** Location of Resources
 - 17** Service Level Agreements
- 18** Resources
 - 19** Staffing Ratios
 - 20** In-House Legal Resources
 - 21** Hiring Requirements
 - 24** Staff Reporting
- 25** Case Management
 - 26** Investigation Practices
 - 27** Technology and Case Tracking
- 30** Processes and Practices
 - 31** Making Business Recommendations
 - 32** Arbitration Agreements
 - 32** Termination Process
- 33** Issue Management and Trends
 - 34** Who Manages What
 - 36** Issue Trends
 - 37** Issue Volume
- 38** Metrics and Analytics
- 43** Global Employee Relations

A MESSAGE FROM THE CEO

Little did we know when we initiated the HR Acuity Employee Relations Benchmark Study that just two years later its relevance would become so explosive. Over the past several months, barely a day has gone by without a headline exposing an allegation of sexual harassment or assault, primarily in the workplace. The #metoo is emboldening victims previously unable or afraid to come forward to share details of inappropriate and often illegal behavior by leaders, co-workers or others. Having investigated similar claims of workplace behavior for years, these headlines, while disturbing, are frankly not surprising. For more than a decade, HR Acuity has been working with Human Resource and Employee Relations leaders in organizations – both big and small – who truly want to know what is going on in their organizations and have processes in place to ensure that incidents such as those we read about either don't happen or are not tolerated when they do occur.

Empowering HR and Employee Relations leaders with the relevant tools to manage employee behaviors and allegations of misconduct with integrity has always been our top priority. After receiving countless requests for benchmarks around these processes (that did not exist – anywhere!) we took matters into our own hands and last year launched our groundbreaking Study with the objective of establishing standards and best practices. Today, it is a great privilege to publish the results from the Second Annual HR Acuity Employee Relations Benchmark Study.

This year, as in our inaugural Study, we requested participation from organizations with more than 1,000 employees across a wide array of industries, and the respondents did not disappoint. Over 100 organizations representing more than 3,500,000 employees globally provided data on Employee Relations practices specific to their organization model, case management processes, employee issue types, volumes, trends and internal data-driven metrics. This comprehensive Study provides broad employee relations insights based upon industry, employee relations model and number of employees.

We look forward to conducting this Study annually*; we expect the number and breadth of participants and data will continue to grow enabling us to delve further into trends and metrics across the Employee Relations landscape.

On behalf of the entire HR Acuity team, I thank each leader for their willingness to share their organization's data and insights so that we may learn from one another.



Deborah J. Muller

CEO, HR Acuity®

Tel: 888.598.0161

dmuller@hracuity.com

*** Interested in participating in next year's Study?**

Contact us at benchmark@hracuity.com
or call 888-598-0161.

STUDY TERMINOLOGY

TERMS used throughout the Study:

Employee Relations Professionals: Individuals who are dedicated to managing or working on employee relations matters.

HR Business Partners or Generalists: Individuals who provide strategic or operational human resources support to business or functional areas.

Employee Relations Organizational Models:

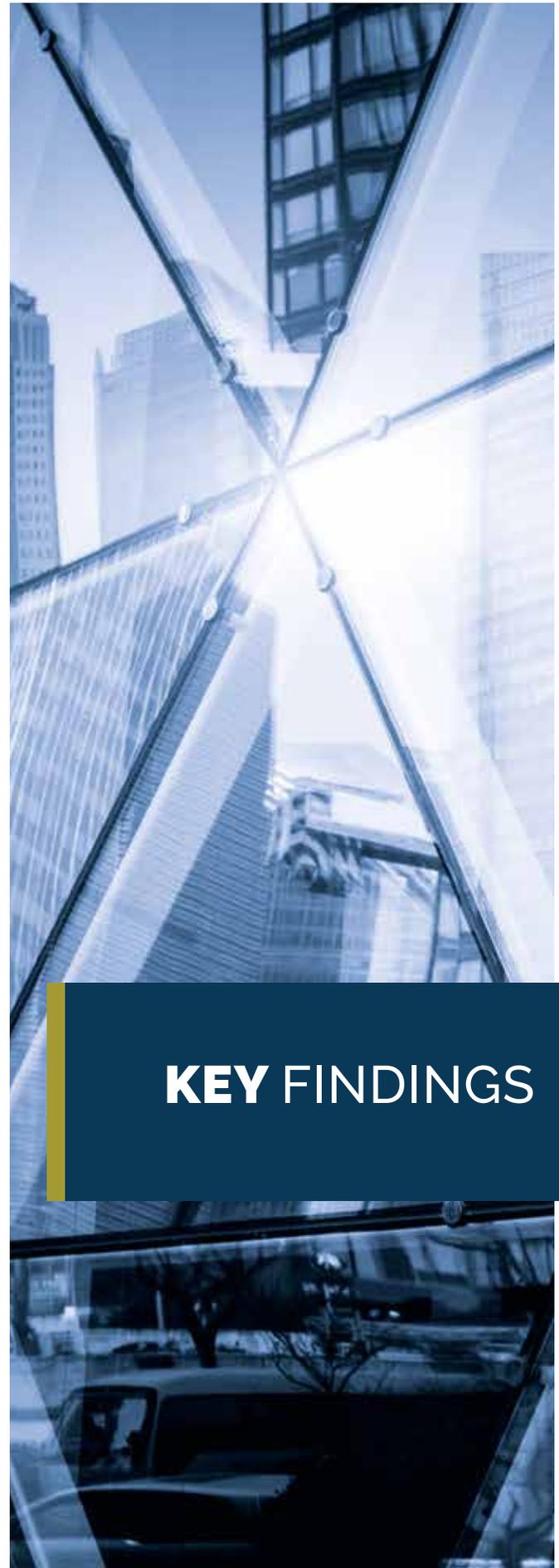
Centralized: Centralized team of Employee Relations Professionals or Center of Expertise (“COE”) responsible for managing employee relations issues and conducting investigations across the organization. (Note this group does not have to be geographically centralized)

Mixed: Centralized team for managing some or most of the employee relations cases and investigations but field resources (HR Generalists, Business Partners and/or managers) still manage some employee relations issues.

Decentralized: Employee relations issues are managed within the specific lines of business by HR Generalists, Business Partners or Employee Relations Professionals. Employee Relations matters are not centralized.

ACRONYMS used throughout the Study:

ER	Employee Relations
ERP	Employee Relations Professional
HR	Human Resources
HRG/BP	Human Resource Generalist/Business Partner
FTE	Full-Time Equivalents
COE	Center of Expertise
ERM	Employee Relations Management System
HRIS	Human Resource Information System



KEY FINDINGS

KEY FINDINGS



The shift of organizations moving toward a Centralized Model for managing employee relations continues. Sixty-seven percent of organizations reported using a Centralized "Center of Expertise" versus 60% in 2016. It appears that this transition is from those organizations who previously had a "Mixed" model, with that percentage dropping about 7%. Organizations with a Decentralized model remained steady at 12%.

Fifty-seven percent of organizations not currently in a Centralized Model are considering making the transition. This represents a significant change from last year, in 2016, when only 39% of organizations were considering making a change. The percentage of companies planning to make that transition in the next 12 months remained constant at about 14%.

Resource efficiencies can be achieved by moving to a Centralized Model. Organizations with Centralized ER Models utilize over 32% fewer ER Professionals and HR Generalists/Business Partner resources than those with Decentralized Models. While not as great a variance, the reduction in resources when moving from a Mixed to a Centralized Model is about 10%.

The median number of resources per 1,000 employees is .75 FTE for employee relations professionals and 2.44 FTE for human resource generalist/business partner roles. This varies based upon the organization model and number of employees.

Sixty-eight percent of organizations have in-house labor and employment legal resources to support the employee relations function. They staff at about .184 FTE per 1,000 employees.

While the majority of HR and Employee Relations Professionals report up to Corporate, the existence of a COE appears to impact where an HR Call Center might fall on the org chart. Forty-eight percent of Call Centers in organizations with COEs report into Corporate. When no COE or Centralized ER group is in place, the Call Center is more likely to report into Shared Services (40%).



When hiring employee relations professionals, hiring managers overwhelmingly value prior experience in ER (79%). Not so important are legal experience (39% least valuable) and managerial experience (54% least valuable).

More organizations are recognizing the value of a standardized process for conducting investigations. Over the past year, there was a 10% increase in the number of organizations that require specific forms and templates be used when conducting investigations. This increased most dramatically within Healthcare/Pharma (55%), Technology (40%) and for organizations with more than 20,000 employees (43%). On the flipside, the number of organizations that had no specific guidelines decreased from 36% in 2016 to 16%.



The movement toward using more sophisticated technology for managing employee issues continues to increase. Fifty percent of respondents use an Employee Relations Management Solution while 25% rely on their HRIS or general case management system. Only 7% of our respondents report they are not utilizing any type of tracking at all (down from 14% last year). And those organizations that rely on standard office tools such as Excel decreased about 48%.

If you're not using technology for employee relations today, you're probably thinking about it. Sixty-four percent of respondents not using an employee relations or other case management solution are considering it with 34% reporting that they are ready to make the switch in the next 12 months.

The primary method for assigning case work within a centralized employee relations team is by Line of Business (44%). Geography and case complexity are most often used as a secondary method.

Case load by practitioner dramatically increased for many. Employee relations professionals who manage more than 26 cases at any one time spiked from 14% in 2016 to 31% in this year's Study.



For every 1,000 employees, organizations will receive approximately 7.34 allegations of discrimination or harassment. This is up from last year's average of 4.44 per 1,000. EEOC and other administrative charges appear to have increased as well with respondents reporting an average of 1.82 charges per 1,000 employees versus last year's report of 1.26.

Thirty-four percent of organizations have seen an increase in issues over the last 12 months versus only 9% of organizations who experienced a decrease. The most significant increases were in cases related to retaliation, social media, bullying and non-sexual harassment.

Increases in employee related events/issues over the last year were attributed primarily to organization changes (51%), the political environment (45%) and increased awareness of perceived rights by employees (42%).

Ninety-three percent of participating organizations report metrics on employee relations activities to some area of the business. This represents a 6% increase from last year. While HR and Senior Leadership remain at the top for being the recipients of this information (75% and 66% respectively), most encouraging is the increase from 22% to 30% of organizations sharing this data with managers.

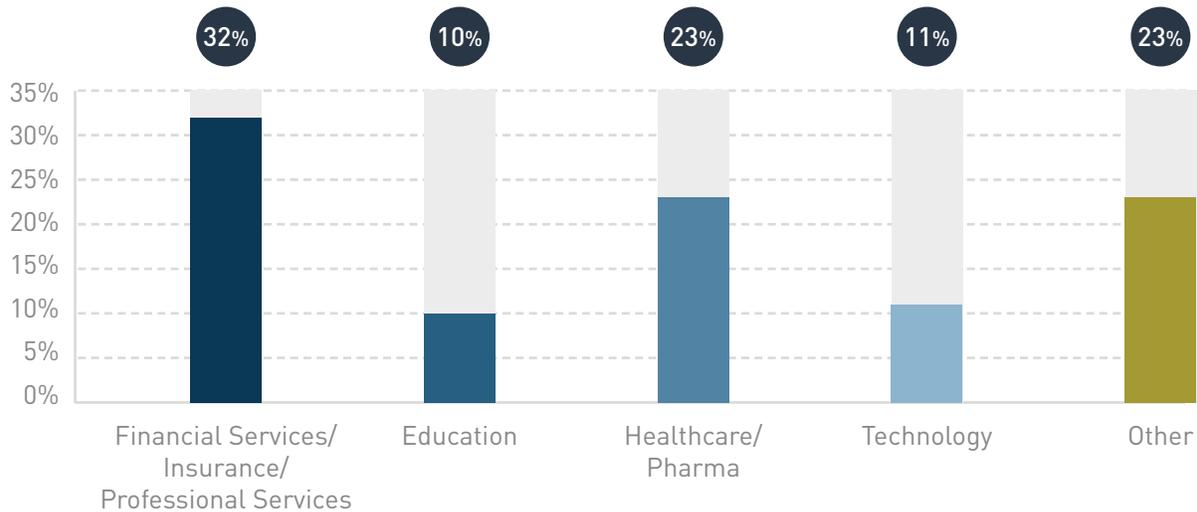


RESPONDENT PROFILE

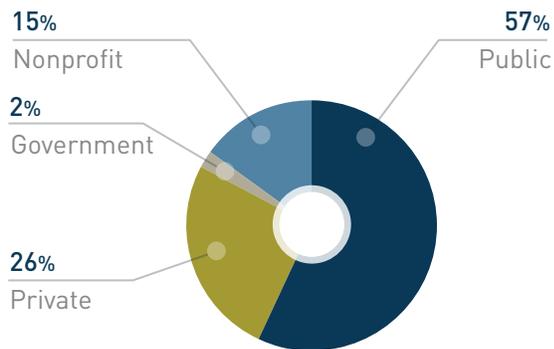
RESPONDENT PROFILE

The findings from this Study represent the input from 112 organizations with almost 1.7MM US and over 3.5MM global employees. This is almost double the number of employees in last year’s study due in part to the increase in enterprise-sized company participation.

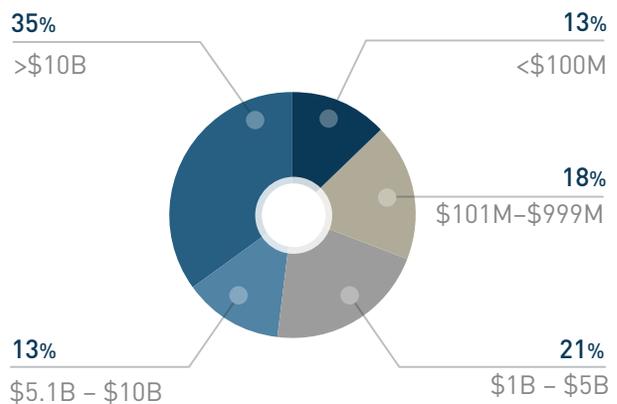
Industry



Organization classification

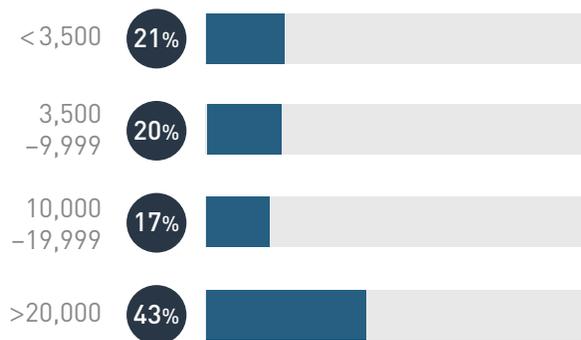


Organization Annual Revenue (not for profit - annual budget)

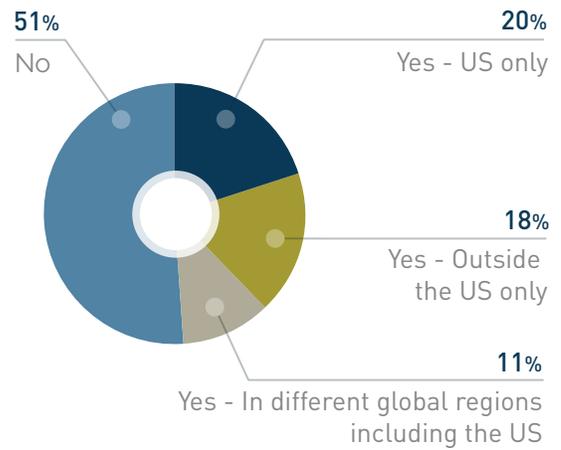


The majority of respondents to the 2017 HR Acuity Employee Relations Benchmark Study were Senior Directors or Leaders of employee relations teams. Additional participants included CHROs, Vice Presidents, Legal Counsel and HR Business Partners.

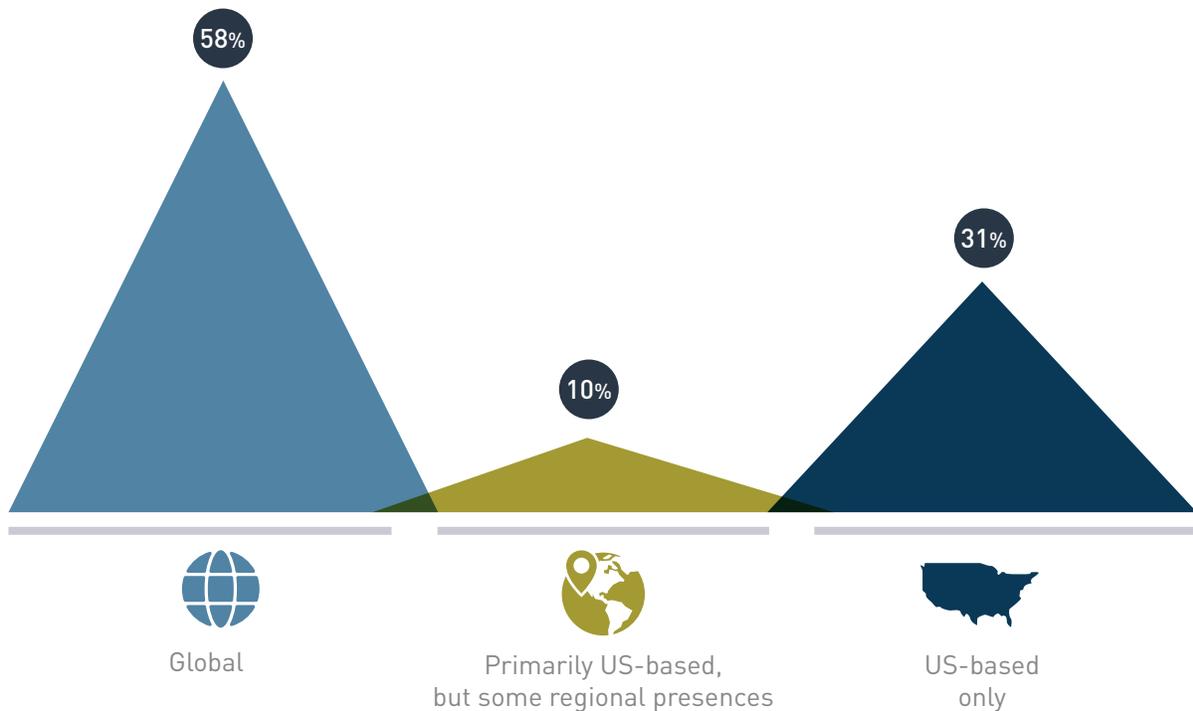
Number of Employees (global)

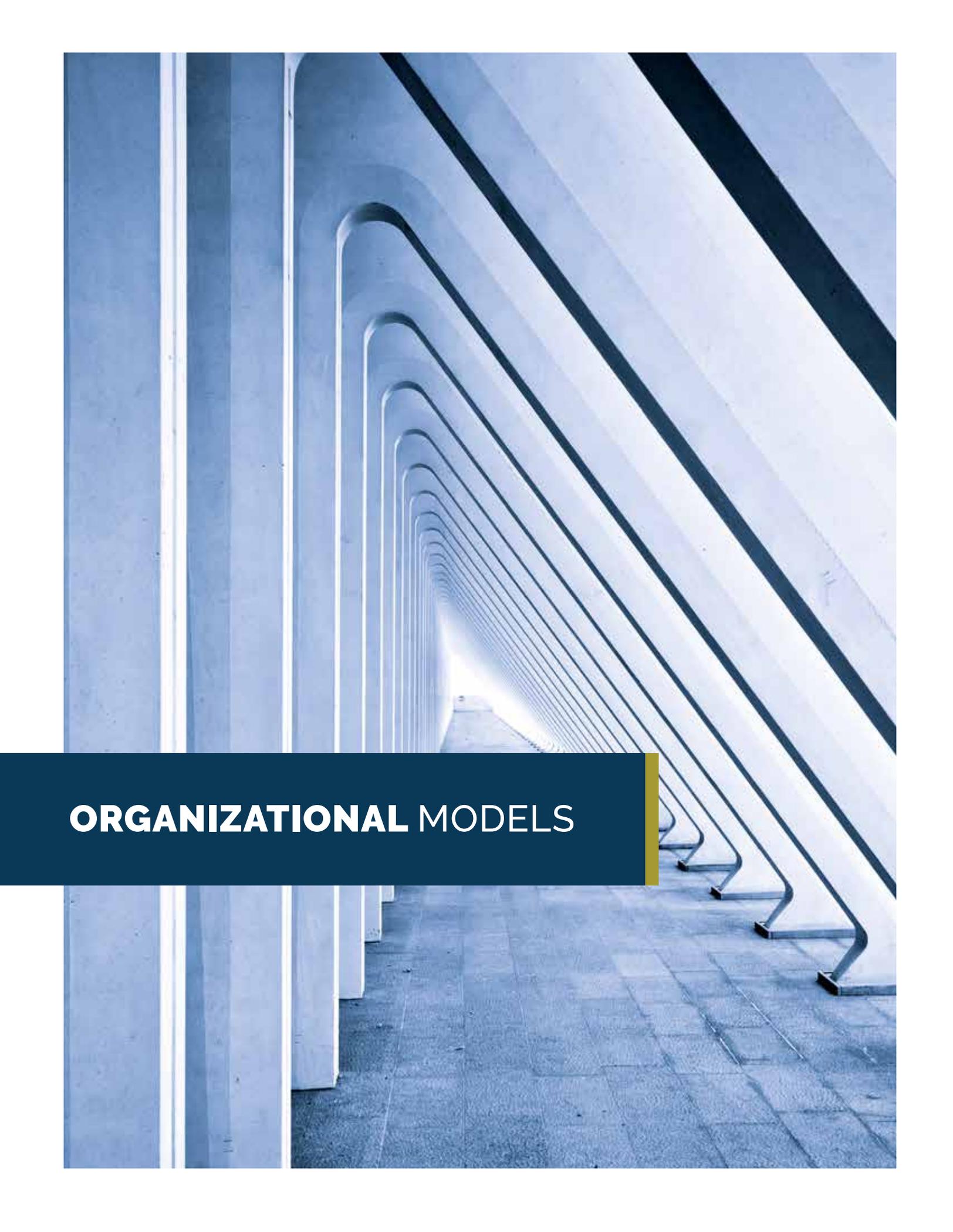


Collective Bargaining Units



Regional Presence





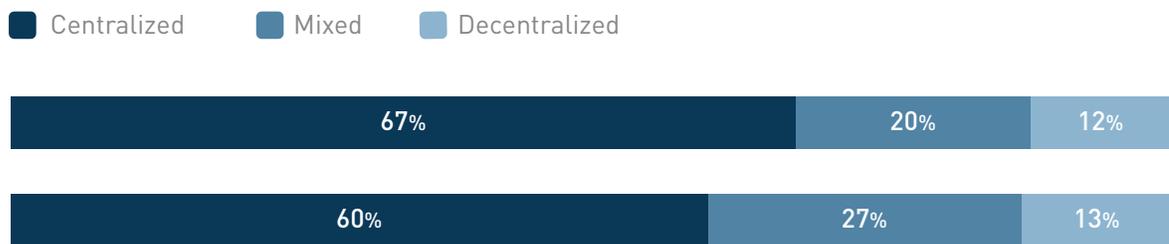
ORGANIZATIONAL MODELS

ORGANIZATIONAL MODELS

The trend of organizations moving to a centralized or Center of Expertise approach to employee relations continues.

Current Employee Relations Model (US)

TOTAL



BY NUMBER OF U.S. EMPLOYEES

	<3,500	3,500 – 9,999	10,000 – 19,999	20,000+
CENTRALIZED	71%	53%	85%	66%
MIXED	24%	13%	15%	24%
DECENTRALIZED	6%	33%	0%	11%

BY INDUSTRY

	Finance/Ins/ Prof Services	Education	Healthcare/ Pharma	Technology
CENTRALIZED	54%	100%	70%	80%
MIXED	38%	0%	10%	10%
DECENTRALIZED	8%	0%	20%	10%

With over 60% of respondents utilizing a centralized approach, the insights they provided were fairly “consistent.” Comments from participants highlighted the consistency of case management, consistency of remediation, consistency of policy interpretation and advice, and consistency of investigation strategy as some of the critical benefits of using this organizational model.

COE: benefits

“Now the ER Team can ensure we treat cases fairly across business areas. We also allow the HRBPs to focus more on the strategic relationship with their client by taking these issues off the table.”

The model drives consistency and a strong body of knowledge on how to handle scenarios and a more harmonized approach to processes. ER is emerging as an influential thought leader across the company.

- “Transparency, consistency of policy interpretation and application has resulted in improved leader and employee experience and engagement.”
- “This model allows for easy access to collaborative discussions regarding handling difficult situations and historic practices.”
- “Fosters relationships between managers and employees by creating a more consistent ER experience.”
- “We’ve seen a trend in managers calling us earlier than in the past – meaning we can help address issues before they get to be huge problems.”

COE: challenges

While the comments seem to convey that the pluses outweigh the minuses, the centralized model is not without its challenges. Respondents frequently reported job burnout and high caseloads, something reinforced by the data. Lack of career path and difficulties in recruiting were also underscored by many. Another area cited for improvement was finding the right balance in the relationships between HR Business Partners and ER Professionals.

- “There is continued pressure to increase scope and become more of an HRPB extension rather than a neutral investigative body.”
- “ER Manager job burnout/attrition is an issue. This is a very intense job.”
- “HRBPs can struggle with letting go.”
- “Building relationships and trust is crucial if this model is going to work at the highest level.”
- “We are consistently understaffed so keeping up with the volume is an ongoing issue.”

“The team has really needed to get comfortable reaching out for assistance when they are slammed and offering to help others when they are slow. We’ve finally been able to get weekly reporting to keep a better eye on this.”

We are still experiencing moderate resistance from HR Business Partners & Leaders. At times, they resort to the old model of addressing ER/LR problems locally, without involving our services.

While the majority of our respondents are using a centralized approach, there are still organizations that work in a mixed or decentralized model. Here is what they had to say:

MIXED: benefits

- “Business Partners have insights into what is happening on their teams regarding employee relations matters.”
- “HR Generalists who support our business leaders understand the business context and have working relationships with our people leaders and employees.”
- “Employees feel they are heard because they see and know their field rep.”

MIXED: challenges

- “While business units share some policies, there is not full integration so it is unknown how investigations are done, issues documented, etc.”
- “HRBP's handing off to ER can be awkward. Sometimes it is tough to determine when and if the HRBP should remain involved.”

It can be challenging for managers to know where to go for help considering the work is divided across different areas of HR or Compliance...We're generally able to work either together or easily decide which group will take the lead but it can be confusing for managers.

- “Sometimes it feels that the work might be duplicative. If we need to engage our ER partners, the business leader and the HR Business Partner have to provide background to bring them up to speed.”

DECENTRALIZED: benefits

- “Local HRBPs are very familiar with the individuals involved and often have the history associated with the circumstances surrounding the ER issues.”

Allows client-facing or field operations human resources team to develop competencies in effectively handling employee relations issues.

- “Allows for flexibility to tailor approach to particular business need.”
- “Everything is handled close to the business.”

DECENTRALIZED: challenges

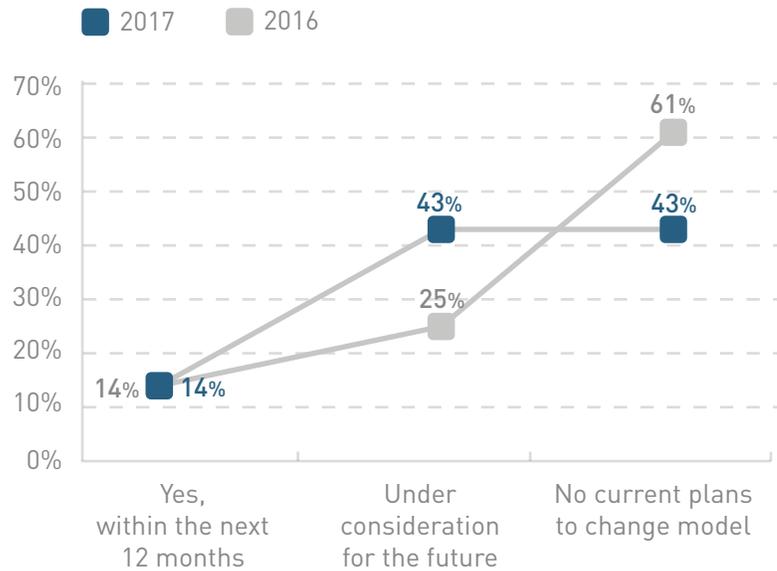
Some policies are not interpreted or managed consistently.

- “Perceived lack of objectivity when a local HRBP is investigating.”
- “No centralized records, systems, processes”

The trend toward centralization continues.

It will be interesting to watch how the trend toward centralized employee relations teams unfolds in subsequent years. According to those organizations who participated in the Study, the number of mixed and decentralized models will diminish. Of those who currently are in these models, over 56% are considering making the move to a centralized approach. This is a 17% increase from last year.

Organizations considering moving to a centralized or Center of Expertise (COE) model in the future.

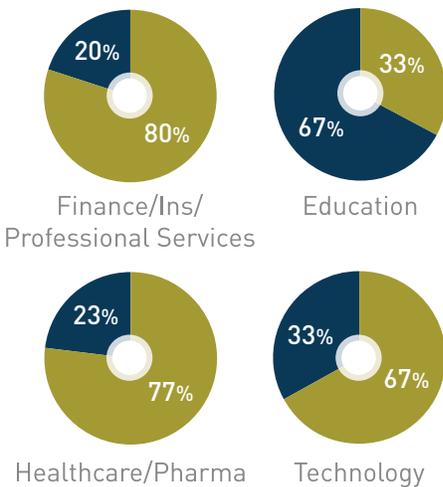


USE OF CALL CENTERS

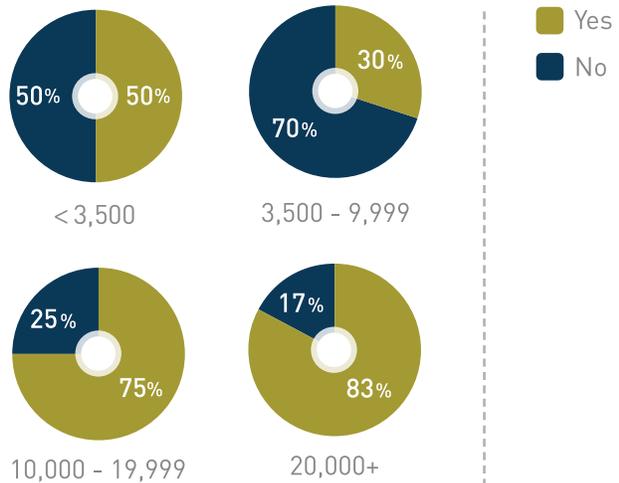
Larger organizations are more likely to have an HR Call Center for managing Tier 1 type queries.

Does your organization have centralized HR Call Center to manage Tier 1* types of issues?

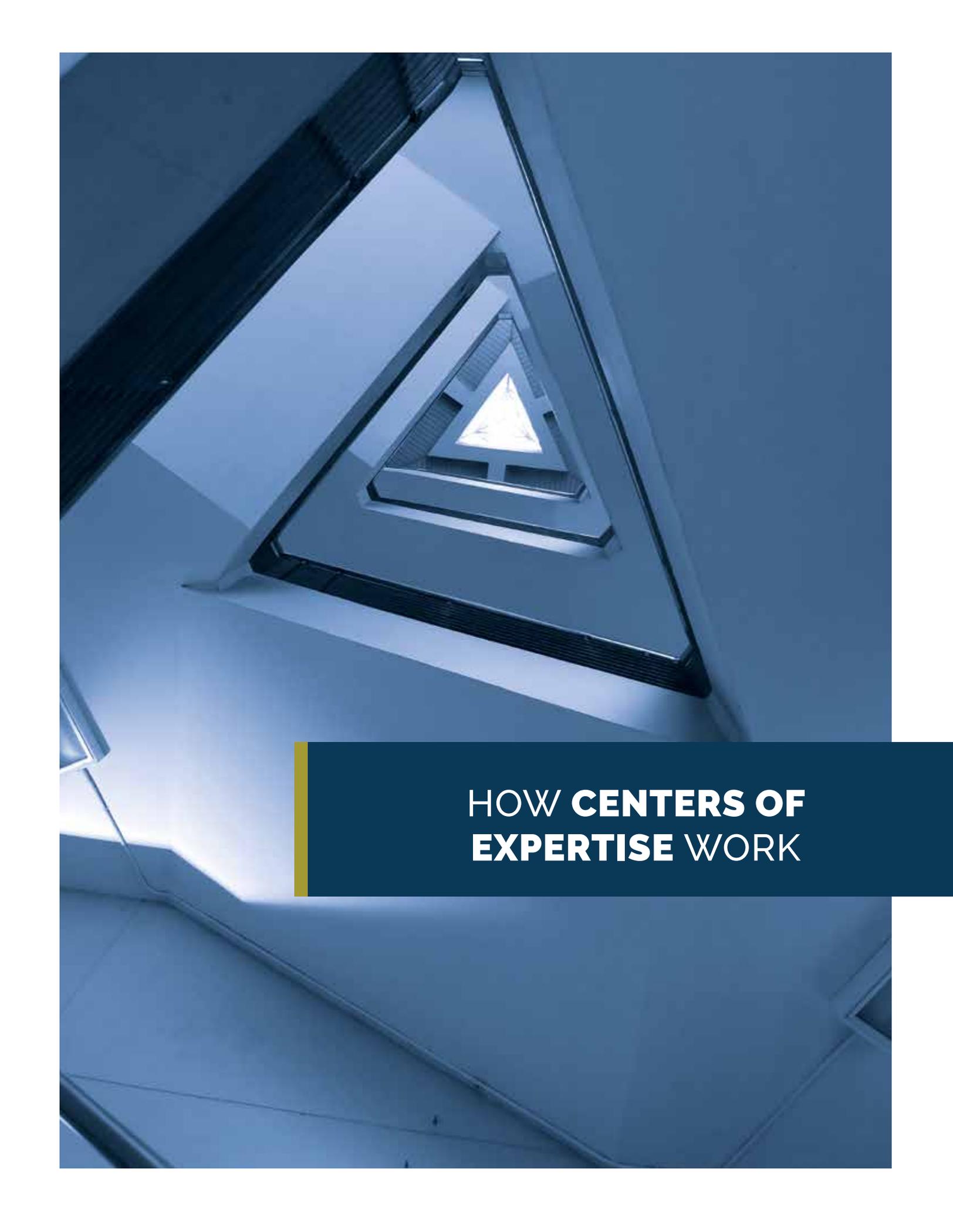
BY INDUSTRY



BY NUMBER OF U.S. EMPLOYEES



(*Routine matters or questions that are generally resolved quickly based upon policy or standard operating procedures.)



**HOW CENTERS OF
EXPERTISE WORK**

HOW CENTERS OF EXPERTISE WORK

Given the movement to centralized employee relations teams or COEs, we asked some additional questions to understand how these teams operate.

SCOPE OF RESPONSIBILITIES

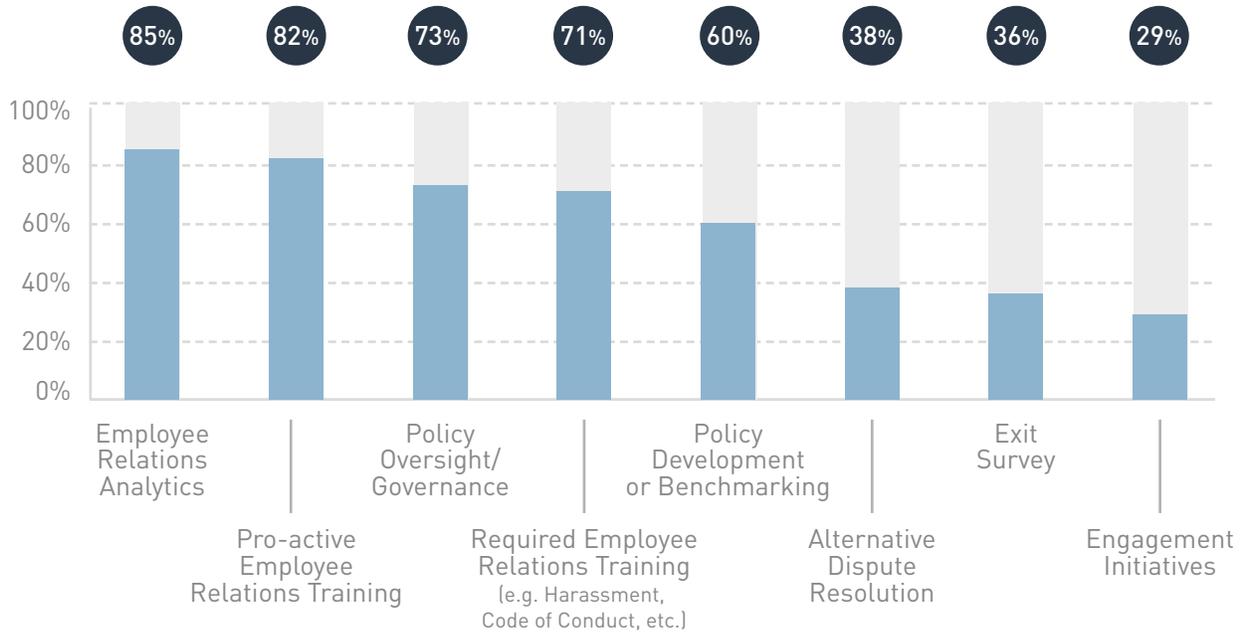
It is no wonder that COEs report feeling "stretched thin" as the scope of the responsibilities for this group is broad. The overwhelming majority of organizations in the Study manage Behavioral Issues, Policy Violations and Investigations (90+%). Performance Issues and Involuntary Terminations are also typically managed by these groups (80+%). There is less consensus on whether the group is responsible for Leave Management (56%), Reductions in Force (60%) and General Policy Inquiries (69%).

Type of cases that fall within the scope of your centralized team/COE



In addition to employee matters, a large majority of the COEs also reported having responsibility for Employee Relations Analytics and Pro-active Employee Relations Training.

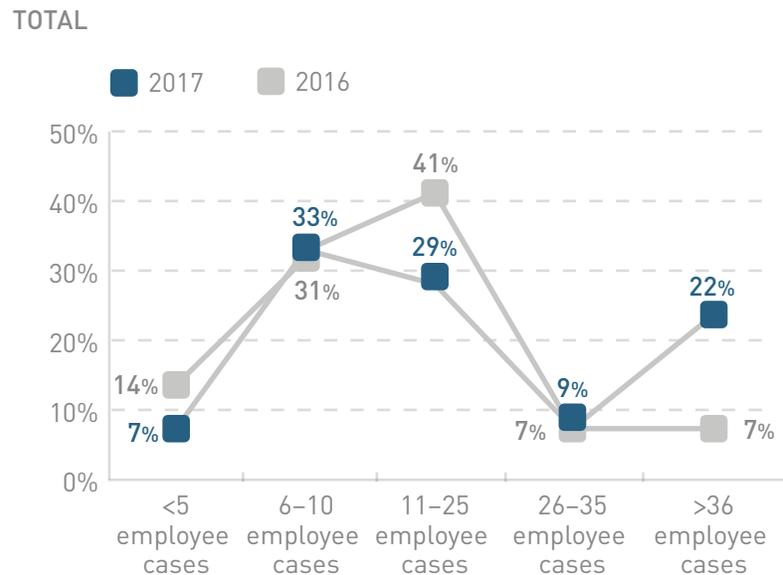
Additional functions managed by the centralized team/COE



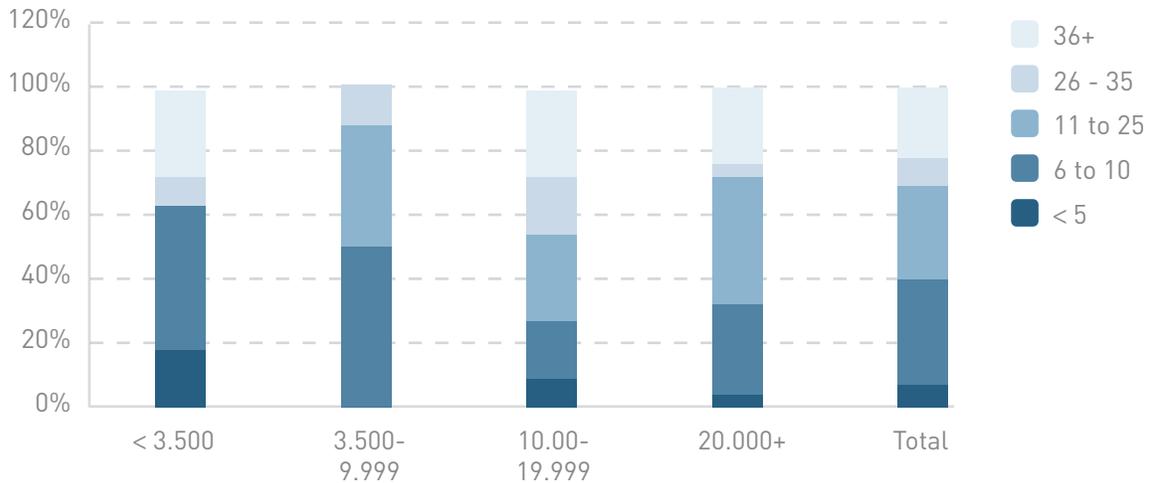
CASE LOAD

The data demonstrates a marked increase in case load for employee relations professionals in Centralized organizations. Employee Relations Professionals who manage more than 26 cases at any one time spiked from 14% in 2016 to 31% in this year's Study.

Average number of employee relations cases assigned to each ERP at any given time



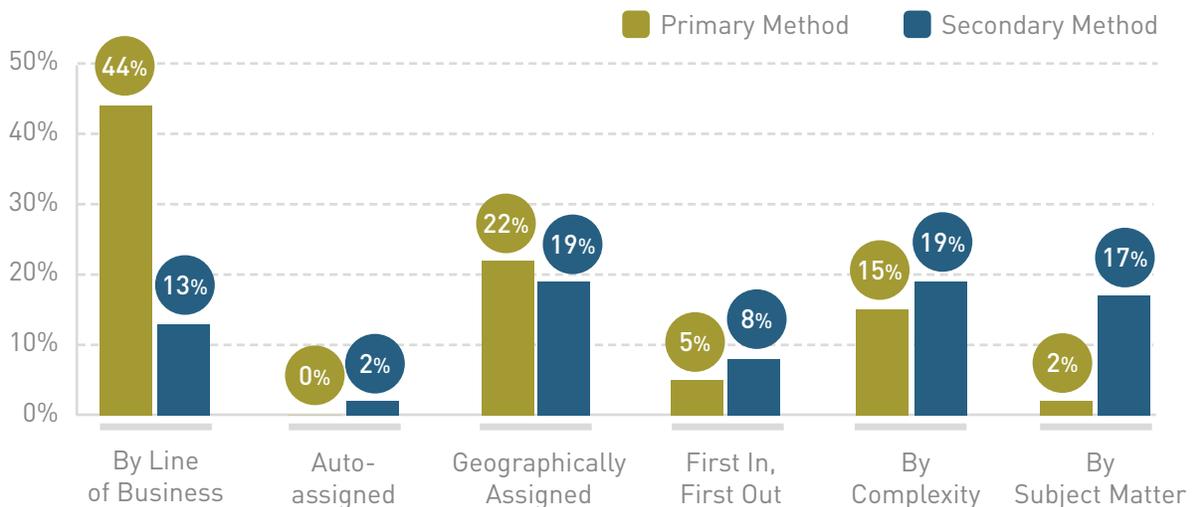
CASE LOAD BY ORGANIZATION SIZE (NUMBER OF EMPLOYEES)



CASE ASSIGNMENTS

The primary method used for assigning cases continues to be by Line of Business followed by Geography as the secondary method. While this gets the ER Professionals closer to the business it is not without its challenges. One participant remarked, "Since issues are handled by line of business, we often see a mismatch of skill levels for the issue being handled." This may be the reason for "complexity" and "subject matter" showing up frequently as a secondary method for assignment.

Case assignment with the COE



LOCATION OF RESOURCES

Technology is allowing centralized teams to be... well, less centralized. Only 36% of COEs actually sit together in a singular corporate center.

Within your centralized or COE model, where do your ER Professionals work?



- In a singular corporate center
- In different geographic locations
- Mixed. Some portion of the team is centralized while others work in decentralized locations

SERVICE LEVEL AGREEMENTS

While the formality of SLAs is still low within COEs, those that did use them typically track response time back to the person raising the issue rather than time to resolution.

SLAs in Centralized Teams/COEs



Participants provided the following examples of SLAs measured in their organizations:



*"Cases received **before 3PM ET**; same day contact.
Cases received **after 3PM ET**; contact made by noon next business day"*
"Time to close based on levels of risk and complexity"



*"For **emergency or high priority cases**, we communicate that the individual will be contacted by their assigned ER Rep within 48 hours or two business days. We can measure this from our case management database which tracks when a case is opened"*

*"Each case type has an **SLA ranging from 5 days to 30 days**"*



*"**First Response: within 24 hours** for high risk cases; all others are within 3 days"*
*"SLA is to reach out to the customer on escalated cases **within one business day**"*



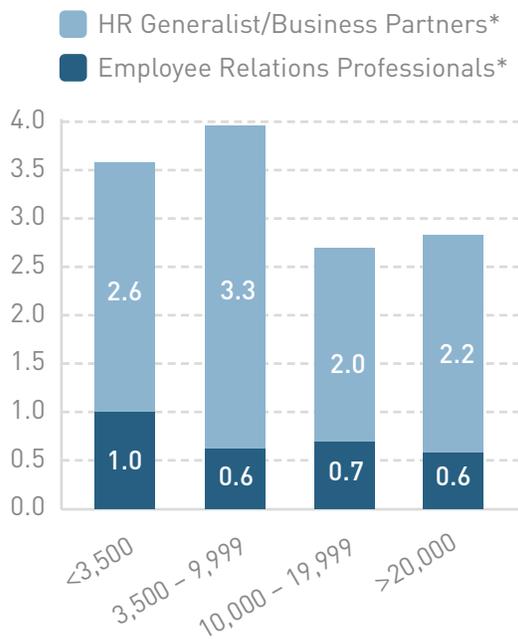
RESOURCES

RESOURCES

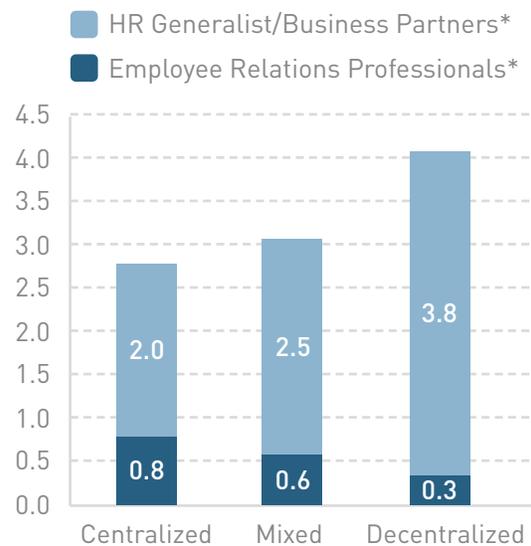
STAFFING RATIOS

How to determine the appropriate number of Employee Relations Professionals continues to be a frequently asked question. To help organizations benchmark their own resources relative to organizational size, we normalize the data by looking at the median number of resources per 1,000 employees.

Staffing Ratios by Number of Employees



Staffing Ratios by Organizational Model



* FTE per 1,000 employees

As expected with scale, the dataset revealed that larger organizations use less overall resources than smaller organizations. It also appears that organizations with Centralized ER Models utilize just over 32% fewer ER Professionals and HR Generalists/Business Partner resources than those with Decentralized Models. While efficiencies may be found when centralizing the skillset and responsibilities, this decrease in resources may also be the cause of the comments regarding staff leanness and high workloads within these groups.

Staffing Ratios by Number of Employees (US only)	Employee Relations Professionals – Per 1,000 employees	HR Generalist/Business Partners – Per 1,000 employees	In-House Employment Counsel Per 1,000 employees
<3,500	1.000	2.579	0.400
3,500 – 9,999	0.625	3.333	0.235
10,000 – 19,999	0.691	2.000	0.204
>20,000	0.577	2.253	0.144
All	0.750	2.444	0.184

Staffing Ratios by Number of Employees (US only)	Employee Relations Professionals – Per 1,000 employees	HR Generalist/Business Partners – Per 1,000 employees	In-House Employment Counsel Per 1,000 employees
Centralized	0.785	2.000	0.883
Mixed	0.576	2.500	0.182
Decentralized	0.341	3.746	0.096
All	0.750	2.444	0.184

IN-HOUSE LEGAL RESOURCES

In the Study, participants were asked if their organization had internal in-house legal resources available to assist with employee relations matters. Overall 82% reported having some lawyers available. This is up from 68% last year. The increase may however be due to the Study having a larger percentage of enterprise organizations participating than last year. Not surprisingly, resourcing of in-house legal staff appears to be largely dependent upon size of organization.

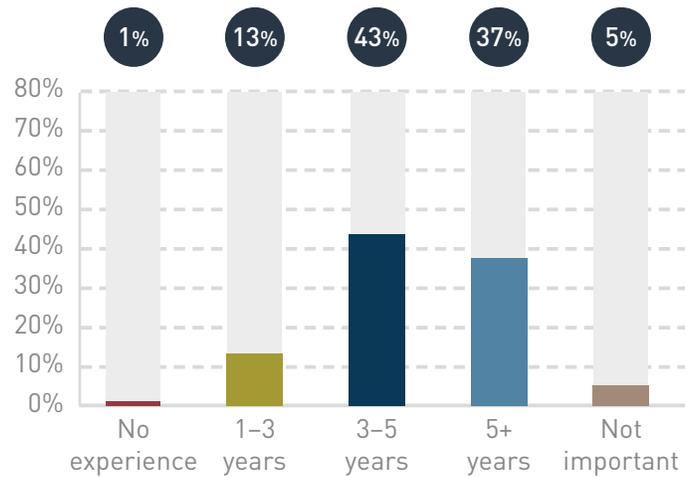
	Centralized	Mixed	Decentralized
Yes	85%	82%	67%
No	15%	18%	33%

	>3,500	3,500 – 9,999	10,000 – 19,999	<20,000+
Yes	50%	67%	92%	100
No	50%	33%	8%	0

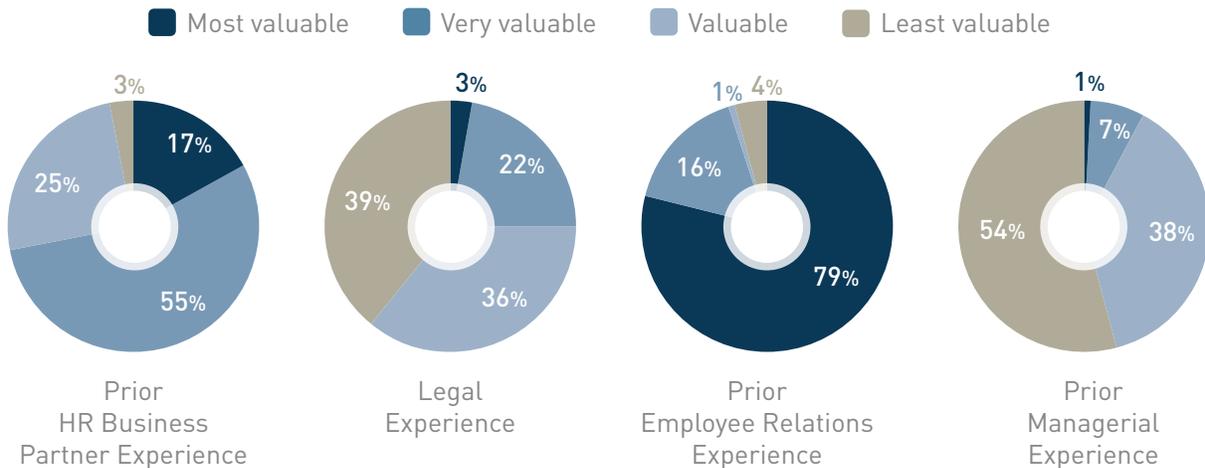
HIRING REQUIREMENTS

During the HR Acuity Employee Relations Roundtable last year, an interesting conversation evolved around finding the right skillset when hiring employee relations professionals. Based upon that discussion, this section was added and for the first time data is now available on the requirements organizations look for when hiring Employee Relations Professionals.

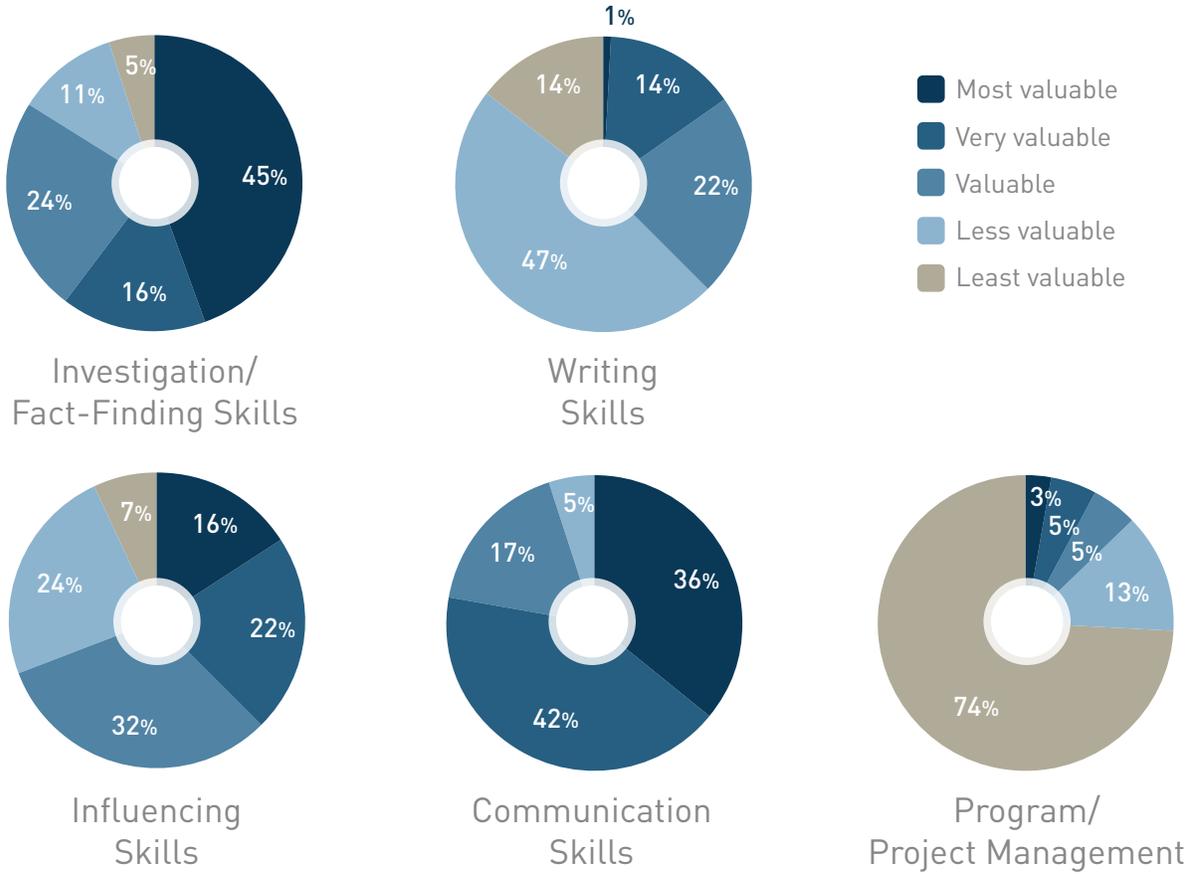
Years of previous employee relations experience required when hiring Employee Relations Professionals



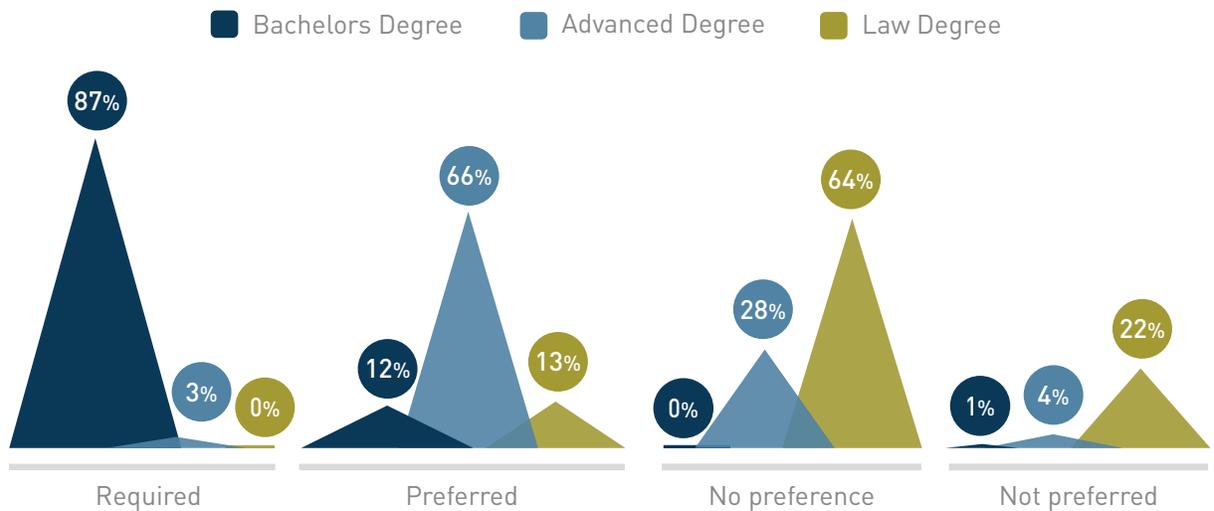
Prior experience found most valuable when hiring Employee Relations Professionals



Important skills for successful candidates when hiring Employee Relations Professionals



Educational requirements when hiring Employee Relations Professionals



Respondents had a lot to share on the topic as well.

“I have spent a lot of the last six months recruiting for ER Managers, and it has been a challenging task. An HRPB background is critical to have, but then I find that candidates with the experience generally lack the ability to keep up with the pace and intensity of an ER focused role.”

Primarily hire based on character attributes, temperament, and critical thinking/analysis experience. Need to be able to deal with ambiguity.

“I want to make sure the candidate has a passion for ER, sees the role as proactive and integrated in HR (not transactional) and not siloed. The successful candidate has to be comfortable working with and interpreting data.”

“We will transfer HR professionals into ER without any prior ER experience but the right aptitude and soft skills have to be there.”

“Employees in these roles need to have the ability to listen intently and collect facts and evidence and remain neutral to the situation at hand.”

“I think that analytical ability is key for folks in this job along with the ability to establish relationships across all levels of the organization. Someone has to be able to relate well to both a housekeeper and an executive and make both feel comfortable.”

“We've had the most success with candidates who have had a combination of both HR generalist and management experience, especially retail management experience. They catch on very quickly and are easily able to apply their prior management/HR skills.”

“We have 2 distinct groups of ER professional: those who work with 'frontline ER' and those who work with directors/leadership. Expectations and experience requirements differ significantly.”

ER professionals are hard to find; there are limited certifications for ERS.

“Very difficult to find qualified candidates. Tend to get lower level candidates who think this is a great learning opportunity versus candidates with experience. Also find that since we are centralized and therefore do most of our work by phone, we have the challenge finding people that are comfortable with that. Most seem to want face to face. Technology has also been an issue. Too many candidates want to handwrite notes and don't like to type which is a problem given we need to enter our notes into our case management system.”

We created an Employee Relations Associate entry level role last year and did not require HR experience.

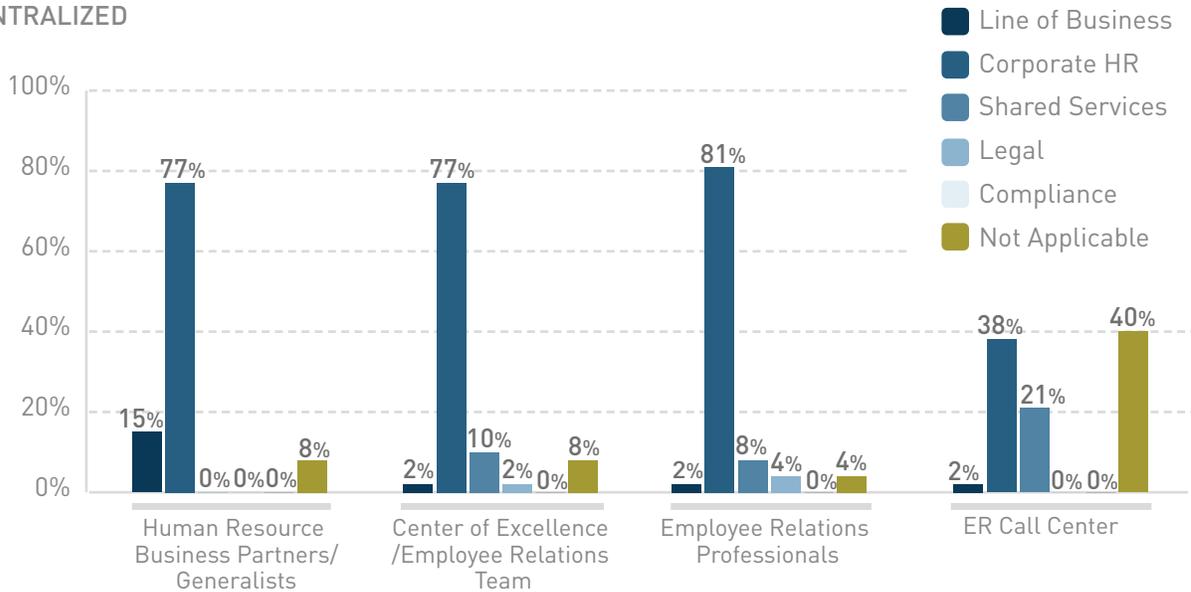
STAFF REPORTING BY MODEL

The largest majority of Employee Relations and Human Resources Professionals continue to report through to corporate. The following charts show reporting relationships by organizational model.

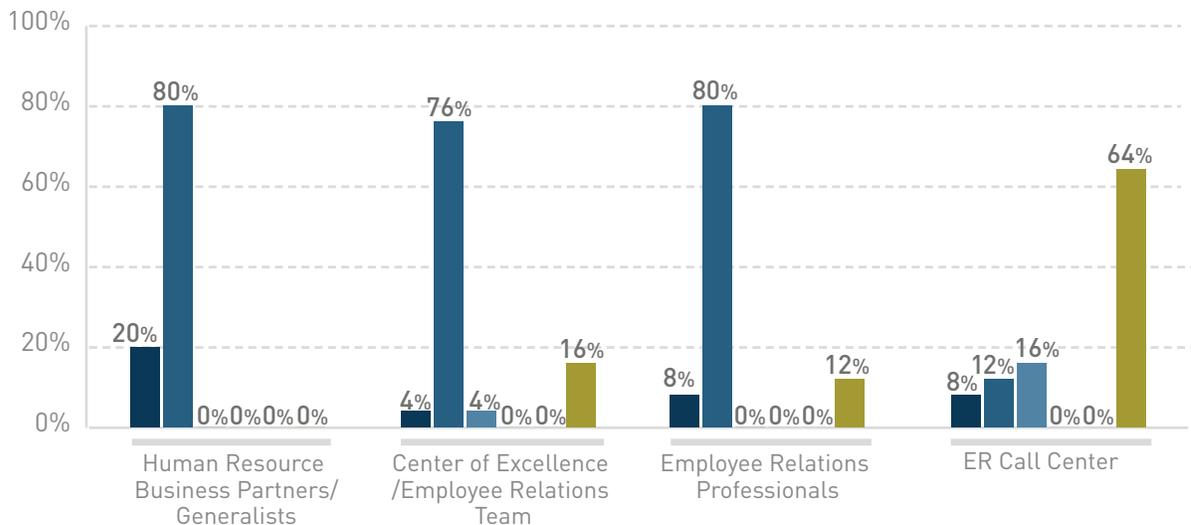
The one noted difference was in organizations who had a Call Center. In those situations, there appears to be a shift toward reporting to a Shared Services function.

In the US, to whom do these roles or functions directly report?

CENTRALIZED



MIXED/DECENTRALIZED





CASE MANAGEMENT

CASE MANAGEMENT

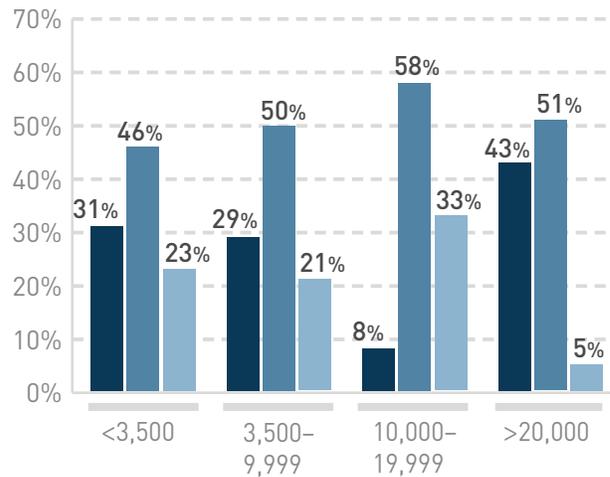
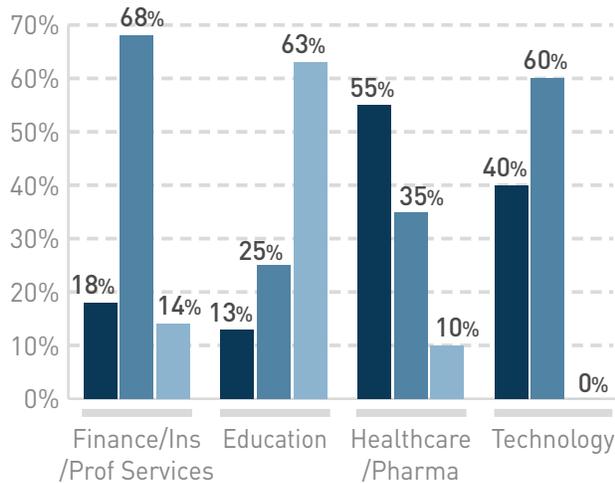
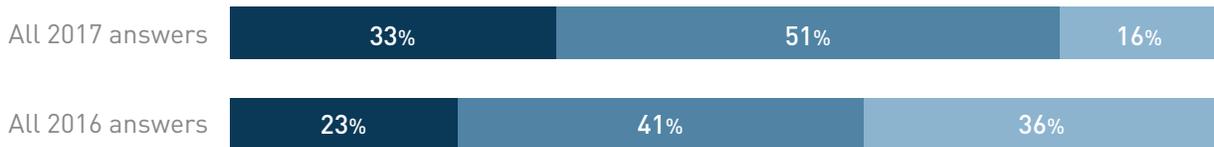
Organizations are starting to place more emphasis on required processes when it comes to investigation rigor.

INVESTIGATION PRACTICES

Participants were asked about their processes for conducting investigations and the rigor behind the requirements. This year, there was a definite shift toward having standardized processes and within that, an increase in processes that were required. Size and industry appear to have influenced that shift as highlighted below.

Method that best describes how investigations are conducted within organizations in the US

■ Required Forms and Templates
 ■ Suggested Forms and Templates
 ■ No Specific Guidelines





One organization’s improved process for managing the remediation of investigatory matters is worth a call out:

In order to drive better consistency across the business, this enterprise professional services firm totally revamped their investigation process about four years ago.

Now the VP of Human Resources chairs a weekly committee to review and make disciplinary decisions on all investigations where there has been a finding that an individual violated company policy. The committee, which includes the Chief Ethics and Compliance Officer, a rotating team of senior leaders, along with advisors from Law and HR, is presented with a summary of the allegation, investigatory findings and recommended level of discipline.

While the investigator provides additional details with regard to how similar matters were handled in the past, the committee members are only provided with job level, time in position and any prior discipline for the involved parties. No other identifying information is disclosed.

Not only has this process improved consistency but also ensures the elimination of bias based on an individual’s level of relationships to others in the company.

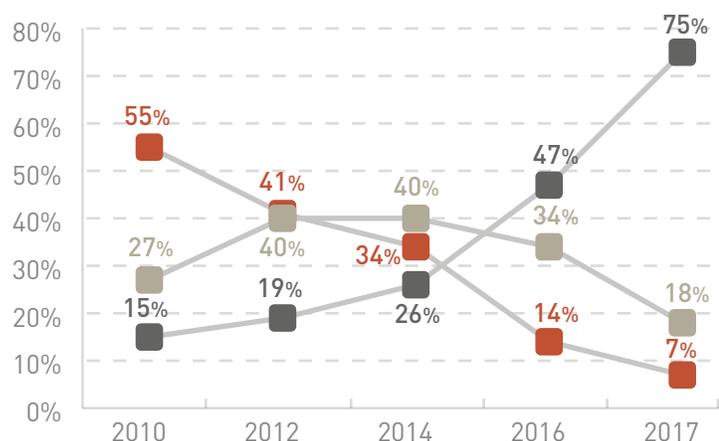
CASE TRACKING

The trend toward the use of technology to manage employee relations continues.

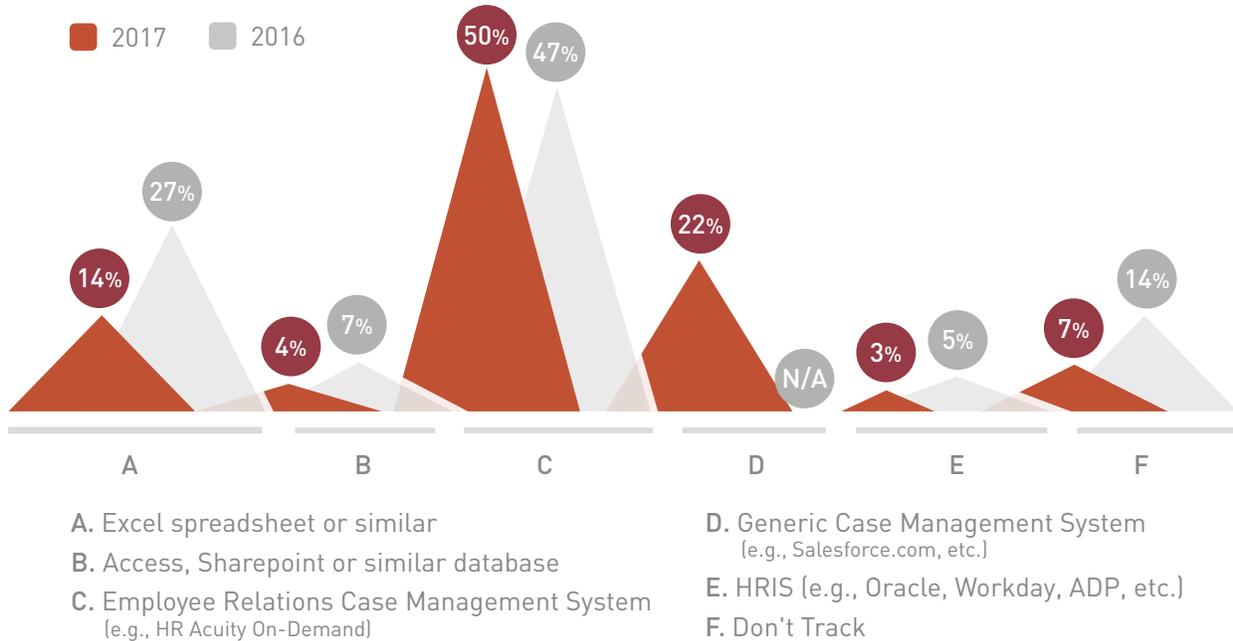
Since the initial survey eight years ago, there has been a huge shift to the reliance on technology to track and manage employee relations matters. As the complexity of an organization grows, the ability to rely on paper/pencil or standard office tools just doesn't cut it. Aside from the legal risks that no or low-tech options create, those methods provide no opportunity to extract meaningful data and insights for the organization.

Technology used for Tracking ER Matters

Employee Relations Management Solution/ Case Management
 Excel/Access or similar
 No Tracking

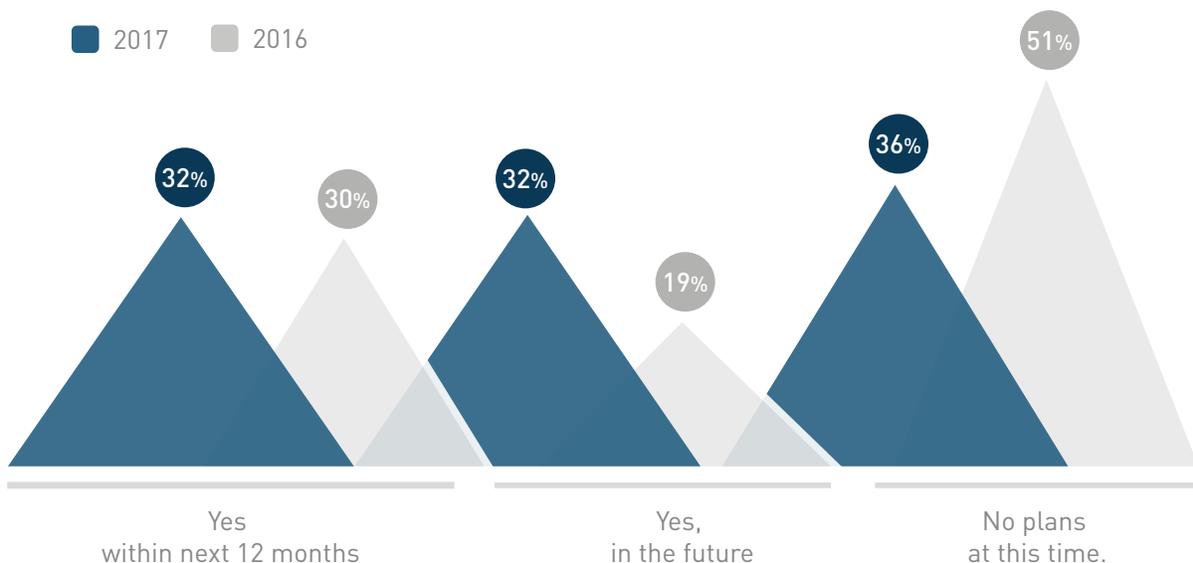


Primary method of tracking employee relations issues and investigations in the US



As organizations recognize the value of Employee Relations data, it is expected that there will be a continued transition to the use of technologies specifically focused on capturing, processing, reporting and analyzing Employee Relations matters.

Plans to transition to an employee relations/HR case management system



How have you most effectively used technology to proactively manage employee relations?

Technology allows us to securely store interview notes and all related documentation by case. It also gives us the ability to view and manage the ER team's workload and performance. The reporting capabilities let us analyze the data and share it with our HR partners and business unit leaders to help create solutions to improve the work environment.

“Historical data ensures consistent practices and processes; Trackable information helps us detect performance/succession; Policy violations and EEOC trends are identifiable.”

“We have been able to have some wins already with HR Acuity. This has included being able to keyword search on historical cases to ensure we are being consistent in our recommendations for cases. This has also included reporting for HRBPs on key themes and issues.”

“Identify trend data that the Employee Relations function uses to inform other work streams in HR regarding policy/programmatic change recommendations.”

Used to identify hot spots and implement solutions to address.

“We utilize trending data to help inform critical areas in need of review and action.”

“Metrics are presented to the business to identify trending and case load with regard to investigations conducted and performance management.”

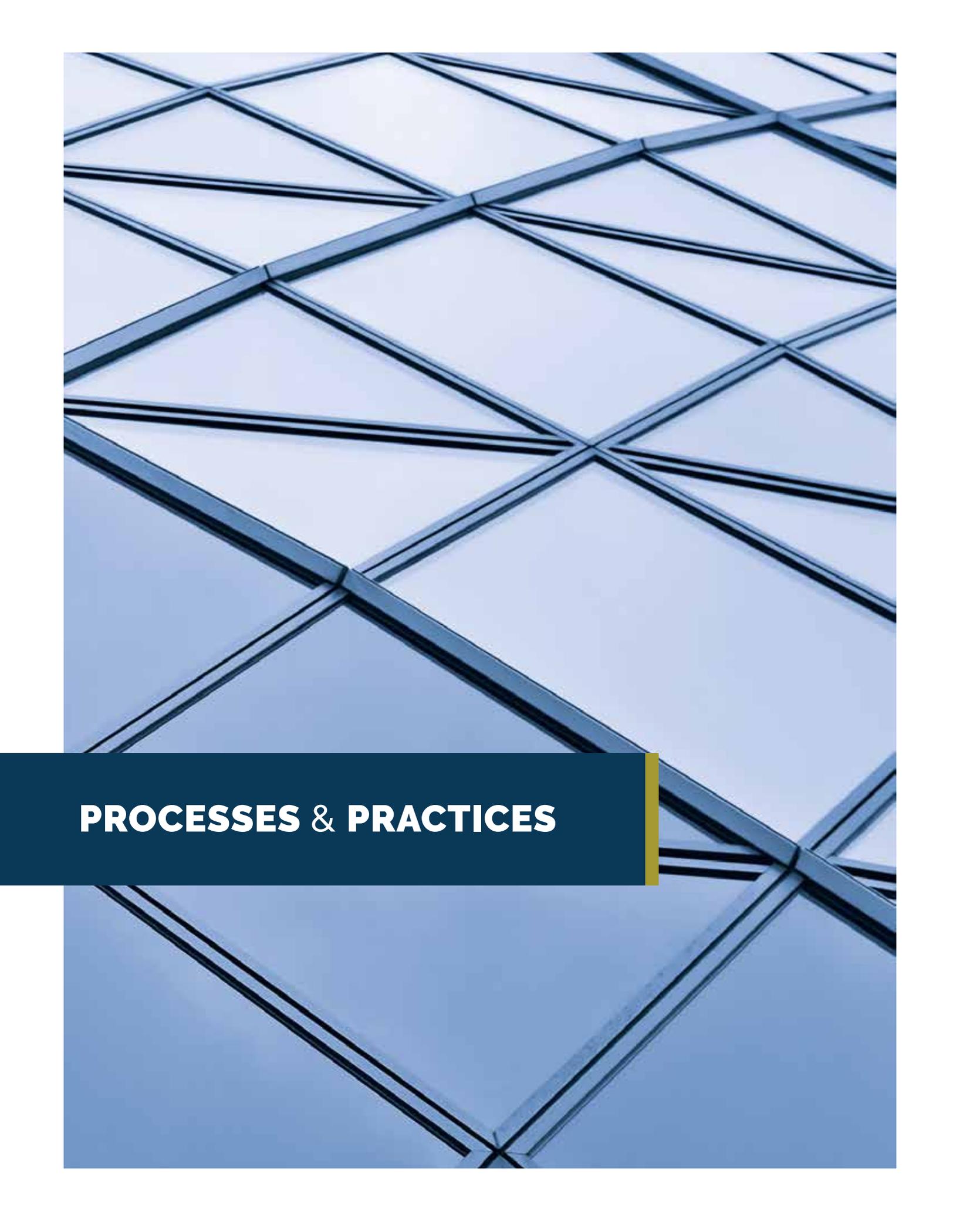
“It helps with trend analysis and proactive strategic planning on what types of programs or training managers need and also helps with determining if we need more ER Reps (utilization).”

Goal is to have an effective info and data gathering system to proactively identify training opportunities.

“Create a scorecard and reporting to HR and business leaders to manage ER partner workload, identify trends and then create proactive solutions and training.”

It helps set the culture of ethics within the organization.

“We have only had the system in place for 1 year. We are starting to look at data and pinpoint where we have repeating issues and trends so we can provide training or take other action.”



PROCESSES & PRACTICES

PROCESSES AND PRACTICES

Each year our Study includes a few questions related to specific practices. This year's focus was on how employee relations partners with the businesses on recommendations for remediation of matters, the use of arbitration agreements and the termination process. If there are specific issues you have about practices in other organizations, please contact HR Acuity. They may be featured in a future Study.

MAKING BUSINESS RECOMMENDATIONS

Respondents were asked to share the role they play in "next steps" after managing an employee relations issue or conducting an investigation. Overwhelmingly employee relations professionals not only share recommendations but provide context and risk for taking alternative paths.

After managing an employee relations issue or conducting an investigation, what role does the employee relations professional in your organization play in "next steps"?



Procedure when business leaders don't want to follow the recommendation of the ERP or want to do something deemed risky:

- 0%** Nothing, it's their decision
- 4%** This never happens
- 25%** It's their decision but maintain documentation that you have made a different recommendation
- 71%** Escalate to the next level of leadership

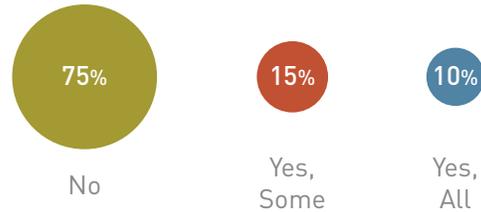


71%
would
escalate

ARBITRATION AGREEMENTS

There has been much in the press lately about the use of arbitration agreements. At the time of this Study, the Supreme Court is hearing arguments on whether class-action waivers in arbitration agreements are enforceable. Given that 75% of participating organizations indicated that they do not use these agreements, it will be interesting to see how this decision impacts the trend in the future.

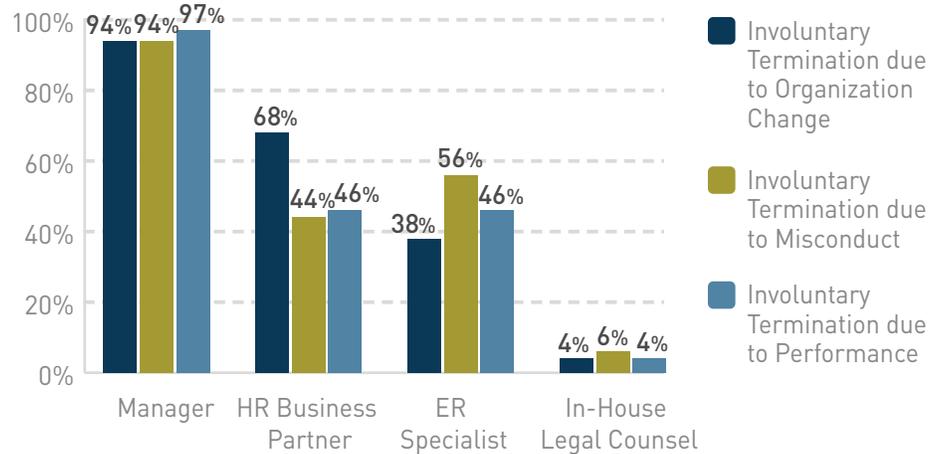
Does your organization require US employees to sign arbitration agreements as a term of employment?



TERMINATION PROCESS

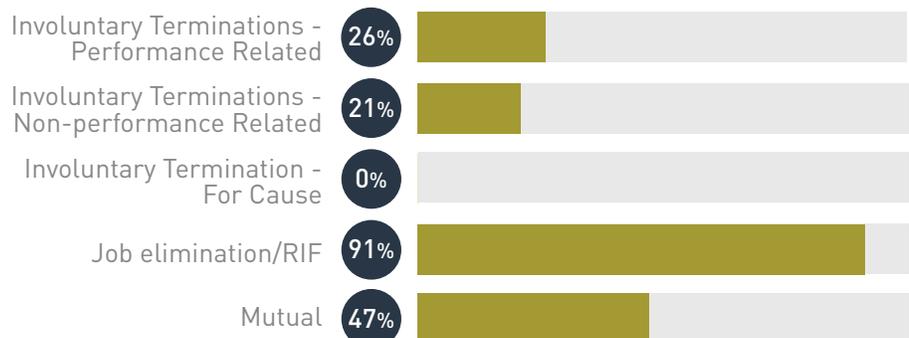
Participants wanted to know who is involved in termination discussions. While managers for the most part are present, there was a variation based upon reason for termination.

In general, who typically participates in a termination discussion with a non-executive employee?



When it comes to severance payments, the answers were consistent for terminations related to job eliminations and “for cause” circumstances. Other situations were not as clear cut.

Circumstances in which severance is paid in the US





**ISSUE MANAGEMENT
& TRENDS**

ISSUE MANAGEMENT & TRENDS

WHO MANAGES WHAT?

The Study asked participants to identify who handles different types of employee relations issues in their organization. For each issue type presented, respondents indicated involvement based upon Tiers:

Tier 1: The initial intake of employee-related events or issues. Typically will include more routine matters or Q&A that are generally resolved quickly based upon policy or standard operating procedures. Low risk.

Tier 2: Matters that require escalation due to increased level of complexity or policy interpretation. Typically matters related to low-level officers and below personnel. Medium to high risk

Tier 3: The most complex employee-related issues or investigations. May require the additional expertise of a particular in-house group. Typically will include matters related to executive/senior office level personnel. Highest risk.

For example, for Performance Management, Managers/Supervisors may do the initial intake or “Tier 1” but once escalated to “Tier 2”, the HR Business Partners get involved.

Answers were requested for issues that fell into each of the following categories: Performance Issues, Policy Violations, Work Arrangements/Environment, Terminations, Legal/Regulatory Issues and Contingent Workforce Matters. While all of the data is available in the full Study results, we have provided graphical representations for Performance Documentation, Unprofessional Conduct/Behavior, Policy Violations and Allegations of Harassment/Discrimination and EEOC Allegations based upon both Organizational Model and Role.

One of the observations involves the roles of the HRG/HRBP and that of the Manager (non-HR). It appears that within a Centralized Model, the commitment of time on issues such as policy violations and performance management shifts to the manager and employee relations professional versus the HRBP. In a Centralized Model, HRBPs also saw a reduced workload when it came to matters such as accommodations, leave management issues and matters alleging theft, fraud or falsification.

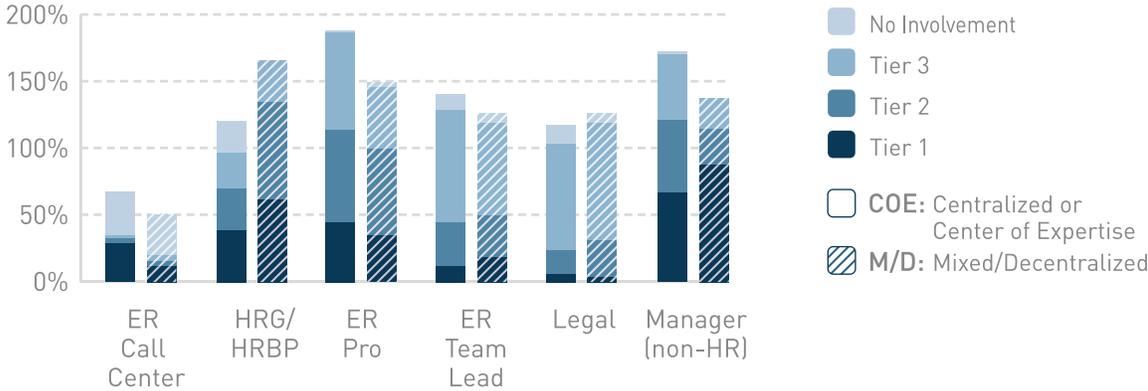
Performance Documentation

(e.g. written warning, final warning, PIP etc.)



Policy Violations

(e.g., code of conduct, electronic communication violations, confidentiality violation, misuse of social media, dress code, T&E violation, etc.)

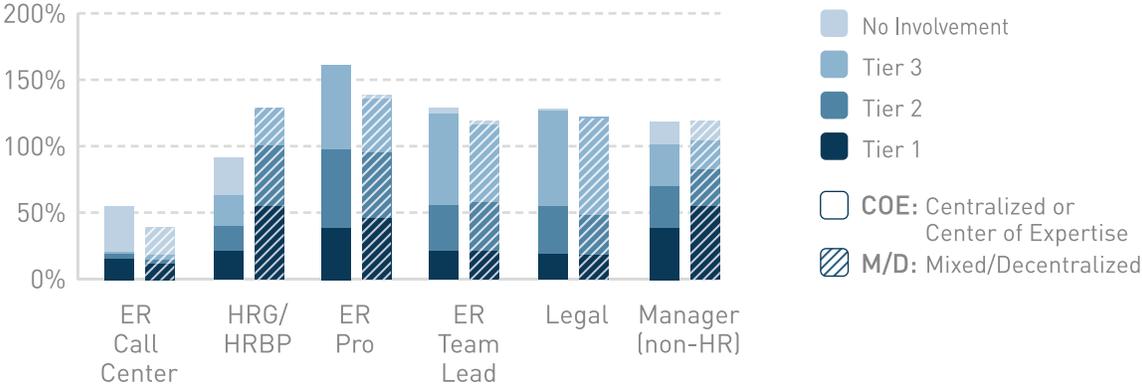


Unprofessional Conduct/Behavior

(e.g., conflicts with managers, bullying, non-protected harassment, insubordination, disputes with co-workers/clients, etc.)

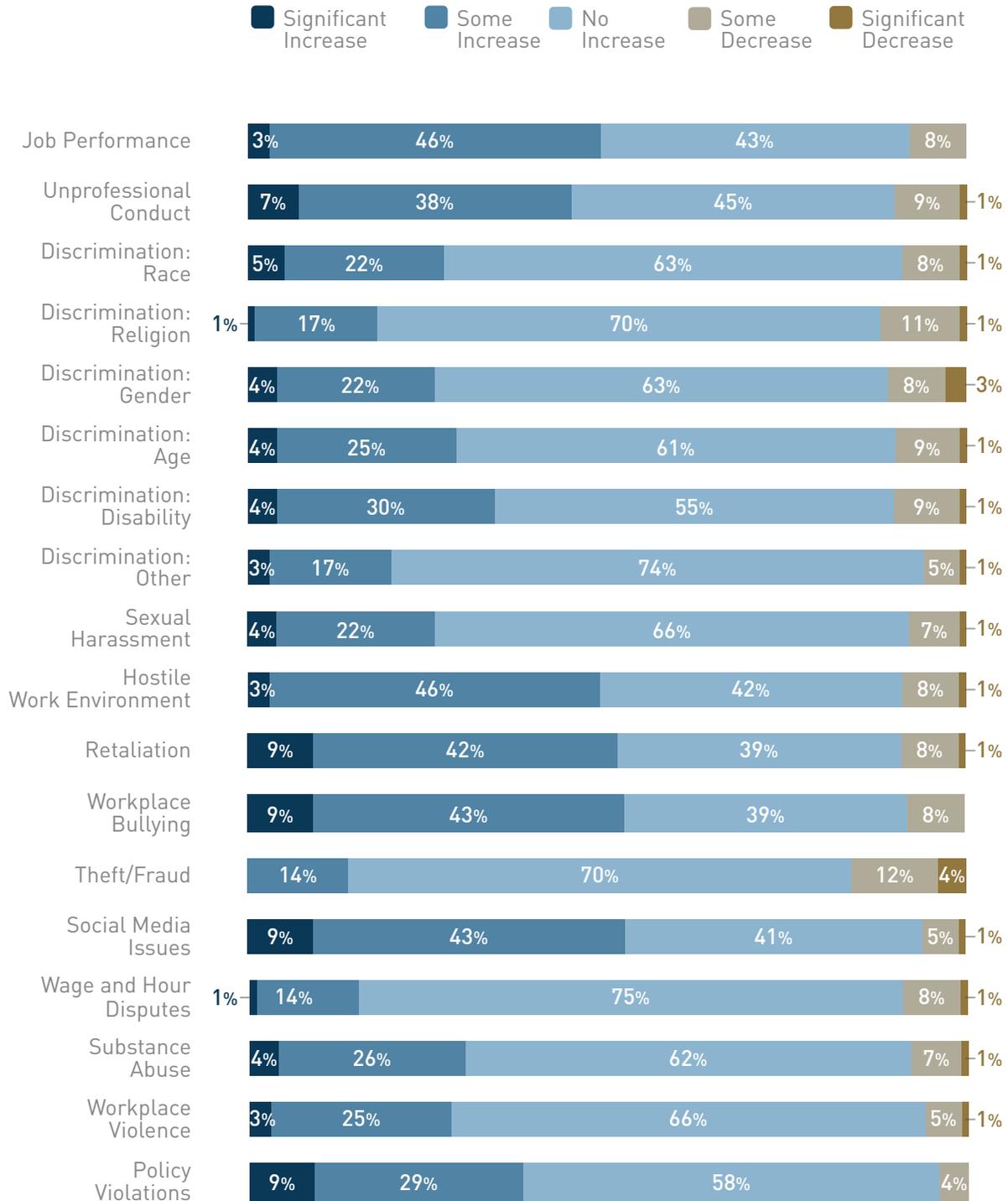


Allegations of Discrimination/Harassment/Retaliation



ISSUE TRENDS

Organizations that reported the most significant increase in cases were those related to retaliation, social media, bullying and non-sexual harassment.



Attribution for these changes was primarily associated with organizational change, the political environment and an increased awareness by employees of their perceived rights. It will be interesting to see if politics continues to have an impact in future years.

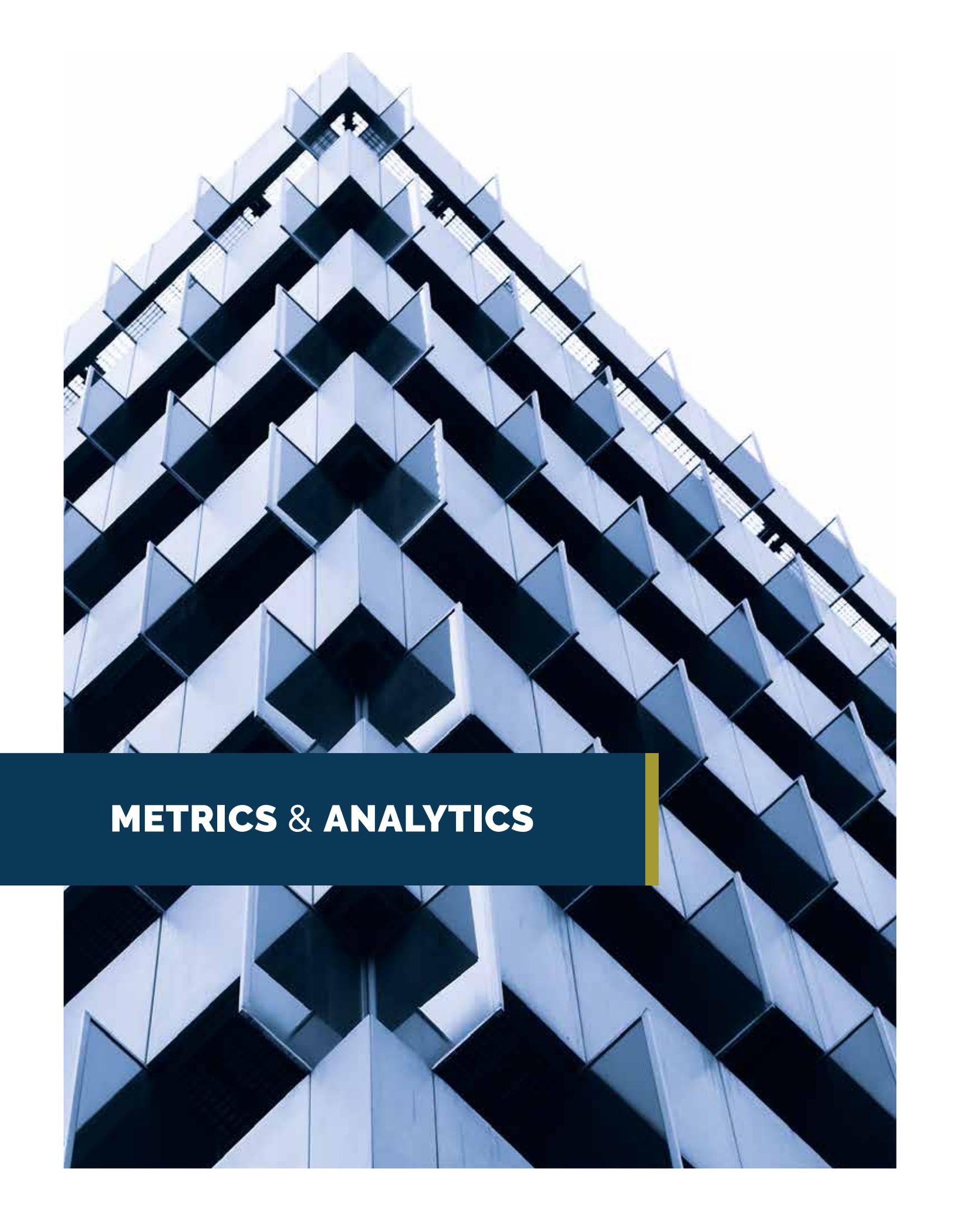
To what do you attribute the increase in employee-related events/issues over the last year?



ISSUE VOLUME

The challenge for the participants, as well as for many HR Acuity clients, is to understand how many issues are too many. Finding those benchmarks among industry peers or within similar sized organizations is an important way to establish the effectiveness of organizational cultures, policies and practices. While initiatives like this Study and networks such as the HR Acuity Employee Relations Roundtable set the framework for consistency in definitions and tracking, it will take time.

ISSUE CATEGORY	Average no. per 1,000 employees
Performance Issues (e.g., Performance Counseling or Discussion with employee, Performance Advising or Coaching with manager or supervisor, Performance Documentation, Performance Employee Rebuttal etc.)	69.89
Behavioral Issues (e.g., Unprofessional Conduct, Inappropriate Behavior, Bullying, Non-protected Harassment, Insubordination, Conflicts between co-workers, etc.)	32.49
Policy Violations (e.g., Inappropriate use of Social Media, Workplace Violence, Electronic Communication, Code of Conduct, Confidentiality, Theft, Fraud, Falsification, Attendance, Substance Abuse, etc.)	68.33
Leave Management Issues (e.g. FMLA, Disability, Jury, Military, PTO, etc.)	49.45
Accommodations (e.g. ADA, Religious, Gender, Interactive Discussions, etc.)	12.72
Allegations of Discrimination/Harassment/Retaliation (not including any EEOC or administrative charges)	7.34
EEOC/Administrative Charges	1.82



METRICS & ANALYTICS

METRICS AND ANALYTICS

"The analytics confirm what our gut was telling us. Now we are able to use data to confidently tell the story and back up our recommendations to help get them accepted."

"Before I was just measuring volume. Now I can drive more business value."

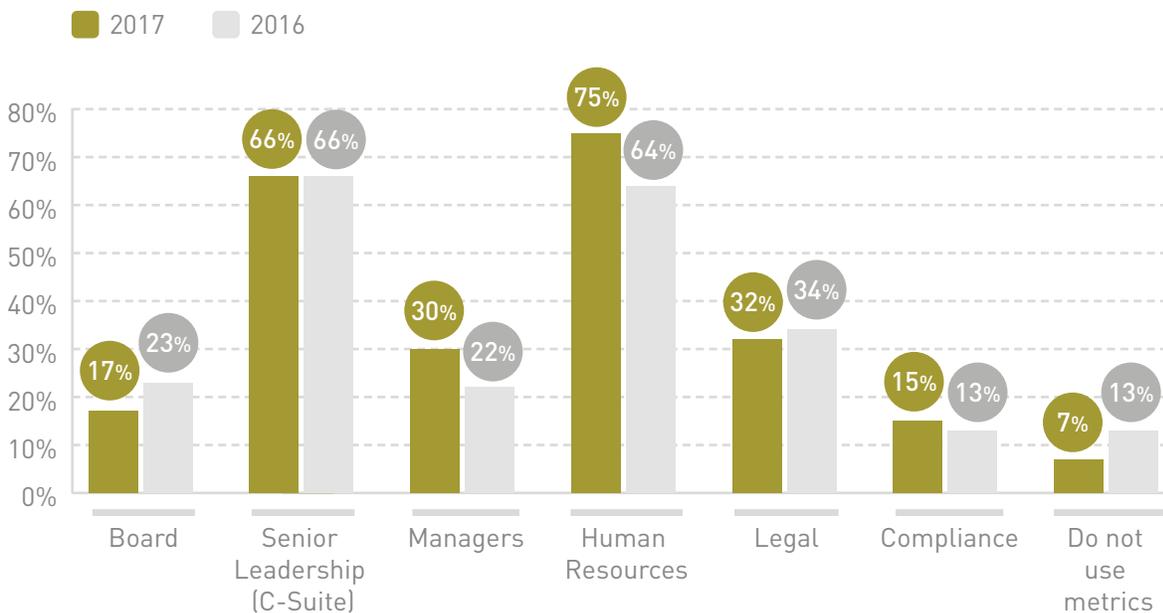
Now we have a proactive data-driven strategy for managing employee relations.

"The data is driving operational staffing decisions and priorities"

Having information allows us to holistically work with our HR Business Partners to address root causes.

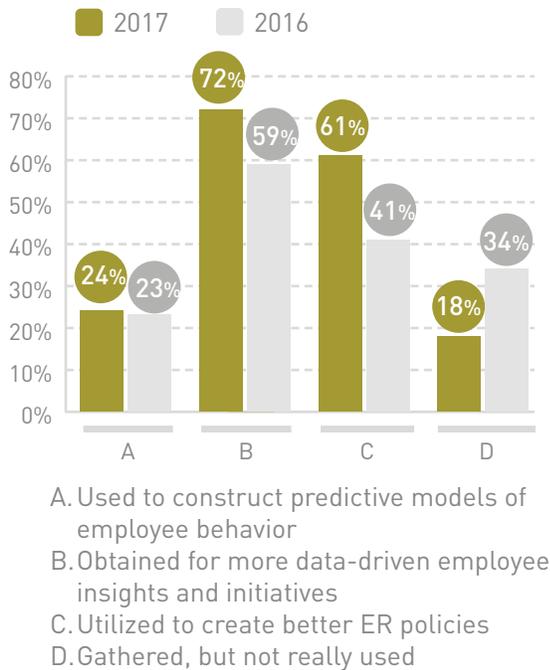
As the sophistication and strategic impact of employee relations continues to grow, so does the need and desire for strong analytical information to impact business decisions. This year's data demonstrated that metrics are now being shared more frequently among managers and within HR.

To whom in your organization do you report metrics related to employee relations activities?

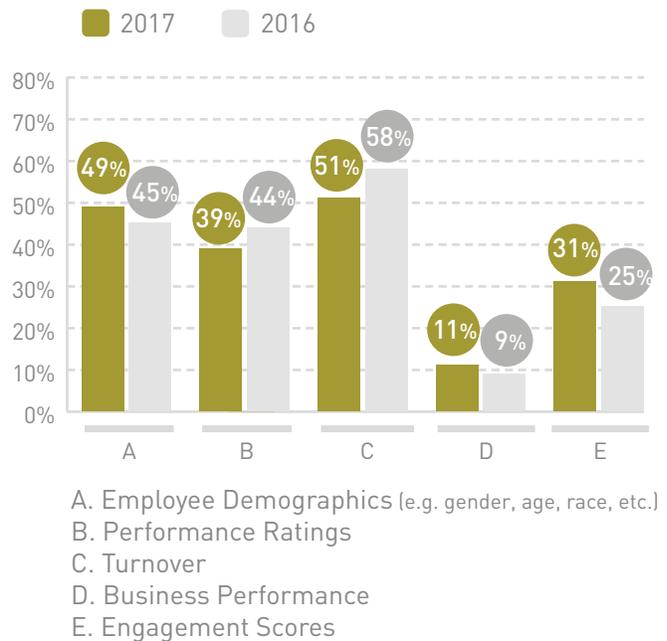


The biggest use of metrics right now is to obtain data-driven insights as well as to support new or modified policies.

How are metrics currently used?



What other data do you integrate with employee relations data for further analysis?



There is clearly a passion for analytics amongst the Study participants and many shared comments and examples of how employee relations analytics are being used within their organizations. The most exciting were the specific examples of how and what data was captured, in addition to the impact this information has had on the organizations. Here are some of the highlights:

“We have been focused this year on fixing our processes and increasing efficiency on the ER team. The data we have has helped us measure that success. For example, after investigation training, our time to close on more sensitive investigations was cut in half. Beginning of 2016...we had 100+ days to close for retaliation...now it is just over 30. Discrimination cases went from being open over 100 days to now on average 45 days.”

“We saw in the data that we had an increase in theft of time and determined that employees figured they could access our time keeping system on their phones through their internet browser. The policy was updated to state that use of the personal phone was not allowed which was broadly communicated so that all employees were aware of the change.”

The ER leadership team reviews the workload information gathered from case management to evaluate structure, we have added headcount as a result and shifted client groups to even out. We have also used the data to justify adding “floater” headcount to assist with higher workload.

“We used severance breakdown to analyze how much we were spending on underperformers. From those data points, we were able to inform leaders that their managers needed to focus on how to better manage under performers so that we are not paying them to exit the company.”

“We’ve used it to help the business ID an area that a high % of colleagues were making mistakes and being put on corrective action and then resigning. We wanted to use the data to address it from the root cause. We looked at % of rebuttals or disputes to discipline or term to ID unusually high areas and were able to determine there were more inexperienced managers who were uncomfortable delivering difficult messages. We developed role based training to help these managers become more comfortable and ultimately reduce turnover.”

“Before we put an employee on a PIP, we offer an opt out with severance. This year we looked at our success with this option. It’s about 40%. That’s ok but now we have to consider if we want to make that higher. How would we do that? What would be the costs and associated value. Those are the conversations that this data generates.”

“The data is driving operational staffing decisions and priorities. For example, we identified a specific market with a larger number of issues than our other markets. That helped us influence getting employee relations people in those offices.”

We take a look at the information by business and by region, specifically focusing with the leaders on the top five trends. Where are they unique compared to the region as a whole, we figure out if there is an issue. For example, one region had an upward trend on ethics and compliance issues so we implemented ethics circles in that area.

“A recent example was how we evaluated attendance, behavior and performance issues in a particular group during the new hire training period. Using ER analytics, we worked internally to develop a performance management program which helped them effectively manage those issues on a more timely basis.”

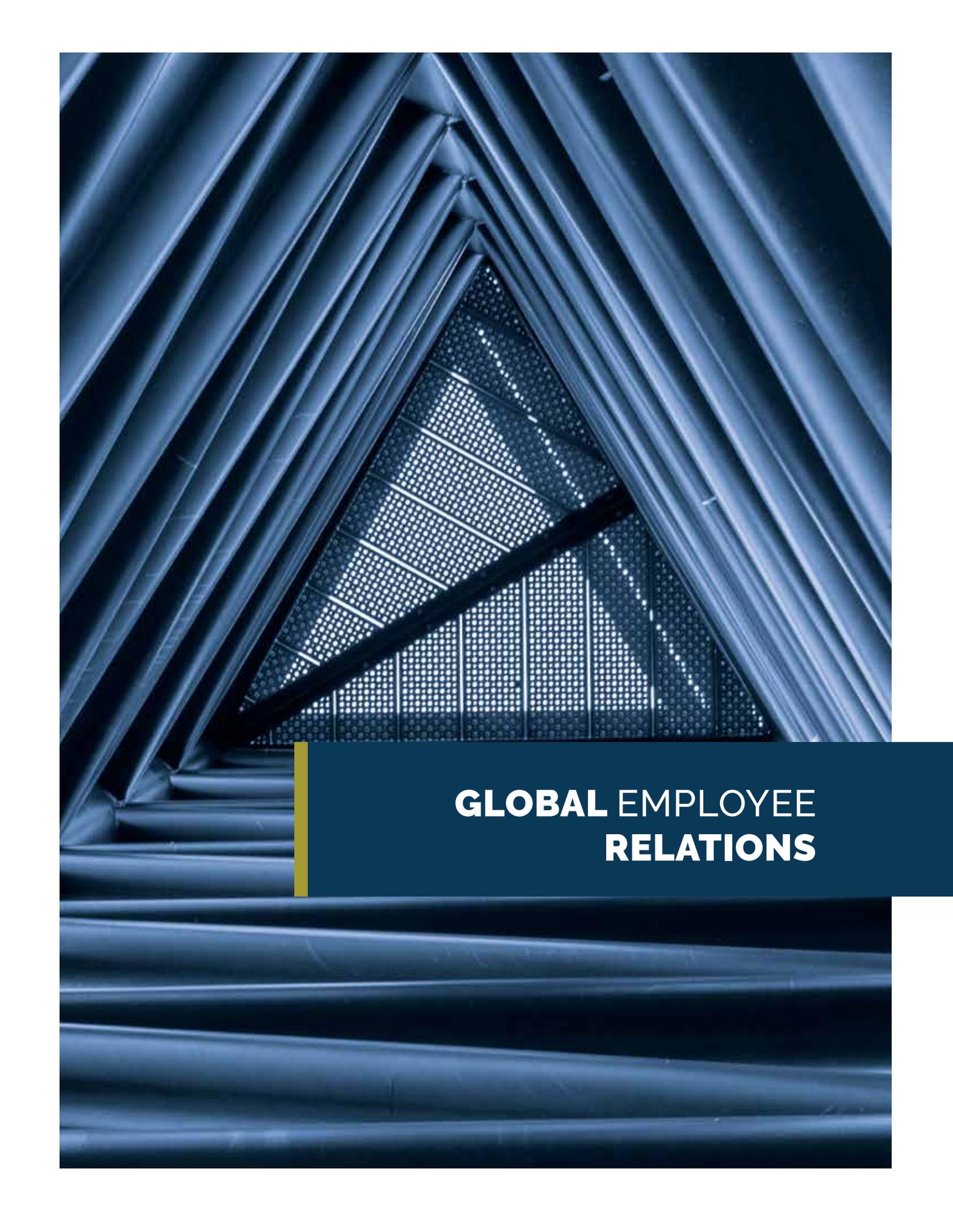
“We have set up each of our HRBPs with saved reports for their populations so they can see what open cases exist. We have also been able to run summary reports on key areas which has led to training for managers and employees.”

We have an ER Dashboard that we can customize or cut & paste graphs from for specific presentations. For example, we will customize based on the business we are speaking to. Or we may customize based on case type - for example fraud and falsification - so that we can see if there are spikes in cases or more than the average number of cases in a specific area.

“We were able to show increasing ER issues in our US hub offices by comparing over several quarters, investigations per capita, rate of basis found/no basis. This data was used to determine ER support model adjustments and provide more support in our hub offices.”

“By reviewing trends related to performance or employee relations issues such as conduct, absenteeism or policy violation, we can determine what measures need to be put in place to minimize the same types of issues from continuing. This can include the creation of guidelines for use across business units, further training for managers and employees, and/or a review of our hiring practices.”

We provide quarterly and annual reports to the Sr. Human Capital team for each major business segment, with an additional breakdown by the internal business segments. The information includes call and case volumes, types, cases per 100 employees, trends in volume and types of cases, average days to close, RIF volume and severance dollars, training provided by ER, accommodations, and leave of absence data.

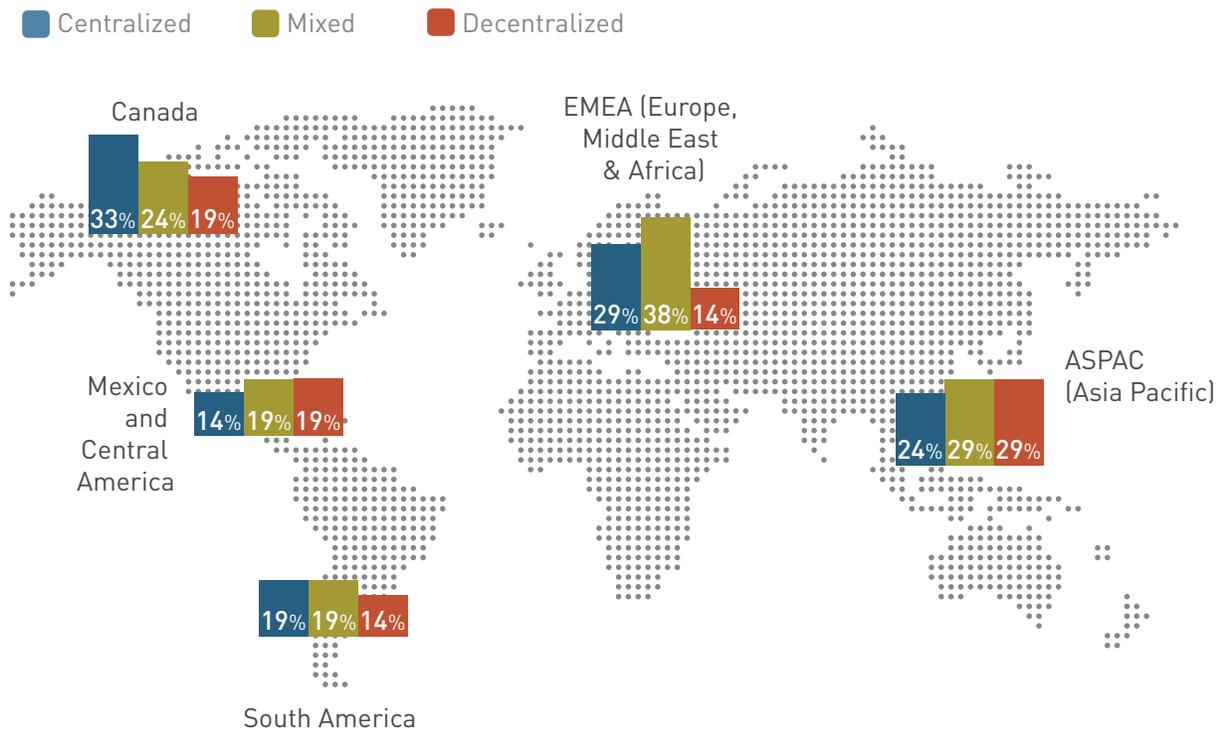


**GLOBAL EMPLOYEE
RELATIONS**

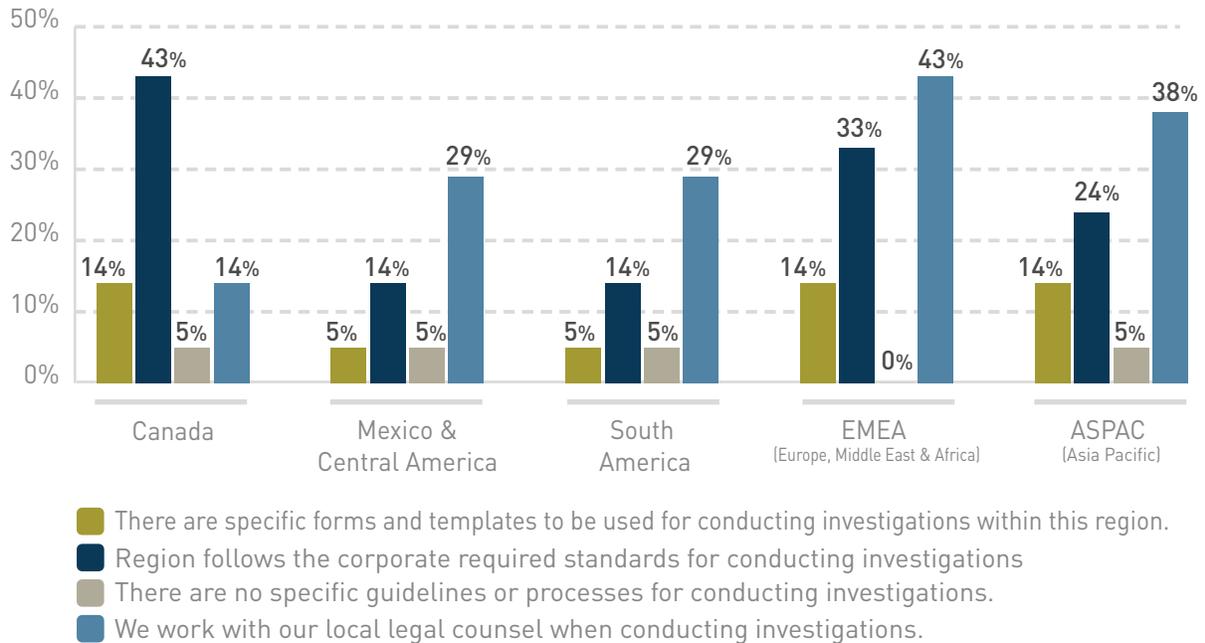
GLOBAL EMPLOYEE RELATIONS

This year for the first time, the Study looked beyond the US for information on what organizations are doing regarding employee relations. This optional section of the Study was completed by about 20% of participants. Given the small sample size, it is not possible to draw any conclusions but does validate the expansion and interest by organizations to be more holistic in their approach to employee relations matters. Input was requested on model, investigatory process and tracking mechanism. Future studies may explore these topics further. If there are specific global questions you would like HR Acuity to consider, contact benchmark@hracuity.com or call 888-598-0161.

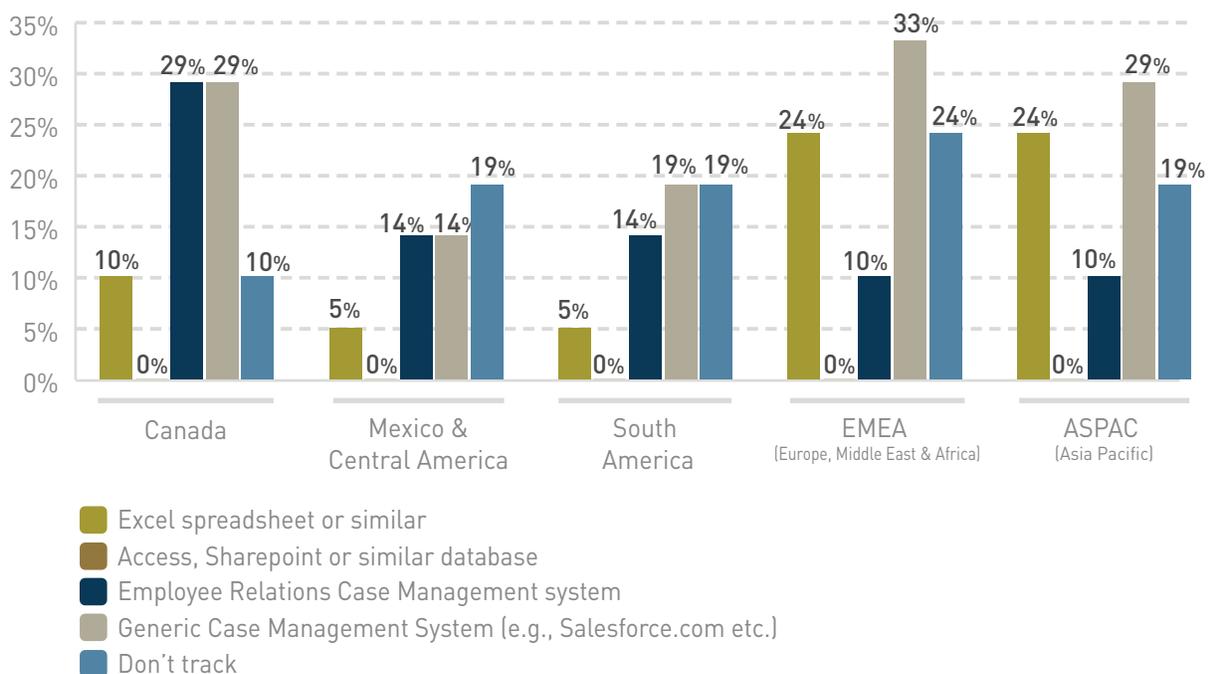
Choose the description that best describes your current employee relations model within each region.



Choose the method best describes how investigations are typically conducted within each region.



Choose the method that best describes how each region tracks employee relations issues and investigations.



HR Acuity® is the leading provider of employee relations and workplace investigation solutions. By combining its “HR-First” methodology and state-of-the-art software, HR Acuity® enables organizations to reduce costs and mitigate the legal, financial and reputational risks associated with adverse employee-related events.

Our award winning Employee Relations Management System

HRACUITY™ On-Demand

Standardizing how employee-related events are managed, documented, and followed-through to completion.

Structured Investigations

The HR Acuity® 3-Step Investigation Process provides HR Professionals with a dynamic blueprint for conducting thorough and accurate fact finding.

Powerful Analytics, Proactive Intelligence

Instantaneous and flexible analytics enable objective and proactive analysis of employee behaviors, managerial impact and workplace engagement.

Consistent Documentation

Proper and consistent documentation of employee issues ensures fair treatment of employees and protects your organization.

Engaging the Workforce from Start to Finish

The Post-Hire and Exit Interviews provide an effective way to capture invaluable information from your new and departing employees.

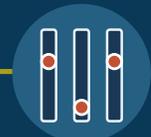
THE HR ACUITY® 3-STEP PROCESS:



PLAN



INVESTIGATE



DETERMINE

HR Acuity® is certified as a Women's Business Enterprise by the Women's Business Enterprise National Council.

hracuity.com